

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 95311

March 31, 1976

The Honorable Jalmar Kerttula
Chairman
Senate Commerce Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Re: Senate Bill No. 708

Dear Senator Kerttula:

Senate Bill No. 708, an Act relating to state taxation concerning the method of payment by wholesalers of the alcoholic beverage excise tax, was introduced in the Senate on March 17, 1976 and was referred to the Senate Commerce and Finance Committees.

For the consideration of the Senate Commerce Committee, I am enclosing a copy of a memorandum prepared by Gary L. Jenkins, Director, Audit Division, Department of Revenue suggesting some additional language to the proposed legislation in order to insure payment of the excise tax on intoxicating beverages currently stored in warehouses in Alaska on which the tax has not been paid.

There is also enclosed a copy of a memorandum on CS for House Bill No. 576 which is similar in part to Senate Bill No. 708. Such memorandum advises of the amount of tax that the wholesalers who are presently paying on a sales basis would pay on their inventories in Alaska.

If you or any members of the Senate Commerce Committee have any questions on the material submitted, please contact the writer by telephone at 465-2397 and I will contact Mr. Jenkins for further material or testimony at a hearing.

Very truly yours,

R. D. Stevenson
Special Assistant

Enclosures

The Honorable Jalmar Kerttula

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March 31, 1976

cc: The Honorable Bill Ray
Chairman
Senate Finance Committee

The Honorable John Huber
Chairman
Special Committee on Taxation & Revenue

Gary L. Jenkins
Director, Audit Division
Department of Revenue

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant

DATE: March 30, 1976

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill 708

This bill would remove the option available to liquor distributors in the state of whether they will pay the alcoholic beverage tax when they ship the liquor into the state or when they sell it out of a warehouse in the state. Attached is a copy of my memo regarding HB 576 which has a similar provision in it.

If action is taken on this bill, it is very important that the following section be added to clarify the action necessary to pay the tax on liquor currently stored in warehouses in the state on which the tax has not been paid. The recommended wording is as follows:

*Sec. 4. For the purpose of this Act an inventory of intoxicating liquors subject to the excise tax under AS 43.60 shall be taken in accordance with AS 43.60.020(a) on the last day of the month following the month in which this Act becomes law. The inventory required by this section shall be taken by a certified public accountant. The excise tax is due and payable on the last day of the following month in accordance with AS 43.60.020(b). "In transit" merchandise is taxable on the effective date of this Act.

GLJ:lc

Introduced: 3/17/76
Referred: Commerce and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE SPECIAL
COMMITTEE ON TAXATION & REVENUE

1 IN THE SENATE

2 SENATE BILL NO. 708

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state taxation; and providing for
7 an effective date."

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

9 * Section 1. AS 43.60.010(L) is repealed.

10 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
11 070(c).

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