

Introduced: 1/22/71
Referred: Local Government
and Finance

1 IN THE HOUSE

BY WHITTAKER

2 HOUSE BILL NO. 96

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act excluding rents as a source of sales tax
7 levy by cities and organized boroughs; and providing
8 for an effective date."

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

10 * Section 1. AS 29.10.357 is amended to read:

11 Sec. 29.10.357. SALES TAX. [(A)] The council may levy and
12 collect a consumer's sales tax not exceeding three per cent of the
13 sales price on all retail sales [, ON ALL RENTS,] and on all services
14 made within the municipality. The sales tax may be levied and
15 collected on any one or more of these tax sources, at the option of
16 the council.

17 [(B) NOTHING IN THIS SECTION PROHIBITS A POLITICAL SUBDIVISION
18 THAT WAS COLLECTING A SALES TAX ON RENTS ON APRIL 7, 1959, FROM
19 CONTINUING TO COLLECT THE TAX.]

20 * Sec. 2. AS 29.10.366 is amended to read:

21 Sec. 29.10.366. PURPOSE OF SECS. 357 - 363 OF THIS CHAPTER. The
22 sole purpose of secs. 357 - 363 of this chapter is to enable cities,
23 with the consent of the residents, to impose sales taxes, but although
24 this method of taxation is established in a city, the council may
25 at any time abandon it or may abandon one or more of the [THREE] tax
26 sources. If consent to a sales tax is obtained for a special purpose,
27 the proceeds of the tax may not be used for any other purpose without
28 consent of the voters at another referendum.

29 * Sec. 3. AS 29.15.230 is amended to read:

1 Sec. 29.15.230. AUTHORITY TO LEVY AND COLLECT CONSUMER SALES TAX.
2 The board of trustees may levy and collect a consumer's sales tax
3 not exceeding two per cent of the sales price on all retail sales [,
4 RENTS] and services made within the city. However, before the sales
5 tax may be levied, the consent of the qualified voters of the city
6 shall be obtained through a referendum vote at a general or special
7 election. The ballot on the referendum shall clearly present the
8 proposition as to whether the sales tax shall be authorized. The
9 ballot shall also set forth whether the tax is to be levied for general
10 revenue for the municipality or for a special purpose, and, if for a
11 special purpose, that purpose shall be specified on the ballot.

12 * Sec. 4. AS 29.25.420 is amended to read:

13 Sec. 29.25.420. LEVY AND COLLECTION OF SALES TAX. (a) Except
14 as provided in (b) of this section, the [THE] council may levy and
15 collect a sales tax not to exceed three per cent in accordance with
16 the procedure set forth in secs. 420 - 480 of this chapter, and may
17 prescribe the manner of collecting the tax.

18 (b) The council may not levy or collect a sales tax upon rents.

19 * Sec. 5. AS 29.08.010 is amended by adding a new section to read:

20 (c) Home rule cities are prohibited from levying or collecting
21 a sales tax upon rents.

22 * Sec. 6. AS 07.12.200 is amended to read:

23 Sec. 07.12.200. LIMIT ON HOME RULE TAXING POWER. (a) AS 29.30.-
24 200, relating to the collection of penalties on property taxes and
25 interest on property and sales taxes, applies to home rule boroughs.

26 (b) Home rule boroughs are prohibited from levying or collecting
27 a sales tax upon rents.

28 * Sec. 7. APPLICATION OF ACT. The exclusion of local sales tax levies
upon rents provided for in this Act does not apply to sales taxes upon rents

1 which have been levied, collected or pledged before July 1, 1971, to pay or
2 secure the payment of principal and interest on outstanding bonds or other
3 authorized and issued indebtedness of home rule or general law cities or
4 organized boroughs.

5 * Sec. 8. This Act takes effect July 1, 1971.

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