

Introduced: 2/3/89  
Referred: Community and Regional  
Affairs and Finance

6-0516A

1 IN THE SENATE

BY ADAMS

2

SENATE BILL NO. 160

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act prohibiting municipal sales tax on rents  
7 payable for occupation of certain publicly-financed  
8 housing projects; and providing for an effective  
9 date."

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

11 \* Section 1. AS 29.10.200(42) is amended to read:

12 (42) AS 29.45.650(c), (d), and (e) [, AND (f)] (sales and  
13 use tax)

14 \* Sec. 2. AS 29.10.200(43) is repealed and reenacted to read:

15 (43) AS 29.10.655 (sales tax exemptions)

16 \* Sec. 3. AS 29.45.650(a) is amended to read:

17 (a) Except as provided in AS 29.45.655 [(f) OF THIS SECTION], a  
18 borough may levy and collect a sales tax not exceeding six percent on  
19 sales, rents, and on services provided in the borough. The sales tax  
20 may apply to any or all of these sources. Exemptions may be granted  
21 by ordinance.

22 \* Sec. 4. AS 29.45 is amended by adding a new section to read:

23 Sec. 29.45.655. EXEMPTIONS FROM SALES TAX. (a) A borough may  
24 not levy and collect a sales tax

25 (1) on a purchase

26 (A) made with food coupons, food stamps, or other  
27 types of certificates issued under 7 U.S.C. 2011 - 2025 (Food  
28 Stamp Act);

29 (B) of food instruments, or made with food vouchers or

1 other type of certificate issued under 42 U.S.C. 1786 (Special  
2 Supplemental Food Program for Women, Infants, and Children);

3 (2) on rents payable for the occupancy of housing that has  
4 been or is being subsidized by the federal government if exemption  
5 from payment of sales tax payable for the occupancy of the housing is  
6 required by federal law or by agreement as a condition of the subsidy.

7 (b) This section applies to home rule and general law municipal-  
8 ities.

9 \* Sec. 5. AS 29.45.700(a) is amended to read:

10 (a) A city in a borough that levies and collects areawide sales  
11 and use taxes may levy sales and use taxes on all sources taxed by the  
12 borough in the manner provided for boroughs. Except as provided in  
13 AS 29.45.655 [(d) OF THIS SECTION], the assembly may by ordinance  
14 authorize a city to levy and collect sales and use taxes on other  
15 sources.

16 \* Sec. 6. AS 29.45.650(f) and 29.45.700(d) are repealed.

17 \* Sec. 7. This Act takes effect July 1, 1989.