

HB

101

A M E N D M E N T :

to the Zharoff amendment

TO: CSHB 101 (Rules)

BY: Zharoff

OFFERED. April 15, 1982

PAGE: 3

LINES: following line 14
of the amendment

Add a new subsection (D) with the intent that:

~~(D)~~ fuel used in stationary power plants generating electrical
energy for private residential consumption,"

and re-letter the succeeding subsections accordingly.

HB 101

SENATE JOURNAL - PAGE 961- 2 4/20/82

<CS FOR HOUSE BILL NO. 101 (2d FIN)> by the Finance Committee with Letter of Intent, entitled:

"An Act relating to the motor fuel tax (AS 43.40); and providing for an effective date."

was read the first time and referred to the Transportation Committee and the Finance Committee.

HB 101

SENATE JOURNAL - PAGE 1028- 1 4/23/82

The Transportation Committee considered <CS FOR HOUSE BILL NO. 101 (2d FIN)> (motor fuel tax (AS 43.40)) and a majority of the committee recommends it do pass. Senator Ray, Chairman, signed "no recommendation". Senators Gilman, Dankworth and Sackett signed "do pass".

CS FOR HOUSE BILL NO. 101 (2d FIN) was referred to the Finance Committee.

HB 101

SENATE JOURNAL - PAGE 1090- 1 4/29/82

The Finance Committee considered <CS FOR HOUSE BILL NO. 101> <(2d FIN)> (motor fuel tax (AS 43.40)) and a majority of the committee recommends it be replaced with SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN), entitled:

"An Act relating to state taxation; and providing for an effective date."

and do pass. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Sackett, Sturgulowski, Eliason, Ferguson and Dankworth. Senator Stimson signed "no recommendation".

CS FOR HOUSE BILL NO. 101 (2d FIN) was referred to the Rules Committee.

HB 101

SENATE JOURNAL - PAGE 1134- 1 5/ 4/82

<CS FOR HOUSE BILL NO. 101 (2d FIN)> (relating to motor fuel tax (AS 43.40)) was read the second time.

Senator Sackett moved and asked unanimous consent that the

Finance Senate Committee Substitute offered on page 1090 be adopted. Without objection, (SENATE CS FOR CS FOR HOUSE BILL) (NO. 101 (FIN)) (relating to state taxation; eff date) was adopted.

Senator Rodey moved and asked unanimous consent for the adoption of the title change. Without objection, the title change was adopted.

SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) was read the second time.

Senator Rodey moved and asked unanimous consent that SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) was read the third time.

The question being: "Shall SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) (relating to state taxation) pass the Senate?" The roll was taken with the following result:

SCS CSHB 101 FIN 3RD

Yeas:	20	Anderson, Bennett, Bradley, Colletta, Dankworth, Eliason, Fahrenkamp, Ferguson, Fischer, Gilman, Kelly, Kerttula, Mulcahy, Parr, Ray, Rodey, Sackett, Stinson, Sturgulewski, Ziegler
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Nays:	0
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and so, SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) passed the Senate.

Senator Rodey moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) was referred to the Secretary for engrossment.

SCS CSHB 101 (FIN)
ENGROSSED.

SENATE JOURNAL - PAGE 1146- 1 5/ 4/83

HB 101

SENATE JOURNAL - PAGE 1149- 1 5/ 5/83

Fiscal note on SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) appears in Senate Supplement No. 40 to the May 5 Journal.

HB 101 HOUSE JOURNAL - PAGE 1651- 1 5/ 5/82

Senate passed with amendment - SCS CSHB 101 (Fin).
Held for future consideration

HB 101 SENATE JOURNAL - PAGE 1149- 1 5/ 6/82

Fiscal note on SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) appears in Senate Supplement No. 40 to the May 5 Journal.

HB 101 HOUSE JOURNAL - PAGE 1768- 1 5/10/82

Failed to concur in Senate amendments 17-22-0-1

HB 101 SENATE JOURNAL - PAGE 1261- 1 5/11/82

Message of May 10 was read, stating the House has failed to concur in the Senate amendment to CS FOR HOUSE BILL NO. 101 (2d FIN) (relating to the motor fuel tax (AS 43.40)? eff. date), namely:

<SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN)>
(relating to state taxation? eff. date)

and respectfully requests the Senate to recede from its amendment.

Senator Rodey moved that the Senate recede from its amendment and requested the body to vote no.

The question being: "Shall the Senate recede from its amendment to CS FOR HOUSE BILL NO. 101 (2d FIN)?" The roll was taken with the following result:

CSHB 101 RECEDE

Yeas: 0

Nays: 20 Anderson, Bennett, Bradley,
Colletta, Dankworth, Eliason,
Fahrenkamp, Ferguson, Fischer,
Gilman, Kelly, Keritula, Mulcahy,
Parr, Ray, Rodey, Sackett, Stimson,

Sturgulewski, Ziegler

and so, the Senate failed to recede from its amendment.

The President appointed the following members to a CONFERENCE COMMITTEE to meet with a like committee from the House to consider the above bills:

Senator Sturgulewski, Chairman
Senator Fischer
Senator Colletta

The Secretary was requested to notify the House.

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: SCS for HB 101 (Finance)

Title: An Act making technical amendments related to state taxation and relating to the motor fuel tax.

Requested by: Rules/Governor

Date: April 28, 1982

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected: Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	22.0	23.5	25.0	27.0	29.5
200 TRAVEL	-	1.6	1.8	2.0	2.2	2.4
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	.5	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	24.1	25.3	27.0	29.2	31.9

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-	24.1	25.3	27.0	29.2	31.9
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-	1	1	1	1	1
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

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

See analysis of bill attached.

IV. DATE: April 28, 1982

PREPARED BY: Robert R. Kessel

AGENCY: Audit Division

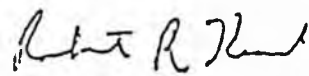
PHONE: 465-2320

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)



STATE OF ALASKA
DEPARTMENT OF REVENUE

M E M O R A N D U M

TO: R. D. Stevenson
Special Assistant

FROM: Robert R. Kessel
Director, Audit Division *RU*

DATE: April 30, 1982

RE: CS for CS for HB 101

The attached contains a section-by-section analysis of Senate CS for CS for HB 101.

The Department of Revenue has had substantial input into the drafting of the bill and supports it.

