

Introduced: 2/17/89
Referred: Transportation and
Finance

6-0817E

1 IN THE SENATE

BY COGHILL AND FRANK

2

SENATE BILL NO. 180

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the exemptions from the motor
7 fuel tax, and extending the exemption from the re-
8 quirement of obtaining a certificate of use to fuel
9 used to heat commercial premises; and providing for
10 an effective date."

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

12 * Section 1. AS 43.40 is amended by adding a new section to read:

13 Sec. 43.40.015. EXEMPTION FROM COLLECTION OF TAX. (a) A dealer
14 who has a reasonable belief at the time of sale or transfer that fuel
15 that is sold or transferred is not to be used as motor fuel need not
16 collect the motor fuel tax.

17 (b) If the tax is not collected, the dealer shall obtain a
18 certificate of use from the buyer or transferee stating that the fuel
19 that has been or will be purchased or received is not intended for use
20 as motor fuel. The department may not collect the motor fuel tax from
21 a dealer for fuel for which a certificate of use has been properly
22 obtained under this subsection. Except as provided in (c) of this
23 section, an annual certificate of use is required for exemptions
24 listed under AS 43.40.100(2). The dealer shall retain a copy of each
25 certificate of use obtained under this subsection for examination or
26 audit on request by the department. The form of a certificate of use
27 may be prescribed by regulation adopted by the department.

28 (c) A certificate of use is not required for fuel exempted
29 under

1 (1) AS 43.40.100(2)(F);
2 (2) AS 43.40.100(2)(J); or
3 (3) AS 43.40.100(2)(K) as determined by the department by
4 regulation.

5 * Sec. 2. AS 43.40.035(a) is amended to read:

6 (a) A person who resells fuel on which the tax under AS 43.40.-
7 010(a) or (b) was previously paid is entitled to a credit or refund of
8 the tax if (1) the resold fuel is not motor fuel and the requirements
9 of AS 43.40.015 [AS 43.40.010(1)] have been fulfilled; or (2) the
10 amount of tax previously paid exceeds the tax due on the resale. The
11 amount of the credit or refund under this section is equal to the
12 amount of tax previously paid on the resold fuel less the amount of
13 tax prescribed by AS 43.40.010(a) or (b).

14 * Sec. 3. AS 43.40.010(1) is repealed.

15 * Sec. 4. This Act takes effect July 1, 1989.