Offered: 3/30/90
Referred: Rules

6-0817J

Original sponsor(s): SEN. COGHILL, Frank

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 180 (Finance)

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 motor fuel tax and its ex-
7 emptions; and providing for an effective date."

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

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

10 Sec. 43.40.015. EXEMPTION FROM COLLECTION OF TAX. (a) A dealer
11 who has a reasonable belief at the time of sale or transfer that fuel
12 that is sold or transferred is not to be used as motor fuel need not
13 collect the motor fuel tax. However, as to fuel for which the tax was
14 not collected and for which a certificate of use was not obtained, if
15 the department determines that the fuel was put to a use that is
16 taxable under this chapter, the dealer is liable for the tax and
17 subject to a civil penalty under AS 43.05.220(a) whether or not the
18 dealer's belief that the fuel sold or transferred would not be used as
19 motor fuel was reasonable.

20 (b) Except for sale or transfer of fuel under (d) of this sec-
21 tion, if the motor fuel tax is not collected, the dealer shall obtain
22 a certificate of use from the buyer or transferee at the time of the
23 first sale or transfer of the fuel stating that the fuel that has been
24 or will be purchased or received is not intended for use as motor
25 fuel. The form of the certificate of use shall be prescribed by the
26 department by regulation. The department may not collect the motor
27 fuel tax from a dealer for fuel for which a certificate of use has
28 been properly obtained under this subsection.

29 (c) A certificate of use must be renewed annually for exemptions

listed under AS 43.40.100(2).

(d) A certificate of use is not required

(1) for fuel exempted under AS 43.40.100(2)(C), (F), or (K); and

(2) for fuel exempted under AS 43.40.100(2)(J) other than fuel sold or transferred under this exemption to a person who is engaged in construction or mining activity.

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

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

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

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