RRK/gb

Department of Revenue
April 29, 1982

Analysis - SCS for HB 101 (Finance)

Other Than Motor Fuel

Section 1 of SCS for HB 101 provides that the Commissioner of Fish and Game must submit to the Commissioner of Revenue the names of developing commercial fish species not later than January 31 of each year rather than March 31. The bill also changes the period for which the lower tax rate applies from a fiscal year to a calendar year. The reporting period therefore is made to coincide with the tax year. Section 14 makes a date change to conform to Section 1 (from June 30, 1983, to January 31, 1983).

Section 2 of the bill changes the interest rate on delinquent taxes from eight percent to twelve percent a year. There has not been a change in interest rates since 1976 and this section brings the interest into closer conformity with the real world of interest rates. For example, CD's now go for 13% and IRS charges 20% for delinquent taxes.

The Department believes that taxpayers entitled to refunds should be entitled to an interest rate equivalent to that charged delinquent taxpayers.

Section 3 of the bill provides that equity by applying the interest rate of 12% to overpayments of tax.

Section 13 relates the interest rate for delinquent oil and gas property production to the rate charged for other taxes. The current rate is 6%. Legislative Audit recommended in SB 856 an increase in this interest rate.

Note: Sections 2, 3 and 13 have passed the Senate in CS for SB 856 using the 12% rate.

Section 15 of the bill relates to the Investment Tax Credit. There have been substantial changes in the investment tax credit for federal purposes as a result of the Economic Recovery Tax Act (ERTA) of 1981. The full 10% investment tax credit applies much more frequently than under previous federal law. Section 43.20.021 of the Alaska Statute provides that Internal Revenue provisions are not adopted for state purposes until the second January 1 following the effective date of the federal law. Section 15 of HB 93 speeds up that transition and essentially allows for the more liberal investment tax credits

sooner than would the current provisions of 43.20.021. Phil Payne of the Alaska Society of CPA's on behalf of their Tax Committee has requested this.

Section 15 of the bill creates a fiscal impact of \$700,000 per year. However, additional revenue resulting from the increased interest rate for delinquent taxpayers creates a wash situation. The Department believes that the additional revenues from interest will cancel out the \$700,000.

Section 17 repeals Section 43.20.172. That section requires that fish processors furnish the Department with names of persons from whom newly harvested fish were purchased. The names of these persons were then cross-checked against the income tax filers list. Since the individual income tax has been repealed there is no need for Section 43.20.172. Section 17 also repeals AS 44.62.330(a)(20). The Revenue Department has its own taxpayer remedy provisions in 43.05.240. Tobacco Tax is currently the only tax appealed under the Administrative Procedures Act. Section 17 would bring Tobacco Tax appeals under 43.05.240 and would provide for consistency in tax administration.

Motor Fuel

Section 4 provides that a dealer can sell or transfer motor fuel if he has a reasonable belief that the fuel is not to be used as motor fuel. If the tax is not collected, the dealer needs to obtain a certificate of use from the purchaser. The Department of Revenue must pursue collection of tax from the user if the ultimate consumption of fuel is for taxable use.

Section 5 of the bill contains clarifying language to the motor fuel tax law. If a purchaser of motor fuel uses motor fuel for non-highway use in a foreign country, the purchaser is entitled to a refund on that fuel which tax has been paid. The word DUTY is out of place since the purchaser must have paid the motor fuel tax and not a DUTY.

Section 6 allows for a refund of motor fuel tax if a person resells fuel to an exempt user (Federal Government, etc.) or for exempt use and if tax had been previously paid by that person reselling such fuel. The Section further allows that the reseller can claim a credit or refund directly from the supplier in lieu of claiming such refund from the Department of Revenue.

Sections 7 & 9 merely deal with the contents of the claim form when claiming a refund.

Section 8 addresses the time in which a claim for refund must be filed.

Section 10 modifies the definition of motor fuel by clarifying various exemptions.

Section 11 expands the definition of "user" and would allow the Department of Revenue to collect motor fuel tax from a fuel user in those instances when a dealer sells ex tax to a user under the premise of an exempt use and wherein the user actually uses the fuel for a taxable purpose.

Section 12 defines the term qualified dealer and allows the Department to effectively monitor bulk transfer exemption in the new AS 43.40.100(2)(G).

Section 16 deals with the administrative problem occurring as a result of the recent audits performed by the Department of Revenue on motor fuel distributors. Where there is a reasonable belief based upon the purchaser's representation or other evidentiary matter, the Department will reduce its audit assessments accordingly.

Sections 18-20 deal with effective dates.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUGH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

May 3, 1982

The Honorable Tim Kelly
Chairman
Senate Rules Committee
Room 101 - Capitol Building
Juneau, Alaska

Re: Senate CS for CS House Bill No. 101 (Finance)

Dear Senator Kelly:

Senate CS for CS for House Bill No. 101 (Finance), an Act relating to state taxation, was referred in the Senate on April 29, 1982 by the Senate Finance Committee to the Senate Rules Committee.

For the consideration of the Senate Rules Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Robert R. Kessel, Director, Audit Division, Department of Revenue concerning the Committee Substitute.

Sincerely,

R. D. Stevenson
Special Assistant

Enclosure

cc: Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Robert R. Kessel, Director
Audit Division
Department of Revenue

water
aircraft
cars -

3.8

Introduced: 2/4/81
Referred: Resources and
Finance

1 IN THE HOUSE

BY ZHAROFF, GRUSSENDORF AND
BETTISWORTH

2 HOUSE BILL NO. 101

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act repealing the tax on motor fuel used in or on
7 watercraft; and 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 eight cents a gallon on all motor
11 fuel sold or otherwise transferred within the state, except that

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

13 [(2) THE TAX ON MOTOR FUEL USED IN AND ON WATERCRAFT OF ALL
14 DESCRIPTIONS IS FIVE CENTS A GALLON, AND]

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

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

18 (b) There is levied a tax of eight cents a gallon on all motor
19 fuel consumed by a user, except that

20 (1) the tax on aviation gasoline consumed is four cents a
21 gallon, and

22 [(2) THE TAX ON MOTOR FUEL USED IN AND ON WATERCRAFT OF ALL
23 DESCRIPTIONS IS FIVE CENTS A GALLON, AND]

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

26 * Sec. 3. AS 43.40.010(g) is amended to read:

27 (g) The proceeds of the revenue from the tax on all motor fuels,
28 except as provided in (e) [, (f),] and (j) of this section, shall be
29 deposited in a special highway fuel tax account in the state general

