

CS FOR SENATE BILL NO. 327(TRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered: 4/5/94
Referred: JUD, FIN

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing, for purposes of the levy and collection of the motor fuel
2 tax and for a limited period, a different tax levy on residual fuel oil used in
3 and on certain watercraft; and providing for an effective date."

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

5 * Section 1. (a) For purposes of calculating the tax due under AS 43.40, notwithstanding
6 the rate set out in AS 43.40.010(a)(2) or (b)(2), on and after the effective date of this Act and
7 until June 30, 1998, during each year beginning October 1 and ending the following
8 September 30, the rate of the tax that is (1) levied and collected on residual fuel oil sold or
9 transferred in the state and used in and on passenger watercraft, or (2) levied and collected
10 on residual fuel oil consumed by a user and used in and on passenger watercraft, is one cent
11 a gallon after revenue derived from the tax levied under AS 43.40.010(a)(2) and (b)(2) on
12 passenger watercraft equals \$205,000 during that year.

13 (b) The Department of Revenue shall pay as a refund to every person required by
14 AS 43.40 to collect and remit the tax on residual fuel oil used in or on passenger watercraft

1 and who has remitted the motor fuel tax to the state at the rate set out in AS 43.40.010(a)(2)
2 or (b)(2), a refund of the difference between the tax paid to the department and the amount
3 of the tax required to be paid to the department at the rate set out in (a) of this section.

4 (c) The Department of Revenue may adopt regulations to implement this section.

5 (d) In this section,

6 (1) "passenger watercraft" means watercraft that are capable of carrying
7 passengers for hire and that are principally used for that purpose;

8 (2) "residual fuel oil" means the heavy refined hydrocarbon known as number
9 6 fuel oil that is the residue from crude oil after refined petroleum products have been
10 extracted by the refining process and that may be consumed or used only when sufficient heat
11 is provided to the oil to reduce its viscosity rated by kinetic unit and to give it fluid properties
12 sufficient for pumping and combustion.

13 * Sec. 2. APPLICABILITY. In calculating the tax due under AS 43.40 and sec. 1 of this
14 Act for the period beginning on the effective date of this Act and ending the following
15 September 30, the Department of Revenue shall take into account amounts received from the
16 levy of the tax set out in AS 43.40.010(a)(2) and (b)(2) on residual fuel oil used in passenger
17 watercraft after September 30, 1993, and before the effective date of this Act. In this section,
18 "passenger watercraft" and "residual fuel oil" have the meanings given in sec. 1 of this Act.

19 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).