

"An Act relating to the motor fuel oil tax; and providing for an effective date."

COMMITTEE REPORT

4/4/75

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HB 306

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Chairman

"An Act relating to the motor fuel oil tax; and providing for an effective date."

COMMITTEE REPORT

3/18/75

HOUSE

FINANCE

Mr. Speaker:

Date 4/3/75

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under consideration. ^{and} ~~A Majority of~~ the members of the Committee

recommends it DO PASS

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recommends it BE REPLACED WITH CS FOR _____ AND THAT

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"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

<u>[Signature]</u>	recommends: <u>no rec</u>
<u>[Signature]</u>	recommends: <u>DO NOT PASS UNDER ANY CIRCUMSTANCES</u>
<u>[Signature]</u>	recommends: <u>No Pass</u>
_____	recommends: _____
_____	recommends: _____

[Signature] Chairman

Introduced: 3/18/75
Referred: Commerce and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 306

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the motor fuel oil tax; and
7 providing for an effective date."

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

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

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

12 (1) the tax on aviation gasoline is four cents a gallon;

13 (2) the tax on motor fuel used in engines for the pro-
14 pulsion of boats and watercraft of all descriptions is four cents a
15 gallon; if a person claims an exemption for non-propulsion use under
16 this paragraph, he shall sign a statement at the time of the sale or
17 transfer attesting to the fact that the amount of fuel for which he
18 claims the exemption will be used only for non-propulsion use aboard a
19 boat or watercraft; and

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

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

23 (b) There is levied a tax of ten [EIGHT] cents a gallon on all
24 motor fuel consumed by a user, except that

25 (1) the tax on aviation gasoline consumed is four cents a
26 gallon;

27 (2) the tax on motor fuel used in engines for the propulsion
28 of boats and watercraft of all descriptions is four cents a gallon; if
29 a person claims an exemption for non-propulsion use under this paragraph.

his letter attached

1 he shall sign a statement at the time of purchase attesting to the
2 fact that the amount of fuel for which he claims the exemption will be
3 used only for non-propulsion use aboard a boat or watercraft; and

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

6 * Sec. 3. This Act takes effect July 1, 1975.
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HB.306

HB306

March 18, 1975

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to the motor fuel oil tax. The bill would increase the tax from eight cents per gallon to ten cents per gallon of motor fuel.

This increase is appropriate in view of the increased costs associated with highway programs. For 1976, we anticipate that the maintenance costs will exceed our present revenues by five million dollars. In subsequent years, the gap will be much larger. This tax will come close to plugging that gap. This is consistent with my philosophy that ongoing programs should pay for themselves with ongoing revenues.

Sincerely,

Jay S. Hammond
Governor

MEMORANDUM

State of Alaska

HB 306

TO: Sterling Gallagher
Commissioner of Revenue

DATE: March 11, 1975

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

SUBJECT: Increase in the Motor
Fuel Tax

A Bill has been prepared which would increase the tax on motor fuel from eight cents per gallon to ten cents per gallon. The incidence of this tax will fall upon all motor fuel users and could cause the price of gasoline to increase at least two cents per gallon.

This tax increase is necessary in order to defray costs of highway maintenance which currently are far in excess of the revenues we receive both from this tax source and the motor vehicle licensing program. Although this increase will not entirely close the gap between the revenues and highway maintenance expenditures it will bring us closer by the amount indicated below.

As a side note, I might point out that a proposal has been introduced by President Ford that would call for a shifting of highway taxes from the federal to the state level whereby each one cent increase in State Motor Fuel Tax would result in a corresponding decrease in federal fuel taxes in that state. If this legislation passes then, of course, the impact of our Bill will be zero on the cost of gasoline to the motorist. However, at this stage that is somewhat speculative.

The projected increases in revenues from this Bill between FY 76 and FY 80 are as follows:

Projected Increases in Revenues
(\$000 Omitted)

<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
<u>4368.6</u>	<u>5591.7</u>	<u>6262.7</u>	<u>7023.1</u>	<u>7865.9</u>

We anticipate no increase cost of administration as a result of this Bill.

FPB:lw

ALASKA STATE LEGISLATURE

NINTH Legislature FIRST Session

HOUSE BILL NO. 300

By RULES COMMITTEE
REQUEST OF THE GOVERNOR

An Act relating to the motor fuel oil tax and providing for an effective date.

Motor fuel oil tax

Introduced in the House 3/1/75, 1975

HISTORY IN THE HOUSE

19 75

Mar 10

Read first time and referred to Committee on Commerce and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration
PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused
Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration
PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused
Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.

Introduced: 3/18/75
Referred: Commerce and
Finance

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IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

HOUSE BILL NO. 306

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the motor fuel oil tax; and
providing for an effective date."

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

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

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

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

(2) the tax on motor fuel used in engines for the prop-
ulsion of boats and watercraft of all descriptions is four cents a
gallon; if a person claims an exemption for non-propulsion use under
this paragraph, he shall sign a statement at the time of the sale or
transfer attesting to the fact that the amount of fuel for which he
claims the exemption will be used only for non-propulsion use aboard a
boat or watercraft; and

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

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

(b) There is levied a tax of ten [EIGHT] cents a gallon on all
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(1) the tax on aviation gasoline consumed is four cents a
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4 (3) the tax on all aviation fuel other than gasoline is two
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6 * Sec. 3. This Act takes effect July 1, 1975.

HB306

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Speaker of the House
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Juneau, Alaska 99811

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Sincerely,

Jay S. Hammond
Governor

TO: Sterling Gallagher
Commissioner of Revenue

DATE: March 11, 1975

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

SUBJECT: Increase in the Motor
Fuel Tax

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<u>4368.6</u>	<u>5591.7</u>	<u>6262.7</u>	<u>7023.1</u>	<u>7865.9</u>

We anticipate no increase cost of administration as a result of this Bill.

FPB:lw

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FPB:lw

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 — JUNE 11 1975

JAY S. HAMMOND, Governor

April 7, 1975

The Honorable Hugh Malone
Chairman
House Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska

Re: House Bill No. 306

Dear Mr. Malone:

House Bill No. 306, an Act relating to the motor fuel oil tax was introduced in the House on March 18, 1975 and was referred to the House Commerce and Finance Committees.

On April 4, 1975 the House Commerce Committee after receiving testimony on the bill, recommended it "do pass" and referred the bill to the House Finance Committee.

For the consideration of the House Finance Committee, I am enclosing a copy of a memorandum from Frederick P. Boetsch, Deputy Commissioner of the Department of Revenue indicating the need for the proposed legislation and the projected increases in revenues for the fiscal years 1976 through 1980 and advising that no additional cost of administration is anticipated.

If you or any members of the House Finance Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Boetsch for further material or testimony.

Very truly yours,



R. D. Stevenson
Special Assistant

RDS:eh

cc: Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

MEMORANDUM

State of Alaska

TO: Sterling Gallagher
Commissioner of Revenue

DATE: March 19, 1975

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STATE OF ALASKA

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OFFICE OF THE COMMISSIONER / POUCH 5 — JUNEAU 99801

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