1 fund. The legislature may appropriate funds from it for expenditure by
2 the Department of Transportation and Public Facilities [PUBLIC WORKS]
3 directly or as matched with available federal-aid-highway money for
4 maintenance of highways, construction of highway projects and ferries
5 included in the program provided for in AS 19.10.150, including ap-
6 proaches, appurtenances and related facilities and acquisition of
7 rights of-way or easements, and other highway costs including surveys,
8 administration, and related matters. All departments of the state
9 government authorized to spend funds collected from taxes imposed by
10 this chapter [AS 43.40.010 - 43.40.100] shall perform, when feasible,
11 all construction or reconstruction projects by contract after the
12 projects have been advertised for competitive bids, except that, when
13 feasible, arrangements shall be made with political subdivisions to
14 carry out the construction or reconstruction projects. If it is not
15 feasible for the work to be performed by state engineering forces, the
16 commissioner of Transportation and Public Facilities [PUBLIC WORKS] may
17 contract on a professional basis with private engineering firms for
18 road design, bridge design, and services in connection with surveys.
19 If more than one private engineering firm is available for the work the
20 contracts shall be entered into on a negotiated basis.

21 * Sec. 4. AS 43.40.030(a)(2) is amended to read:

22 (2) the motor fuel is not aviation fuel [, OR MOTOR FUEL,
23 USED IN OR ON WATERCRAFT]; and

24 * Sec. 5. AS 43.40.100(2) is amended to read:

25 (2) "motor fuel" means fuel used in an engine for the pro-
26 pulsion of a motor vehicle or aircraft, and fuel used [IN AND ON WATER-
27 CRAFT FOR ANY PURPOSE, OR] in a stationary engine, machine or mechanical
28 contrivance which is run by an internal combustion motor; "motor fuel"
29 does not include

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(A) fuel consigned to foreign countries,

(B) fuel sold for use in jet propulsion aircraft operating in flights to foreign countries,

(C) fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public,

(D) fuel used by nonprofit power associations or corporations for generating electric energy for resale,

(E) fuel used by charitable institutions, [OR]

(F) fuel which is at least 10 percent alcohol by volume, or

(G) fuel used in and on watercraft for any purpose; [.]

* Sec. 6. AS 43.40.010(f) is repealed.

* Sec. 7. This Act takes effect [July 1, 1981.] *July 1, 1982*

STATE OF ALASKA

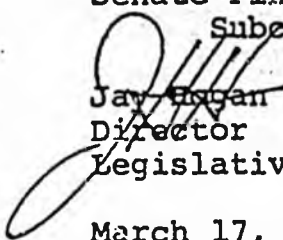
THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF--STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

MEMORANDUM

TO: Senator Arliss Sturgulewski
Chairman
Senate Finance Transportation
Subcommittee


FROM:  Jay Egan
Director
Legislative Finance

DATE: March 17, 1981

SUBJECT: Position control through appropriations

This memorandum assumes two things:

- (1) There exists a desire to have some legislative control over the size and growth rate of the state operating budget, and
- (2) The size and growth rate of the operating budget are in large part related to the number of state employees.

During the early and mid 1970's, the legislature had some degree of control over the number of state employees assigned to various state operations. During the regular session the finance committees received, reviewed, and approved, where appropriate, agency requests for new positions. During the interim and throughout the budget year, the Legislative Budget & Audit Committee received, reviewed, and approved, where appropriate, revised programs establishing new positions. This process disintegrated in May of 1978 with the Superior Court decision in Kelley v. Hammond, in which the court held that the Budget & Audit Committee could not approve or veto the establishment of positions (see attached partial summary judgment). The decision opened the gates for the establishment of new positions during the budget year via revised programs requiring approval only of the Director of Budget and Management. 

MEMORANDUM

March 17, 1981

Position control through appropriations

Page 2

The shortcomings of the currently-existing system are nowhere better illustrated than in RP 81-14x (attached). Through this RP, Central Region, Highways, established ten new positions for the current budget year, FY 1981, four days following adjournment of the Second Session of the Eleventh Legislature. According to the new rules of the game, legislative approval of these ten positions is now requested of this legislature in the FY 82 DOT operating budget.

At the request of the Senate Finance Committee, I sent a memo dated February 10, 1981, to all departments and agencies, requesting among other things the numbers, salaries, and positions requested in the FY 82 budget that had been established by revised program. I further requested an indication as to whether or not these positions were currently filled (memorandum attached). The responses to this request are still trickling in, but of particular interest is a memorandum from the Director of Budget and Management to all agencies, the first paragraph of which reads as follows:

The Governor's Office is concerned about the rapid growth of new positions in State Government. Many of these positions have been established by revised program. This fact reveals that many agencies have not done an adequate job of estimating their FY 81 staffing requirements. Ultimately this reflects on the quality of the Governor's budget.

(copy of memorandum attached).

Obviously, as long as the governor's budget office can authorize the establishment of new positions at will, there is no way the legislature can effectively control the number of state employees. In my view, the Executive Budget Act as currently written allows the legislature, if it wishes, to state as a condition of its appropriations that the amounts budgeted for personal services are for a specified number of positions and that that number may not be exceeded. In support of this AS 37.07.080(d) (attached) states:

MEMORANDUM

March 17, 1981

Position control through appropriations

Page 3

(d) No state agency may increase the salaries of its employees, employ additional employees, or expend money or incur obligations except in accordance with law and properly approved operations plan.

If adopted by the legislature, a policy of legislative position control would require the insertion of language conditioning those portions of appropriations budgeted for personal services with language similar to that shown in Sec. 3 from a State of Maine general appropriation act (copy attached). For all appropriations or allocations that include budgets for positions, we have for the past several years--for informational purposes only--included a parenthetical reference to the total number of permanent full time and part time positions approved. Under this proposal that parenthetical reference would shift from an "informational" item to a permanent position ceiling not to be exceeded except through an additional authorization for personal services contained in some other appropriation approved by the legislature.

Attachments

Alaska State Legislature

REPRESENTATIVE
FRED F. ZHAROFF
P.O. Box 405
KODIAK, ALASKA 99815
(907) 486-3254



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 485-4986
405-4951

House of Representatives

DISTRICT 14:

BELLSFLATS
CHINIAK
KODIAK
OUZINKIE

SECTIONAL ANALYSIS

HB 101 - Repeal Marine Fuel Tax

- Sec. 1. Repeals tax on dealer who sells or transfers marine fuel
- Sec. 2. Repeals tax on consumer
- Sec. 3. Technical amendments
- Sec. 4. Technical amendments
- Sec. 5. This excludes fuel used by watercraft from the definition of "motor fuel".
- Sec. 6. Repeals watercraft fuel tax account from the general fund.
- Sec. 7. Effentive date clause of July 1, 1981

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 101

Title An Act repealing the tax on motor fuel used in or on watercraft.

