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Referred: Resources and
Finance

1 IN THE SENATE

BY BLODGETT

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 200

3 ~~IN THE LEGISLATURE OF THE STATE OF ALASKA~~

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a tax on the harvesting of
7 forest products."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 77. FOREST PRODUCTS TAX.

11 Sec. 43.77.010. LEVY OF FOREST PRODUCTS TAX. (a) For the
12 harvesting of forest products, there is levied upon every person owning
13 harvested forest products a tax of 30 cents per 1,000 feet, board
14 measure, on all merchantable forest products harvested in the state.

15 (b) In computing the tax, the first 25,000 feet, board measure,
16 of forest products harvested annually by a person during each fiscal
17 year shall be excluded from the total quantity of harvested forest
18 products.

19 Sec. 43.77.020. METHOD OF MEASURING BOARD FEET. To measure the
20 total quantity of forest products subject to the tax, a log scale which
21 is or may be in general use in the logging industry and which is
22 designed to measure total volume of merchantable forest products in
23 board feet shall be used. If the department finds that the scale used
24 by a person in computing the tax due under this chapter does not
25 accurately reflect the total quantity of merchantable forest products
26 harvested by him, it may require the person to adopt another log scale
27 in general use in the industry which in the department's opinion will
28 accurately reflect his merchantable harvest in board feet. In the case
29 of salvage operations, where the log scale used does not reflect the

1 total volume of merchantable forest products in board feet, the person
2 paying the tax may make a percentage deduction to determine the volume
3 which is reasonable for the area from which the forest products were
4 harvested. The deduction shall be subject to the approval of the
5 department.

6 Sec. 43.77.030. PAYMENT OF TAX. The tax levied in sec. 10 of this
7 chapter shall be paid quarterly. The tax is due on or before the last
8 day of October, January, April and July for the preceding calendar
9 quarter. If the tax is not paid on or before the end of the month in
10 which it becomes due, the tax becomes delinquent.

11 Sec. 43.77.040. FILING OF STATEMENTS. (a) The tax shall be paid
12 to the department and the person paying the tax shall file with the
13 department at the time the tax is required to be paid a statement show-
14 ing the amount of the tax for which he is liable for the preceding
15 calendar quarter and other information which the department by regula-
16 tion may require.

17 (b) Statements become delinquent 30 days after the time fixed for
18 filing. Each person required to file a statement is subject to a
19 penalty of \$25 a day for each day a statement is delinquent. The
20 penalty for failure to file a statement is in addition to the penalty
21 for delinquent taxes, and is a lien against the assets of the person
22 failing to file a statement.

23 Sec. 43.77.050. POWERS OF DEPARTMENT OF REVENUE. The department
24 may (1) require a person engaged in harvesting forest products and the
25 agent or employee of the person to furnish additional information that
26 is considered by the department as necessary to compute the amount of
27 the tax; (2) examine the books, records, and files of such a person;
28 (3) conduct hearings and compel the attendance of witnesses and the
29 production of books, records, and papers of any person; and (4) make

1 an investigation or hold an inquiry that is considered necessary to a
2 disclosure of the facts as to the amount of harvesting taking place in
3 a certain area.

4 Sec. 43.77.060. INCORRECT RETURNS. The department may determine
5 whether or not a return required by this chapter to be filed with it is
6 correct. If a person makes an untrue or incorrect return of the gross
7 production or the value of it, or fails or refuses to make a return, the
8 department shall, under regulations prescribed by it, determine the
9 correct amount harvested or the value of it, and compute the tax.

10 Sec. 43.77.070. DELINQUENCY. When the tax provided for in this
11 chapter becomes delinquent, it bears interest at the rate of seven per
12 cent a year. If a person fails to make a report required by this
13 chapter within the time prescribed by law for the report, the department
14 shall examine the books, records and files of the person to determine
15 the amount and value of the production to compute the tax, and the
16 department shall add to the tax the cost of the examination, together
17 with accrued penalties.

18 Sec. 43.77.080. LIEN FOR TAX. The tax is a first and paramount
19 lien against the real and personal property of the person owing the
20 tax. The tax may be recovered at the suit of the state upon relation
21 to the department.

22 Sec. 43.77.090. COLLECTION AND DEPOSIT OF REVENUE. The department
23 shall deposit quarterly in the general fund the money collected by it
24 under this chapter.

25 Sec. 43.77.100. REFUNDS. In case of overpayment, duplicate pay-
26 ment or payment made in error, the department may issue a certificate
27 stating the facts and the amount of the refund to which the taxpayer is
28 entitled. Upon presentation of the certificate to the Department of
29 Administration, the Department of Administration shall issue a warrant

1 for the refund. The refund shall be paid out of the unappropriated
2 gross production tax in the treasury.

3 Sec. 43.77.110. ADMINISTRATION. (a) The department may adopt
4 regulations for the purpose of making and filing reports required by
5 this chapter and otherwise necessary to the enforcement of this chapter.

6 (b) The department may require a sufficient bond from every person
7 charged with the making and filing of statements and the payment of the
8 tax. The bond shall run to the state and shall be conditioned upon the
9 making and filing of statements as required by law, upon compliance with
10 the regulations of the department, and for the prompt payment, by the
11 principal on the bond, of all taxes due the state by virtue of this
12 chapter.

13 (c) If statements required have not been filed, or are insufficient
14 to furnish the information required by the department, the department
15 shall institute, in the name of the state upon relation of the depart-
16 ment, the necessary action or proceedings to enjoin the person from
17 continuing operations until the reports are filed.

18 (d) Upon showing that the state is in danger of losing its claims
19 or the property is being mismanaged, dissipated or concealed, a receiver
20 shall be appointed at the suit of the state.

21 Sec. 43.77.120. NONCOMPLIANCE. Wilful failure by one who harvests
22 forest products to comply with this chapter is a misdemeanor. Each
23 day's failure to file a report within the period of time fixed in this
24 chapter is a separate offense.

25 Sec. 43.77.130. FALSE REPORT CONSTITUTES PERJURY. A person who
26 knowingly makes a false oath to a report required by this chapter is
27 guilty of perjury.

28 Sec. 43.77.140. DEFINITIONS. In this chapter

29 (1) "department" means the Department of Revenue;

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(2) "harvest" means to cut, sever, or otherwise remove merchantable forest products from the land;

(3) "forest products" means all the products derived through the cutting, severing, or otherwise removing of forest trees and wind-falls.