

Introduced: 1/19/87
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE BY LARSON AND MENARD

2 HOUSE BILL NO. 20

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a state sales tax."

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

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

9 CHAPTER 44. SALES TAX.

10 Sec. 43.44.010. SALES TAX LEVIED. A tax that is equal to three
11 percent of the sales price is levied on the sale of goods and rentals
12 made in the state and services performed in the state.

13 Sec. 43.44.020. EXEMPTIONS. A sale is exempt from the tax if
14 the sale

15 (1) occurs in a municipality whose combined property and
16 sales tax revenue is equal to or greater than the revenue equivalency
17 estimate for the base year in the municipality; to entitle the sales
18 in a municipality to an exemption under this paragraph, the municipal-
19 ity must demonstrate to the department on or before July 1 of the
20 calendar year preceding the proposed year of exemption that the
21 municipality has satisfied the criterion in this paragraph; in this
22 paragraph,

23 (A) "base year" means the calendar year that begins
24 two years before the proposed year of exemption;

25 (B) "revenue equivalency estimate" means three percent
26 of the estimated gross sales in a municipality's base year, as
27 determined by the Department of Revenue;

28 (2) is casual, isolated, and not made in the ordinary
29 course of business;

1 (3) is of goods sold for resale in the ordinary course of
2 business;

3 (4) is by or to an agency of federal, state, local, or
4 foreign government; in this paragraph, "agency" includes the Universi-
5 ty of Alaska and the Alaska Railroad Corporation;

6 (5) is by or to a person who is exempt from federal taxa-
7 tion under 26 U.S.C. 501;

8 (6) is made with food coupons, food stamps, or other type
9 of certificate issued under 7 U.S.C. 2011-2029 (Food Stamp Act);

10 (7) is of services performed by an employee for an
11 employer.

12 Sec. 43.44.030. REGULATIONS. The department shall adopt regu-
13 lations under the Administrative Procedure Act (AS 44.62) that are
14 necessary to carry out this chapter.

15 Sec. 43.44.040. SELLER TO COLLECT TAX. A seller shall collect
16 the tax from the purchaser and remit the tax collected under this
17 section during a calendar year to the department on or before Febru-
18 ary 1 of the following year.

19 Sec. 43.44.900. DEFINITIONS. In this chapter, "tax" means the
20 tax levied by AS 43.44.010.