

Introduced: 3/31/89
Referred: Finance

6-1068E

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 253

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 state and municipal taxation of
7 alcoholic beverages, cigarettes, and tobacco prod-
8 ucts; and providing for an effective date."

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

10 * Section 1. AS 29.45.650(a) is amended to read:

11 (a) Except as provided in (f) and (g) of this section, a borough
12 may levy and collect a sales tax not exceeding six percent on sales,
13 rents, and on services provided in the borough. The sales tax may
14 apply to any or all of these sources. Exemptions may be granted by
15 ordinance.

16 * Sec. 2. AS 29.45.650 is amended by adding a new subsection to read:

17 (g) The limitation on the rate of levy specified in (a) of this
18 section does not apply to taxes imposed on sales of cigarettes and
19 tobacco products at retail. For purposes of this subsection,

20 (1) "cigarette" has the meaning given in AS 43.50.170;

21 (2) "tobacco product" has the meaning given in AS 43.50.-
22 390.

23 * Sec. 3. AS 43.50.190(a) is amended to read:

24 (a) There is levied an excise tax of 15 [FIVE AND ONE-HALF]
25 mills on each cigarette imported or acquired in this state.

26 * Sec. 4. AS 43.60.010(a) is amended to read:

27 (a) Every brewer, distiller, bottler, jobber, retailer, whole-
28 saler, or manufacturer who sells alcoholic beverages in the state or
29 who consigns shipments of alcoholic beverages into the state, whether

1 or not the alcoholic beverages are brewed, distilled, bottled, or
2 manufactured in the state, shall pay [ON ALL MALT BEVERAGES (ALCOHOLIC
3 CONTENT OF ONE PERCENT OR MORE BY VOLUME), WINES, AND HARD OR DIS-
4 TILLED ALCOHOLIC BEVERAGES,] the following taxes:

5 (1) malt beverages at the rate of 65 [35] cents a gallon or
6 fraction of a gallon;

7 (2) wine or other alcoholic beverages of 21 percent alcohol
8 by volume or less, at the rate of \$2.00 [85 CENTS] a gallon or frac-
9 tion of a gallon; and

10 (3) other alcoholic beverages having a content of more than
11 21 percent alcohol by volume at the rate of \$6.00 [\$5.60] a gallon.

12 * Sec. 5. AS 43.60.010 is amended by adding a new subsection to read:

13 (c) The tax imposed by (a) of this section applies to

14 (1) malt beverages having an alcoholic content of one
15 percent or more by volume;

16 (2) wine; and

17 (3) hard or distilled alcoholic beverages.

18 * Sec. 6. This Act takes effect July 1, 1989.