

Offered: 2/16/90
Referred: Finance

6-0817H

Original sponsor(s): SEN. COGHILL, Frank

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE
2 CS FOR SENATE BILL NO. 180 (Transportation)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND 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 generate electrical energy in public utility
10 power plants and to heat commercial premises; and
11 providing for an effective date."

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

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

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

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

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

1 **under**

2 (1) AS 43.40.100(2)(C);

3 (2) AS 43.40.100(2)(F);

4 (3) AS 43.40.100(2)(J); or

5 (4) AS 43.40.100(2)(K) as determined by the department by
6 regulation.

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

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

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 AS 43.40.010(1) is repealed.

17 * Sec. 4. This Act takes effect July 1, 1990.