

**HOUSE BILL NO. 406****IN THE LEGISLATURE OF THE STATE OF ALASKA****EIGHTEENTH LEGISLATURE - SECOND SESSION****BY REPRESENTATIVE FOSTER****Introduced: 1/27/94****Referred: State Affairs, Finance****A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to municipal sales and use taxes involving air carriers; and  
2 providing for an effective date."

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

4 \* **Section 1.** AS 29.10.200(44) is amended to read:

5 (44) AS 29.45.650(c), (d), (e), [AND] (f), and (i) (sales and use tax);

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

7 (a) Except as provided in AS 04.21.010(c) and in [(f) AND (h) OF] this  
8 section, a borough may levy and collect a sales tax on sales, rents, and on services  
9 provided in the borough. The sales tax may apply to any or all of these sources.  
10 Exemptions may be granted by ordinance.

11 \* **Sec. 3.** AS 29.45.650 is amended by adding a new subsection to read:

12 (i) A borough may not levy or collect a sales or use tax on an activity that  
13 directly involves the carriage of individuals or goods for hire by an air carrier. This  
14 subsection applies to home rule and general law municipalities.

- 1 • **Sec. 4. This Act is retroactive to January 1, 1993.**
- 2 • **Sec. 5. This Act takes effect immediately under AS 01.10.070(c).**