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Referred: Transportation and Finance

1 IN THE SENATE

BY MULCAHY, ELIASON, ZIEGLER  
RAY, HOHMAN and FERGUSON

2 SENATE BILL NO. 182

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act repealing the tax on motor fuel used in or on  
7 watercraft; 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 (a) There is levied a tax of eight cents a gallon on all motor  
11 fuel sold or otherwise transferred within the state, except that

12 (1) the tax on aviation gasoline is four cents a gallon, and

13 [(2) THE TAX ON MOTOR FUEL USED IN AND ON WATERCRAFT OF ALL  
14 DESCRIPTIONS IS FIVE CENTS A GALLON, AND]

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

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

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

20 (1) the tax on aviation gasoline consumed is four cents a  
21 gallon, and

22 [(2) THE TAX ON MOTOR FUEL USED IN AND ON WATERCRAFT OF ALL  
23 DESCRIPTIONS IS FIVE CENTS A GALLON, AND]

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

26 \* Sec. 3. AS 43.40.010(g) is amended to read:

27 (g) The proceeds of the revenue from the tax on all motor fuels,  
28 except as provided in (e) [, (f),] and (j) of this section, shall be  
29 deposited in a special highway fuel tax account in the state general

1 fund. The legislature may appropriate funds from it for expenditure by  
2 the Department of Transportation and Public Facilities [PUBLIC WORKS]  
3 directly or as matched with available federal-aid-highway money for  
4 maintenance of highways, construction of highway projects and ferries  
5 included in the program provided for in AS 19.10.150, including ap-  
6 proaches, appurtenances and related facilities and acquisition of  
7 rights-of-way or easements, and other highway costs including surveys,  
8 administration, and related matters. All departments of the state  
9 government authorized to spend funds collected from taxes imposed by  
10 this chapter [AS 43.40.010 - 43.40.100] shall perform, when feasible,  
11 all construction or reconstruction projects by contract after the  
12 projects have been advertised for competitive bids, except that, when  
13 feasible, arrangements shall be made with political subdivisions to  
14 carry out the construction or reconstruction projects. If it is not  
15 feasible for the work to be performed by state engineering forces, the  
16 commissioner of Transportation and Public Facilities [PUBLIC WORKS] may  
17 contract on a professional basis with private engineering firms for  
18 road design, bridge design, and services in connection with surveys.  
19 If more than one private engineering firm is available for the work the  
20 contracts shall be entered into on a negotiated basis.

21 \* Sec. 4. AS 43.40.030(a)(2) is amended to read:

22 (2) the motor fuel is not aviation fuel [, OR MOTOR FUEL  
23 USED IN OR ON WATERCRAFT]; and

24 \* Sec. 5. AS 43.40.100(2) is amended to read:

25 (2) "motor fuel" means fuel used in an engine for the pro-  
26 pulsion of a motor vehicle or aircraft, and fuel used [IN AND ON WATER-  
27 CRAFT FOR ANY PURPOSE, OR] in a stationary engine, machine or mechanical  
28 contrivance which is run by an internal combustion motor; "motor fuel"  
29 does not include

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(A) fuel consigned to foreign countries,

(B) fuel sold for use in jet propulsion aircraft operating in flights to foreign countries,

(C) fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public,

(D) fuel used by nonprofit power associations or corporations for generating electric energy for resale,

(E) fuel used by charitable institutions, [OR]

(F) fuel which is at least 10 percent alcohol by volume, or

(G) fuel used in and on watercraft for any purpose; [.]

\* Sec. 6. AS 43.40.010(f) is repealed.

\* Sec. 7. This Act takes effect July 1, 1981.