

**CS FOR HOUSE BILL NO. 575 (TRANSPORTATION)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION**

BY THE HOUSE TRANSPORTATION COMMITTEE

**Offered: 4/10/92
Referred: Finance**

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act increasing the motor fuel tax, and adding to the exemptions from payment of
2 the motor fuel tax the motor fuel used in certain mining operation activities; and
3 providing for an effective date."

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

5 * Section 1. AS 43.40.010(a) is amended to read:

6 (a) There is levied a tax of 10 [EIGHT] cents a gallon on all motor fuel sold or otherwise
7 transferred within the state, except that

8 (1) the tax on aviation gasoline is four cents a gallon,

9 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents
10 a gallon, and

11 (3) the tax on all aviation fuel other than gasoline is two and one-half cents a
12 gallon.

13 * Sec. 2. AS 43.40.010(b) is amended to read:

14 (b) There is levied a tax of 10 [EIGHT] cents a gallon on all motor fuel consumed by

1 a user, except that

2 (1) the tax on aviation gasoline consumed is four cents a gallon,

3 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents
4 a gallon, and

5 (3) the tax on all aviation fuel other than gasoline is two and one-half cents a
6 gallon.

7 * Sec. 3. AS 43.40.100(2) is amended to read:

8 (2) "motor fuel"

9 (A) means fuel used in an engine for the propulsion of a motor vehicle
10 or aircraft, and fuel used in and on watercraft for any purpose, or in a stationary engine,
11 machine, or mechanical contrivance that [WHICH] is run by an internal combustion
12 motor;

13 (B) ["MOTOR FUEL"] does not include fuel

14 (i) [(A) FUEL] consigned to foreign countries;

15 (ii) [(B) FUEL] sold for use in jet propulsion aircraft operating in
16 flights to foreign countries;

17 (iii) [(C) FUEL] used in stationary power plants operating as public
18 utility plants and generating electrical energy for sale to the general public;

19 (iv) [(D) FUEL] used by nonprofit power associations or
20 corporations for generating electric energy for resale;

21 (v) [(E) FUEL] used by charitable institutions;

22 (vi) that [(F) FUEL WHICH] is at least 10 percent alcohol by
23 volume;

24 (vii) [(G) FUEL] sold or transferred between qualified dealers;

25 (viii) [(H) FUEL] sold to federal, state, and local government
26 agencies for official use;

27 (ix) [(I) FUEL] used in stationary power plants that generate
28 electrical energy for private residential consumption;

29 (x) [(J) FUEL] used to heat private or commercial buildings or
30 facilities;

31 (xi) [(K) FUEL] used for other nontaxable purposes as prescribed

1 by regulations adopted by the department; [OR]
2 (xii) [(L) FUEL] used in stationary power plants of 100 kw or less
3 that generate electrical power for commercial enterprises not for resale; or
4 (xiii) used on-site at a mining operation in the state; for
5 purposes of this subparagraph. "mining operation" has the meaning given in
6 AS 27.19.100:
7 * Sec. 4. This Act takes effect January 1, 1993, only if the majority of the voters at the November
8 1992 general election approves proposed amendments to the state constitution to create as a dedicated
9 fund a transportation fund to receive, among other sources, the revenue from the state's levy and
10 collection of motor fuel taxes.