

"An Act relating to municipal sales taxes; and providing for an effective date."

COMMITTEE REPORT

4/2/75

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HB 372

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

I. REQUEST

Bill No. HB 372
 Title: Relating to Municipal Sales Tax
 Requested by: House Finance Date: 4-8-75
 Return Date Requested: 4-8-75
 Agency: Community & Regional Affairs Program: Local Gov't. Assistance

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No direct cost to State. Indirect impact likely: Mandatory exemption of food from sales tax levy will decimate anticipated municipal revenues, adding pressure to local property taxes and increased State financial assistance.

IV. ATTACHMENTS

Boroughs levying sales taxes on food: projected annual loss of funds attributable to mandatory exemption.

V. DATE: 4-8-75

PREPARED BY: *John B. Chenoweth*

John B. Chenoweth
 Director
 Local Government Assistance Division

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

House Bill 372

Boroughs levying sales taxes on food:

		<u>Estimated annual potential loss</u>
Juneau	3%/1%	\$250,000*
Sitka	4%	\$300,000*
Fairbanks North Star Borough	2%	\$800,000
Haines Borough	1%	\$ 16,000
Kenai Peninsula Borough	3%	\$600,000
Ketchikan Gateway Borough	1.5%	\$150,000

* May be applicable only if home rule unified municipalities are required to honor the language of the borough exemptions.

Note: Borough sales tax exemptions made applicable to cities within boroughs, AS 29.53.440, and to cities outside boroughs, AS 29.43.020.

Introduced: 4/27/75
Referred: Finance

1 IN THE HOUSE

BY BRADNER, BROWN, COWPER,
HACKNEY, FARR AND WALLIS

2 HOUSE BILL NO. 372

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 municipal sales taxes; and
7 providing for an effective date."

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

9 * Section 1. AS 29.53.415(a) is amended to read:

10 (a) A borough may levy and collect a sales tax not exceeding three
11 per cent on sales or rents, and on services made within the borough;
12 however, purchases of food for human consumption are exempted from sales
13 taxes levied and collected under this subsection. The sales tax may
14 apply to any or all of these sources. Exemptions may be granted by
15 ordinance.

16 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 373

Title: Relating to assistance for oil-development-impacted municipalities

Requested by: House Finance

Date: 4-8-75

Return Date Requested: 4-8-75

Agency: Community & Regional Affairs Program: Pipeline Impact Assistance

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II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
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500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0					

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No additional financial implications: Adoption of act would affirm previous award of discretionary grant assistance to Fairbanks - North Star Borough notwithstanding possible local adoption of exemption on food sales. Program not recommended for refunding in FY'76.

IV. ATTACHMENTS

V. DATE: 4-8-75

PREPARED BY: _____

John B. Chenoweth
John B. Chenoweth
Director

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Local Government Assistance Division

I. REQUEST

Bill No. HB 572
 Title: Relating to Municipal Sales Tax
 Requested by: House Finance Date: 4-8-75
 Return Date Requested: 4-8-75
 Agency: Community & Regional Affairs Program: Local Gov't. Assistance

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

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TOTAL						

B. FUNDING: (Thousands of dollars)

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PERMANENT/TEMPORARY	/	/	/	/	/	/
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Joel

Introduced: 4/2/75
Referred: Finance

BY BRADNER, BROWN, COWPER,
HACKNEY, PARR AND WALLIS

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COMMITTEE COPY

ALASKA STATE LEGISLATURE

NINTH Legislature FIRST Session

HOUSE BILL NO. 372

By BRADNER, BROWN, COMPER,
HACKNEY, PARR AND WALLIS

"An Act relating to municipal sales taxes; and providing for an effective date."

Munic. sales tax

Introduced in the House ...4/2/..., 19...75

HISTORY IN THE HOUSE

19 75

Apr 2

Read first time and referred to Committee on 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

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Read third time and

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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.

ALASKA STATE LEGISLATURE

NINTH Legislature FIRST Session

HOUSE BILL NO. 372

By READNER, BROWN, COWPER,
HACKNEY, PARR AND WALLIS

"An Act relating to municipal sales taxes; and providing for an effective date."

Munic. sales tax

Introduced in the House 4/2/1975

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Nays	Nays
Absent	Absent
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HISTORY IN THE HOUSE

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Chapter No.