Requested by House Resources Committee Date Feb. 7, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) - NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars) - NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS - NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill #101
 Title Act repealing the tax on motor fuel used in or on watercraft
 Requested by House Resources Committee Date 2/9/81

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

Millions

FUNDING (Thousands of Dollars)

	-0-	(3.6)	(3.8)	(4.0)	(4.2)
GENERAL FUND					
FEDERAL FUNDS					
OTHER (Specify Fund Source)					

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

Alaska State Legislature

REPRESENTATIVE
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House of Representatives

DISTRICT 14:

BELLSFLATS
CHINIAK
KODIAK
OJZINKIE

A recap of the following pages from the Department of Revenue's Source Book publications shows the amount of Marine Fuel Tax collected for the past few years and the estimated tax for FY 81 and FY 82.

<u>Fiscal Year</u>	<u>Actual</u>	<u>Estimate</u>
1977	1,400	
1978	2,100	
1979	2,600	
1980	3,200	
1981		3,400
1982		3,600

The proceeds from the Marine Fuel Tax are deposited in the Watercraft Fuel Tax Account in the general fund and may be appropriated for water and harbor facilities. However, this account is not tracked by municipalities, so it is impossible to compare the amount paid into the account by a municipality to what that municipality receives back for their water and harbor facilities.

General Fund Unrestricted Revenues

In Thousands of Current Dollars

	FY 1980 <u>Actual</u>	FY 1981 Revised <u>Estimate</u>	FY 1982 <u>Estimate</u>
<u>Taxes</u>			
<u>Income</u>			
Corporate - General	17,900	35,000	36,000
Corporate - Petroleum	547,500	770,000	882,900
Fiduciary (1)	100	-0-	-0-
Individual (1)	100,500	-0-	-0-
<u>Gross Receipts</u>			
Alaska Business License	4,200	5,300	3,200
Fish - Canned Salmon (2)	4,300	12,100 (3)	6,600
Fish - Shoreland (2)	7,600	10,400 (3)	7,800
Fish - Floating (2)	2,700	4,000 (3)	3,100
Salmon Enhancement (4)	-0-	-0-	1,500
Insurance Companies	10,400	11,300	12,500
Other	2,100	2,600	2,900
<u>Severance</u>			
Gravel, Timber, etc.	1,600	1,300	3,000
Oil & Gas Production (5)	506,200	1,178,200	1,747,100
Oil & Gas Conservation	300	600	600
<u>Property</u>			
Oil & Gas	168,900	170,000	170,000
Vehicle Registration	100	200	200
<u>Sale/Use</u>			
Alcoholic Beverages	7,400	7,900	8,200
Fuel Taxes - Aviation	4,000	4,100	4,300
Fuel Taxes - Highway	18,900	18,500	20,900
Fuel Taxes - Marine	3,200 ✓	3,400	3,600
Tobacco Products	1,600	1,700	1,800
<u>Other</u>			
Estate	200	200	200
School (6)	2,600	-0-	-0-
Total Taxes	<u>1,412,300</u>	<u>2,236,800</u>	<u>2,916,400</u>
<u>Licenses & Permits</u>			
<u>Business</u>	8,100	8,300	9,700
<u>Non-Business</u>	10,700	12,000	12,500
Total Licenses & Permits	<u>18,800</u>	<u>20,300</u>	<u>22,200</u>
<u>Intergovernmental Receipts</u>			
<u>Federal Shared Revenues (5) (7)</u>	<u>4,800</u>	<u>19,400 (8)</u>	<u>8,000</u>
<u>State Resource Revenue</u>			
<u>Sale/Use</u>			
Bonus Sales	342,400 (7) (9)	6,400 (10) (11) (12)	-0- (11)

28.8

Unrestricted Revenues

In Thousands of Current Dollars

	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>
<u>TAXES</u>	<u>ACTUAL</u>	<u>REVISED ESTIMATE</u>	<u>ESTIMATE</u>
<u>INCOME</u>			
Corporate - General	24,800	15,000	28,000
Corporate - Petroleum ⁽¹⁾	232,600 ⁽²⁾	402,000	558,000
Fiduciary	100	100	100
Individual	117,200	122,000	161,000
<u>GROSS RECEIPTS</u>			
Alaska Business License ⁽³⁾	28,200	4,000	3,000
Raw Fish ⁽⁴⁾	6,700	8,600	13,800
Cold Storage ⁽⁴⁾	3,300	8,700	12,600
Freezer Ship ⁽⁴⁾	1,900	3,600	4,900
Insurance Companies	10,800	12,400	14,300
Other	1,900	2,000	2,300
<u>SEVERANCE</u>			
Gravel, Timber, etc.	1,700	1,500	1,200
Oil and Gas Production ⁽⁵⁾	173,800	432,900	1,045,200
<u>PROPERTY</u>			
Oil and Gas	163,400	175,000	178,000
Vehicle Registration	200	100	200
<u>SALE/USE</u>			
Alcoholic Beverages	7,400	7,700	8,000
Fuel Taxes-Aviation	3,400	3,600	3,700
Fuel Taxes-Highway	16,300	18,400	19,000
Fuel Taxes-Marine	2,600 ✓	3,100	3,200
Tobacco Products	1,700	1,700	1,800
<u>OTHER</u>			
Estate	100	200	200
School	2,500	2,500	2,700
TOTAL TAXES	<u>800,600</u>	<u>1,225,100</u>	<u>2,061,200</u>
<u>LICENSES AND PERMITS</u>			
<u>BUSINESS</u>	7,500	8,500	8,500
<u>NON-BUSINESS</u>	12,300	11,300	12,400
TOTAL LICENSES & PERMITS	<u>19,800</u>	<u>19,800</u>	<u>20,900</u>
<u>INTERGOVERNMENTAL RECEIPTS</u>			
<u>FEDERAL SHARED REVENUES</u> ⁽⁶⁾	<u>4,100</u>	<u>4,000</u>	<u>4,000</u>

