

Original sponsor: Rules Committee by  
request of the Governor

Offered: 4/14/77  
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 149

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the tax on motor fuel for water-  
7 craft; and providing for an effective date."

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

9 \* Section 1. AS 43.40.010(a) is amended to read:

10 CHAPTER 40. MOTOR FUEL [OIL] TAX.

11 (a) There is levied a tax of eight cents a gallon on all motor  
12 fuel sold or otherwise transferred within the state, except that  
13 (1) the tax on aviation gasoline is four cents a gallon, (2)  
14 the tax on motor fuel used in and on [ENGINES FOR THE  
15 PROPULSION OF BOATS AND] watercraft of all descriptions is six [FOUR]  
16 cents a gallon, but up to 10 per cent of the motor fuel sold or other-  
17 wise transferred at any one time is exempt from the tax if it is to be  
18 used for cooking or heating and up to 30 per cent of the motor fuel sold  
19 or otherwise transferred at any one time is exempt from the tax if it is  
20 to be used for auxiliary engine power for the purpose of generating  
21 electricity, refrigeration, heat, hydraulic power or circulating sea  
22 water for brine or live tanks [; IF A PERSON CLAIMS AN EXEMPTION FOR  
23 NONPROPULSION USE UNDER THIS PARAGRAPH, HE SHALL SIGN A STATEMENT AT THE  
24 TIME OF THE SALE OR TRANSFER ATTESTING TO THE FACT THAT THE AMOUNT OF  
25 FUEL FOR WHICH HE CLAIMS THE EXEMPTION WILL BE USED ONLY FOR NONPROPUL-  
26 SION USE ABOARD A BOAT OR WATERCRAFT], and  
27 (3) the tax on all aviation fuel other than gasoline is two  
28 and one-half cents a gallon.

29 \* Sec. 2. AS 43.40.010(b) is amended to read:

1 (b) There is levied a tax of eight cents a gallon on all motor  
2 fuel consumed by a user, except that

3 (1) the tax on aviation gasoline consumed is four cents a  
4 gallon, [.]

5 (2) the tax on motor fuel used in and on [ENGINES FOR THE  
6 PROPULSION OF BOATS AND] watercraft of all descriptions is six [FOUR]  
7 cents a gallon, but up to 10 per cent of the motor fuel purchased at any  
8 one time is exempt from the tax if it is to be used for cooking or  
9 heating and up to 30 per cent of the motor fuel sold or otherwise trans-  
10 ferred at any one time is exempt from the tax if it is to be used for  
11 auxiliary engine power for the purpose of generating electricity, refri-  
12 geration, heat, hydraulic power or circulating sea water for brine or  
13 live tanks [; IF A PERSON CLAIMS AN EXEMPTION FOR NONPROPULSION USE  
14 UNDER THIS PARAGRAPH, HE SHALL SIGN A STATEMENT AT THE TIME OF PURCHASE  
15 ATTESTING TO THE FACT THAT THE AMOUNT OF FUEL FOR WHICH HE CLAIMS THE  
16 EXEMPTION WILL BE USED ONLY FOR NONPROPULSION USE ABOARD A BOAT OR  
17 WATERCRAFT], and

18 (3) the tax on all aviation fuel other than gasoline is two  
19 and one-half cents a gallon.

20 \* Sec. 3. AS 43.40.020(b) is amended to read:

21 (b) A person who claims the heating and cooking or auxiliary  
22 engine power [NONPROPULSION] use fuel tax exemption under sec. 10(a)(2)  
23 or sec. 10(b)(2) of this chapter and who uses a portion of the amount of  
24 the exempted fuel for another purpose is guilty of a misdemeanor, and is  
25 punishable by a fine of not more than \$5,000.

26 \* Sec. 4. AS 43.40.100(2) is amended to read:

27 (2) "motor fuel" means fuel used in an engine for the propul-  
28 sion of a motor vehicle or [,] aircraft, and fuel used in a boat or  
29 watercraft for any purpose, or in a stationary engine, machine or

1 mechanical contrivance which is run [PROPELLED] by an internal com-  
2 bustion motor; "motor fuel" does not include [EXCEPT ON CONSIGNMENTS OF  
3 MOTOR]

4 (A) fuel consigned [OIL] to foreign countries,

5 (B) [EXCEPT MOTOR] fuel [OIL] sold for use in jet  
6 propulsion aircraft operating in flights to foreign countries,

7 (C) fuel oil carried aboard a gasoline-powered boat or  
8 watercraft and used for heating or cooking,

9 (D) [AND EXCEPT] fuel used in stationary power plants  
10 operating as public utility plants and generating electrical  
11 energy for sale to the general public, [OR]

12 (E) fuel used by nonprofit power associations or cor-  
13 porations for generating electric energy for resale, or

14 (F) fuel used by charitable institutions;

15 \* Sec. 5. This Act takes effect July 1, 1977.  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29