

BY THE C&RA COMMITTEE

1 IN THE SENATE

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SENATE BILL NO. 507

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to municipal taxation of alcoholic

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beverages."

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

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\* Section 1. AS 04.21.010(c) is amended to read:

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(c) A municipality may only [NOT] impose the following taxes on  
alcoholic beverages: [EXCEPT A]

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(1) a property tax on alcoholic beverage inventories;

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(2) a sales tax at any rate on alcoholic beverage sales [IF

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SALES TAXES ARE IMPOSED ON OTHER SALES WITHIN THE MUNICIPALITY]; and

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(3) a [SALES TAX ON ALCOHOLIC BEVERAGE SALES THAT WAS IN

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EFFECT BEFORE JULY 1, 1985; AND

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(4) SALES AND] use tax at any rate on buyers of alcoholic

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beverages if the sale of alcoholic beverages within the municipality

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has been prohibited under AS 04.11.490.

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\* Sec. 2. AS 29.45.650(b) is amended to read:

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(b) A borough levying a sales tax may also by ordinance levy a

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use tax on the storage, use, or consumption of tangible personal

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property in the borough. The use tax rate must equal the sales tax

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rate and the use tax shall be levied only on buyers. This subsection

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does not apply to a tax levied under AS 04.21.010(c).

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\* Sec. 3. AS 29.45.650(g) is amended to read:

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(g) The limitation on the rate of levy specified in (a) of this

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section does not apply to taxes imposed under AS 04.21.010(c) or on

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sales of cigarettes and tobacco products at retail. For purposes of

1        **this subsection,**

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

3                    (2) **"tobacco product" has the meaning given in AS 43.50.-**

4        **390.**