STATE RESOURCES REVENUE

<u>SALE/USE</u>			
Bonus Sales (6)	-0-	-0-	-0-
Investment Earnings	44,200	42,000	45,000
Rents (6)	2,300	2,800	2,500
Royalties (6)	149,600	223,200	270,200
Sale of State Property	1,900	1,800	4,200
<u>FACILITIES RELATED CHARGES</u>			
Airports	800	400	500
Ferry System (7)	15,600	19,600	23,100
All Other	4,000	3,600	4,000
<u>SERVICE RELATED CHARGES</u>			
Court System	2,800	2,900	3,100
All Other	1,700	1,600	300
TOTAL STATE RESOURCES REVENUE	<u>222,900</u>	<u>291,900</u>	<u>352,900</u>
<u>MISCELLANEOUS REVENUE</u>			
Returns, etc.	<u>3,900</u>	<u>3,900</u>	<u>3,900</u>
TOTAL UNRESTRICTED REVENUES	787,300	1,071,700	1,134,400
Less: Native Claims Payments	<u>22,400</u>	<u>41,600</u>	<u>50,800</u>
TOTAL TO THE STATE	<u>764,900</u>	<u>1,030,100</u>	<u>1,083,600</u>

(1) Ch. 110 SLA 1978 Effective July 9, 1978.

(2) Sec. 3 of Ch. 144 SLA 1978 Effective January 1, 1979 amended AS 43.60.030 to remove the gross receipts levy on all businesses with the exception of the net income tax for banks, trust companies and savings and loan associations and the business license fee itself.

(3) <u>COMMERCIAL FISH TAXES</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Raw Fish	5,500	6,300	6,700
Cold Storage	2,300	2,700	2,700
Freezer Ship	500	1,000	800
TOTAL	<u>8,300</u>	<u>10,500</u>	<u>10,200</u>

(4) Reserves tax credit applied.

(5) <u>FUEL TAXES</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Aviation	3,300	3,400	3,500
Highway	17,900	22,100	23,400
Marine	2,100 ✓	2,300	2,400
TOTAL	<u>23,300</u>	<u>27,800</u>	<u>29,300</u>

(6) Net of 25% Permanent Fund contribution.

(7) <u>FERRY SYSTEM</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Southeast	14,000	17,500	20,900
Southwest	1,600	2,100	2,200
TOTAL	<u>15,600</u>	<u>19,600</u>	<u>23,100</u>

General Fund

	<u>1977</u>	<u>1978</u>		<u>1979</u>
	<u>ACTUAL</u>	<u>BUDGET ESTIMATE</u>	<u>REVISED ESTIMATE</u>	<u>ESTIMATE</u>
<u>TAXES</u>				
<u>INCOME</u>				
Corporate	35,772.1	53,440.0	44,600.0	65,600.0
Fiduciary	92.4	55.0	101.6	111.7
Individual	210,378.3	93,403.4	135,000.0	145,000.0
<u>GROSS RECEIPTS</u>				
Alaska Business License	23,252.2	17,422.5	21,800.0	20,400.0
Commercial Fish	6,203.1	3,896.0	7,830.5	8,489.7
Insurance Companies	8,063.2	6,750.0	8,200.0	8,500.0
Public Utilities	1,192.7	975.0	1,392.8	1,532.0
Other	65.2	50.0	71.7	78.8
<u>SEVERANCE</u>				
Gravel, Timber, Land, etc.	1,002.4	807.0	546.5	578.6
Oil and Gas Production (1)	23,758.4	113,469.0	113,500.0	176,000.0
<u>PROPERTY</u>				
Oil and Gas	139,140.7	168,300.0	168,300.0	170,600.0
Reserves (2)	270,626.5	-0-	-0-	-0-
Vehicle Registration (3)	-0-	198.4	198.6	202.4
<u>SALE/USE</u>				
Alcoholic Beverages	7,977.7	7,470.0	6,800.0	6,700.0
Fuel Taxes-Aviation	2,503.7	2,940.0	2,300.0	2,300.0
Fuel Taxes-Highway	16,745.2	18,113.7	13,200.0	12,800.0
Fuel Taxes-Marine	1,358.2 ✓	1,460.0	1,900.0	1,800.0
Tobacco Products	1,817.7	1,562.6	1,600.0	1,500.0
<u>OTHER</u>				
Death and Gift	193.1	125.0	213.0	234.3
School	2,588.6	2,511.0	2,100.0	2,100.0
TOTAL TAXES	<u>752,731.4</u>	<u>492,948.6</u>	<u>529,654.7</u>	<u>624,527.5</u>
<u>LICENSES AND PERMITS</u>				
<u>BUSINESS</u>				
Alcoholic Beverages	949.3	992.3	988.2	1,007.6
Amusements	107.3	85.6	118.0	129.7
Commercial Fishing (4)	836.1	694.2	1,157.3	1,081.9
General Corporation	1,126.1	1,010.8	1,165.7	1,225.0
Professional and Occupational	672.4	779.0	779.0	721.1
Regulatory	1,729.8	1,743.5	1,747.4	1,769.2
Other	43.2	39.9	41.1	43.5
<u>NON-BUSINESS</u>				
Fish and Game	48.9	66.7	47.9	49.5
Motor Vehicle-Operators	584.0	531.5	534.6	550.6
Motor Vehicle-Titles/Registration	10,020.4	12,251.2	11,505.0	11,350.1
Other	2.0	6.9	7.0	6.3
TOTAL LICENCES AND PERMITS	<u>16,119.5</u>	<u>18,201.6</u>	<u>18,091.2</u>	<u>17,934.5</u>
<u>INTERGOVERNMENTAL RECEIPTS</u>				
<u>FEDERAL SHARED REVENUE</u>				
Lands	511.0	564.0	3,520.0	3,255.2
Mineral Rents and Royalties (5)	1,985.6	3,054.2	1,450.8	1,381.9
Other	2.2	2.5	2.5	2.5
TOTAL INTERGOVERNMENTAL RECEIPTS	<u>2,498.8</u>	<u>3,620.7</u>	<u>4,973.3</u>	<u>4,639.6</u>

(2) \$4 for each 1,000 holes or fraction in each board with more than 2,000 holes. (§ 1 ch 116 SLA 1949; am § 1 ch 53 SLA 1951)

Sec. 43.35.110. Power to issue regulations. The department may issue orders and regulations necessary to carry out §§ 100—150 of this chapter. (§ 3 ch 116 SLA 1949; am § 1 ch 53 SLA 1951)

Sec. 43.35.120. Manner of paying tax. The tax shall be paid by purchasing stamps from the office of the Department of Revenue. The stamps shall be affixed to the punchboard before it is placed in use, and the operator of the punchboard shall endorse upon the stamp the serial number of the punchboard. (§ 2 ch 116 SLA 1949; am § 1 ch 53 SLA 1951)

Sec. 43.35.130. Refund to local governments. The department shall refund 75 per cent of the tax collected from sales of punchboards in an organized borough or city of the first, second, or third class to the local government. The balance shall be deposited in the general fund. (§ 6 ch 116 SLA 1949; am § 1 ch 53 SLA 1951; am § 3 ch 155 SLA 1962)

Sec. 43.35.140. Gambling not legalized. Sections 100—150 of this chapter do not legalize gambling. (§ 4 ch 116 SLA 1949; am § 1 ch 53 SLA 1951)

Cross reference. — As to limitations on authorized gaming activities, see AS 05.15.180.

