

Introduced: 4/7/89
Referred: Community and Regional
Affairs and Finance

6-0908A

1 IN THE SENATE

BY THE SENATE SPECIAL COMMITTEE ON
BANKING AND ECONOMIC DEVELOPMENT

2

SENATE BILL NO. 267

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 optional exemptions from and
7 deferral of payment of municipal taxes."

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

9 * Section 1. AS 29.45.050 is amended by adding new subsections to read:

10 (m) A municipality may by ordinance classify as to type and
11 exempt all or some types of economic development property from up to
12 50 percent of the rate of taxes levied on other property in the munic-
13 ipality. Property may not be exempted under this subsection for
14 longer than five years. A municipality may by ordinance permit defer-
15 ral of payment of taxes on all or some types of economic development
16 property for up to five years. An ordinance adopted under this sub-
17 section must include specific eligibility requirements and require a
18 written application for each exemption or deferral. In this sub-
19 section, "economic development property" means real or personal prop-
20 erty that may be depreciated for federal income tax purposes, has not
21 been previously taxed by the municipality, and is used in a trade or
22 business in a way that creates employment in the municipality, gener-
23 ates sales outside of the municipality of goods or services produced
24 in the municipality, or materially reduces the importation of goods or
25 services from outside the municipality; but does not include property
26 that has been used in the same trade or business in the state outside
27 of the municipality within six months before the date the application
28 for exemption or deferral under this subsection is filed.

29 (n) A municipality may by ordinance classify as to type

1 inventories intended for export outside the state and partially or
2 totally exempt all or some types of those inventories from taxation.
3 The ordinance may provide for different levels of exemption for dif-
4 ferent classifications of inventories. An ordinance adopted under
5 this subsection must include specific eligibility requirements and
6 require a written application for each exemption.