

Introduced: 1/30/87  
Referred: Community & Regional  
Affairs and Finance

1 IN THE HOUSE BY LARSON AND MENARD  
2 SPONSOR SUBSTITUTE FOR 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) For each one-sixth of the  
14 revenue equivalency estimate that is generated by a municipality's  
15 combined property and sales tax revenue, a sale in the municipality is  
16 exempt from one-sixth of the tax. To entitle the sales in a munic-  
17 ipality to an exemption under this subsection, the municipality must  
18 demonstrate to the department on or before July 1 of the calendar year  
19 preceding the proposed year of exemption that the municipality has  
20 satisfied the criterion in this subsection. In this subsection

21 (1) "base year" means the calendar year that begins two  
22 years before the proposed year of exemption;

23 (2) "revenue equivalency estimate" means three percent of  
24 the estimated gross sales in a municipality's base year, as determined  
25 by the Department of Revenue.

26 (b) A sale is exempt from the tax if the sale

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

29 (2) is of goods sold for resale in the ordinary course of

1 business;

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

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

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

9 (6) is of services performed by an employee for an em-  
10 ployer.

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

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

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