Sec. 43.35.150. Violations and penalties. (a) It is unlawful for a person to (1) distribute in the state a punchboard for which the license tax provided in §§ 100—150 of this chapter is not paid; or (2) maintain for use, or permit the use of, in a place or premises occupied by the person a punchboard upon which the license stamp is not affixed.

(b) A person violating a provision of §§ 100—150 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$500. (§ 5 ch 116 SLA 1949; am § 1 ch 53 SLA 1951)

Chapter 40. Motor Fuel Tax.

Article

1. General Tax Levy on Transfers or Consumption of Motor Fuel (§§ 43.40.010 — 43.40.100)
2. Additional Tax Levy on Transfers or Consumption of Motor Fuel (Repealed)

Article 1. General Tax Levy on Transfers or Consumption of Motor Fuel.

Section

10. Tax on transfers or consumption of motor fuel and expenditure of proceeds

Section

20. Penalty for violation
 30. Refund for nonhighway use
 40. Applications and permits for refund

Section

- 50. Refund claim by affidavit
- 60. Separate invoices
- 70. Refund warrants
- 80. Examination of books and records

Section

- 85. Preservation of books and records
- 90. Criminal violation
- 100. Definitions

Sec. 43.40.010. Tax on transfers or consumption of motor fuel and expenditure of proceeds. (a) There is levied a tax of 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 and on watercraft of all descriptions is five cents a gallon, and
- (3) the tax on all aviation fuel other than gasoline is two and one-half cents a gallon.

(b) There is levied a tax of eight cents a gallon on all motor fuel consumed by a user, except that

- (1) the tax on aviation gasoline consumed is four cents a gallon,
- (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents a gallon, and
- (3) the tax on all aviation fuel other than gasoline is two and one-half cents a gallon.

(c) Every dealer who sells or otherwise transfers motor fuel in the state shall collect the tax at the time of sale, and remit the total tax collected during each calendar month of each year to the Department of Revenue by the last day of each succeeding month. Every user shall likewise remit the tax accrued on motor fuel actually used by him during each month. At the time the remittance is made, each dealer or user shall submit a statement to the Department of Revenue showing all motor fuel which he has distributed or used during the month.

(d) Repealed by § 3 ch 166 SLA 1976.

(e) Sixty per cent of the proceeds of the revenue from the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, shall be refunded to a municipality owning and operating or leasing and operating an airport in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel shall be paid into a special aviation fuel tax account in the state general fund. The legislature may appropriate funds from this account for aviation facilities.

(f) The proceeds from the revenue from the tax on motor fuel used in boats and watercraft of all descriptions shall be deposited in a special watercraft fuel tax account in the general fund. The legislature may appropriate from this account for water and harbor facilities.

(g) The proceeds of the revenue from the tax on all motor fuels, except as provided in (e), (f), and (j) of this section, shall be deposited in a special highway fuel tax account in the state general fund. The legislature may appropriate funds from it for expenditure by the Department of Public Works directly or as matched with available federal-aid highway money

for maintenance of highways, construction of highway projects and ferries included in the program provided for in AS 19.10.150, including approaches, appurtenances and related facilities and acquisition of rights-of-way or easements, and other highway costs including surveys, administration, and related matters. All departments of the state government authorized to spend funds collected from taxes imposed by §§ 10—100 of this chapter shall perform, when feasible, all construction or reconstruction projects by contract after the projects have been advertised for competitive bids, except that, when feasible, arrangements shall be made with political subdivisions to carry out the construction or reconstruction projects. If it is not feasible for the work to be performed by state engineering forces, the commissioner of [public works] may contract on a professional basis with private engineering firms for road design, bridge design, and services in connection with surveys. If more than one private engineering firm is available for the work the contracts shall be entered into on a negotiated basis.

(h) All motor fuel tax receipts shall be paid into the general fund and distributed to the proper accounts in the general fund. Valid motor fuel tax refund claims shall be paid from the highway fuel tax account in the general fund.

(i) Within 30 days after the legislature convenes the Department of Public Works shall submit an annual budget covering anticipated revenues and their expenditure, for the consideration and approval by the legislature. The budget shall cover all money collected or anticipated to be collected under §§ 10—100 of this chapter for the year following the adjournment of each regular session of the legislature.

(j) The proceeds from the tax on motor fuel used in snow vehicles and, unless a tax refund is applied for under § 40 of this chapter, other internal combustion engines not used in or in conjunction with a motor vehicle licensed to be operated on public ways shall be deposited in a special nonpublic highway use account in the general fund. The legislature may appropriate from this account to the Department of Highways for trail staking and shelter construction and maintenance.

(k) The tax on the transfer or consumption of motor fuel provided for in this section does not apply to liquified petroleum gas. (§ 48-5-2 ACLA 1949; am § 1 ch 80 SLA 1951; am § 1 ch 47 SLA 1955; am §§ 1, 2 ch 27 SLA 1957; am § 1 ch 134 SLA 1957; am § 1 art VI title II ch 152 SLA 1957; am § 2 art V title III ch 152 SLA 1957; am § 2 ch 124 SLA 1959; am §§ 1, 2 ch 20 SLA 1960; am § 1 ch 150 SLA 1960; am § 1 ch 110 SLA 1961; am § 1 ch 136 SLA 1961; am §§ 1—3 ch 131 SLA 1962; am § 1 ch 130 SLA 1968; am § 10 ch 143 SLA 1968; am §§ 1, 2 ch 216 SLA 1968; am §§ 1—3 ch 158 SLA 1970; am § 3 ch 58 SLA 1971; am §§ 1, 2 ch 124 SLA 1971; am §§ 2, 3 ch 125 SLA 1971; am §§ 1—3 ch 153 SLA 1972; am § 3 ch 166 SLA 1976; am §§ 1, 2 ch 116 SLA 1977)

Cross reference. — For civil penalty imposed for failure to file a return or report, or pay the full amount of a tax, or a portion or a deficiency of the tax, see AS 43.05.220.

