

Introduced: 2/13/79
Referred: Commerce and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 224

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the motor fuel tax; and providing
7 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 (a) There is levied a tax of 19 per cent of the retail value of
11 each [EIGHT CENTS A] gallon on all motor fuel sold or otherwise trans-
12 ferred within the state, except that

13 (1) the tax on aviation gasoline is 14 per cent of the
14 retail value of each [FOUR CENTS A] gallon,

15 (2) the tax on motor fuel used in and on watercraft of all
16 descriptions is six per cent of the retail value of each [FIVE CENTS
17 A] gallon, and

18 (3) the tax on all aviation fuel other than gasoline is
19 nine per cent of the retail value of each [TWO AND ONE-HALF CENTS A]
20 gallon.

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

22 (b) There is levied a tax of 19 per cent of the retail value of
23 each [EIGHT CENTS A] gallon on all motor fuel consumed by a user,
24 except that

25 (1) the tax on aviation gasoline consumed is 14 per cent of
26 the retail value of each [FOUR CENTS A] gallon,

27 (2) the tax on motor fuel used in and on watercraft of all
28 descriptions is six per cent of the retail value of each [FIVE CENTS
29 A] gallon, and

1 (3) the tax on all aviation fuel other than gasoline is
2 nine per cent of the retail value of each [TWO AND ONE-HALF CENTS A]
3 gallon.

4 * Sec. 3. AS 43.40.010 is amended by adding a new subsection to read:

5 (1) The Department of Revenue shall annually determine the
6 retail value of the motor fuels taxed under this chapter and, after
7 applying the percentages set out in this section, shall, by regulation
8 adopted no later than May 1 of each year, establish the applicable
9 cents-per-gallon rates to be applied on a uniform, statewide basis to
10 each category of motor fuel. These rates become effective on the
11 first day of the next tax year.

12 * Sec. 4. AS 43.40.030(a) is amended to read:

13 (a) Except as specified in sec. 10(j) of this chapter, a person
14 who uses motor fuel to operate an internal combustion engine is
15 entitled to a refund of 40 per cent of the state tax on each [SIX
16 CENTS A] gallon if

17 (1) the tax on the motor fuel has been paid;

18 (2) the motor fuel is not aviation fuel, or motor fuel used
19 in or on watercraft; and

20 (3) the internal combustion engine is not used in or in
21 conjunction with a motor vehicle licensed to be operated on public
22 ways.

23 * Sec. 5. AS 43.40.100 is amended by adding new paragraphs to read:

24 (4) "retail value" means the average retail price of motor
25 fuel in each category for the previous calendar year, calculated by
26 the Department of Revenue, based on a statewide statistical sample
27 taken from, at least, 10 representative communities in the state on a
28 monthly basis and published in a report to be submitted each year to
29 the legislature no later than January 30 for that year;

1 (5) "tax year" means the period commencing on July 1 and
2 ending on June 30 of the following calendar year.

3 * Sec. 6. TRANSITION. For the first tax year under this Act, the
4 Department of Revenue shall determine the applicable retail values and
5 rates of taxation under this Act for the 1979 tax year, calculated on the
6 basis of statistical data compiled by the department in accordance with AS
7 43.40.100(4) for the period between the effective date of this Act and
8 September 1, 1979. The Department of Revenue shall promulgate those rates
9 no later than November 1, 1979. These rates become effective January 1,
10 1980, and remain in effect until substituted rates are established for the
11 tax year commencing on July 1, 1980.

12 * Sec. 7. This Act takes effect immediately in accordance with AS
13 01.10.070(c).
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