Effect of amendments. — The 1976 amendment repealed subsection (d), which provided for an additional amount to be added to the tax for failure to file a return and remit the tax within the time prescribed by law or prescribed by the department pursuant to law, due to wilful neglect.

The 1977 amendment rewrote paragraph (2) of subsection (a) and paragraph (2) of subsection (b).

Editor's note. — Section 1, ch. 125, SLA 1971, provides: "Intent. The intent of this Act is to provide funds for trail staking and shelter construction and maintenance projects in sparsely populated areas where the interests of safety require their establishment for the protection of traveling citizens of the state."

Purpose of subsection (g). — The purpose of the dedication of the taxes on motor fuels contained in subsection (g) of this section is public highways. 1959 Op. Att'y Gen., No. 9.

A proposed alteration going to the geographical area of expenditure rather

than to the special purpose of a dedication, does not contravene the constitution. 1959 Op. Att'y Gen., No. 9.

Amendment of 1957 effected no change in dedication. — The 1957 amendment to this section, which reduced the tax on motor fuel used in commercial fishing crafts for purposes of commercial fishing from five cents to two cents per gallon, effected no change in the dedication inasmuch as the reduction in the tax was coupled with an exemption from the refund of three cents per gallon formerly allowed to users of fuel in commercial fishing craft for commercial purposes. Nothing has been done which increased or decreased the dedication. 1959 Op. Att'y Gen., No. 14.

Civil Air Patrol exempt. — The Civil Air Patrol is exempt from taxation under the Alaska Motor Fuel Oil Tax Act because it is an instrumentality of the federal government. 1961 Op. Att'y Gen., No. 26.

But volunteer members of Civil Air Patrol are not exempt. 1961 Op. Att'y Gen. No. 26.

Am. Jur. and C.J.S. references. — 51 Am. Jur., Taxation, §§ 1260 to 1279. 53 C.J.S. Licenses § 30.

Sec. 43.40.020. Penalty for violation. (a) A person who violates a provision of §§ 10—100 of this chapter upon conviction is punishable for each violation by a fine of not less than \$50 nor more than \$5,000, or by imprisonment for not more than one year, or by both. Each day's violation is a separate offense.

(b) Repealed by § 3 ch 116 SLA 1977. (§ 48-5-3 ACLA 1949; am § 4 ch 153 SLA 1972; am § 3 ch 116 SLA 1977)

Effect of amendment. — The 1977 amendment repealed subsection (b), which read "A person who claims the nonpropulsion use fuel tax exemption under § 10 (a) (2) or § 10 (b) (2) of this chapter and who uses a portion of the

amount of the exempted fuel for another purpose is guilty of a misdemeanor, and is punishable by a fine of not more than \$5,000."

C.J.S. reference. — 53 C.J.S. Licenses § 62.

Sec. 43.40.030. Refund for nonhighway use. (a) Except as specified in § 10 (j) of this chapter, a person who uses motor fuel to operate an internal combustion engine is entitled to a refund of six cents a gallon if

- (1) the tax on the motor fuel has been paid;
- (2) the motor fuel is not aviation fuel, or motor fuel used in or on watercraft; and
- (3) the internal combustion engine is not used in or in conjunction with a motor vehicle licensed to be operated on public ways.

(b) The entire tax levied by §§ 10—100 of this chapter shall be refunded to the purchaser on that part of the motor fuel used in a foreign country on which duty is paid when the fuel is sold and delivered in the state for nonhighway use in a foreign country.

(c) The Department of Revenue shall establish the necessary regulations and prescribe the appropriate forms to prove that the motor fuel is taken to and used in foreign countries. (§ 2 ch 47 SLA 1955; am § 3 ch 27 SLA 1957; am § 2 ch 136 SLA 1961; am § 4 ch 158 SLA 1970; am § 3 ch 124 SLA 1971; am § 4 ch 125 SLA 1971; am § 4 ch 116 SLA 1977)

Effect of amendment. — The 1977 amendment substituted "or on watercraft" for "an engine to propel a boat or watercraft, including motor fuel which may be used for heating and cooking aboard boats and watercraft" in paragraph (2) of subsection (a).

Editor's note. — Section 1, ch. 125, SLA 1971, provides: "Intent. The intent of this

Act is to provide funds for trail staking and shelter construction and maintenance projects in sparsely populated areas where the interests of safety require their establishment for the protection of traveling citizens of the state."

Sec. 43.40.040. Applications and permits for refund. A person who desires to claim a refund shall obtain an annual permit from the Department of Revenue by application on a form prescribed by the department. The application shall contain the name, address, and occupation of the applicant, the nature of the business, and a sufficient description for identification of the machines or equipment in which the motor fuel is to be used for which refund may be claimed under the permit. The permit shall be obtained no later than the time that the first application for refund is made under §§ 10—100 of this chapter. The permit expires at midnight of June 30 following the date it is issued. (§ 3 ch 47 SLA 1955; am § 4 ch 131 SLA 1962)

Sec. 43.40.050. Refund claim by affidavit. (a) A person who claims a refund as provided in §§ 10—100 of this chapter shall present his claim to the commissioner of revenue by affidavit upon a form provided by the commissioner with the information the commissioner requires. The claim shall be accompanied by each invoice issued to the claimant at the time the motor fuel is purchased. The commissioner may require any additional information which he considers necessary for the administration of §§ 10—100 of this chapter.

(b) A claim for refund shall be filed within one year from the date of the purchase of the motor fuel as indicated on the invoice, and failure to file within the one year period is a waiver of the right to the refund. A claim is considered to be filed when the claim is mailed or personally presented to an office of the Department of Revenue. (§ 4 ch 47 SLA 1955; am § 1 ch 139 SLA 1960)

Sec. 43.40.060. Separate invoices. The Department of Revenue may require the issuance of separate invoices for fuel sold, distributed, or transferred when the invoices will be the basis for a refund claim. (§ 6 ch 47 SLA 1955)

Sec. 43.40.070. Refund warrants. Upon approval of a refund claim by the Department of Revenue, a warrant shall be drawn on the highway fuel tax account in the general fund in favor of the applicant in the amount of the claim. (§ 7 ch 47 SLA 1955; am § 5 ch 131 SLA 1962)

Sec. 43.40.080. Examination of books and records. (a) To determine the validity of a claim for refund, the Department of Revenue may examine the books and records of the claimant and the books and records of a distributor of motor fuel. The Department of Revenue may cancel the refund permit of the claimant relying upon a fraudulent invoice for a period of not more than one year.

(b) If an invoice relied upon for a refund claim is fraudulent, the claimant is guilty of a misdemeanor and is punishable by a fine of not more than \$500. (§ 5 ch 47 SLA 1955)

Sec. 43.40.085. Preservation of books and records. Dealers and users shall preserve for three years all books and records pertaining to sales, transfers, and uses of motor fuel which are taxed under this chapter. (§ 5 ch 158 SLA 1970)

Sec. 43.40.090. Criminal violation. A person who uses motor fuel with knowledge that the tax has not been paid is guilty of a misdemeanor, and is punishable by a fine of not more than \$500, or by imprisonment for not more than one year, or by both. (§ 11 ch 47 SLA 1955; am § 4 ch 27 SLA 1957)

C.J.S. reference. — 53 C.J.S. Licenses
§ 66.

Sec. 43.40.100. Definitions. In §§ 10—100 of this chapter

(1) "dealer" means a person who sells or otherwise transfers in this state motor fuel upon which the taxes imposed by this chapter have not been paid;

(2) "motor fuel" means fuel used in an engine for the propulsion of a motor vehicle or aircraft, and fuel used in and on watercraft for any purpose, or in a stationary engine, machine or mechanical contrivance which is run by an internal combustion motor; "motor fuel" does not include

(A) fuel consigned to foreign countries,

(B) fuel sold for use in jet propulsion aircraft operating in flights to foreign countries,

(C) fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public,

(D) fuel used by nonprofit power associations or corporations for generating electric energy for resale, or

(E) fuel used by charitable institutions;

(3) "user" means a person consuming or using motor fuel, who either purchases the fuel out of the state and ships it into the state for his own use within the state or manufactures the fuel in the state. (§ 48-5-1 ACLA 1949; am § 1 ch 56 SLA 1949; am § 9 ch 47 SLA 1955; am § 26 ch 70 SLA 1964; am §§ 6, 7 ch 158 SLA 1970; am § 1 ch 74 SLA 1972; am § 5 ch 116 SLA 1977)

Cross reference. — See editor's note to AS 08.04.380.

Effect of amendment. — The 1977 amendment in paragraph (2), added the subparagraph designations, substituted "or aircraft, and fuel used in and on watercraft for any purpose" for "aircraft, boat or watercraft", "run" for "propelled", and "motor fuel does not include" for "except on consignments of motor" in the

introductory paragraph, substituted "consigned" for "oil" in present subparagraph (A), substituted "fuel sold" for "except motor fuel oil sold" in present subparagraph (B), deleted "and except" preceding "fuel used" and "or" following "general public" in present subparagraph (C), and inserted "fuel used" at the beginning of present subparagraphs (D) and (E).

Article 2. Additional Tax Levy on Transfers or Consumption of Motor Fuel.

Section

110—120. [Repealed]

Secs. 43.40.110—43.40.120.

Repealed by § 8 ch 158 SLA 1970.

Editor's note. — The repealed sections derived from chs. 62, 63, SLA 1960; ch. 52, SLA 1961; ch. 131, SLA 1962.

Chapter 43. Disaster Taxes.

Article

1. Disaster Relief Tax (Repealed)
2. Disaster Severance Tax (Repealed)

Article 1. Disaster Relief Tax.

Section

10—60. [Repealed]

Secs. 43.43.010 —43.43.060.

Repealed by § 1 ch 48 SLA 1969.

Editor's note. — The repealed article derived from § 1, ch. 27, FSSLA 1967.

Secs. 43.31.360 — 43.31.390.

Repealed by § 46 ch 113 SLA 1980.

Cross reference. — For present provisions concerning criminal penalties, see AS 43.05.290. Editor's note. — The repealed sections derived from § 2, ch. 24, SLA 1970.

Chapter 35. Coin-Operated Devices and Punchboards.

Article 1. Coin-Operated Amusement and Gaming Devices.

Section

80. [Repealed]

Sec. 43.35.080. Penalties.

Repealed by § 46 ch 113 SLA 1980.

Cross references. — For present provisions concerning civil penalties, see AS 43.05.220. For present provisions concerning criminal penalties, see AS 43.05.290. Editor's note. — The repealed section derived from § 48-3-3 ACLA 1949; § 3, ch. 142, SLA 1960; § 2, ch. 58, SLA 1971.

Chapter 40. Motor Fuel Tax.

Article 1. General Tax Levy on Transfers or Consumption of Motor Fuel.

Section

- 20. [Repealed]
- 30. Refund for nonhighway use
- 40. [Repealed]
- 50. Refund claim by affidavit

Section

- 80. Examination of books and records
- 90. [Repealed]
- 100. Definitions

Sec. 43.40.020. Penalty for violation.

Repealed by § 46 ch 113 SLA 1980.

Cross reference. — For present provisions concerning criminal penalties, see AS 43.05.290. Editor's note. — The repealed section derived from § 48-5-3, ACLA 1949; § 4, ch. 153, SLA 1972; § 3, ch. 116, SLA 1977.

Sec. 43.40.030. Refund for nonhighway use.

(b) The entire tax levied by this chapter shall be refunded to the purchaser on that part of the motor fuel used in a foreign country on which duty is paid when the fuel is sold and delivered in the state for nonhighway use in a foreign country.

(d) If a person obtains motor fuel on which the tax levied by this chapter has been paid and the motor fuel is exempt from the tax, the person is entitled to a refund of the tax paid.

(am §§ 35, 36 ch 113 SLA 1980)

Effect of amendment.

The 1980 amendment, effective June 21, 1980, and retroactive to January 1, 1980, substituted "this chapter" for "AS 43.40.010 — 43.40.100" in subsection (b), and added subsection (d).

As the rest of the section was not

affected by the amendment, it is not set out.

Editor's note. — Section 52, ch. 113, SLA 1980, effective June 21, 1980, makes this section applicable to tax years beginning after December 31, 1979.

Sec. 43.40.040. Applications and permits for refund.

Repealed by § 45 ch 113 SLA 1980.

Cross reference. — For present provisions concerning contents of applications for refunds, see AS 43.40.050(a).

Editor's note. — The repealed section derived from § 3, ch. 47, SLA 1955; § 4, ch. 131, SLA 1962.

Section 52, ch. 113, SLA 1980, effective June 21, 1980, makes the repeal of this section applicable to tax years beginning after December 31, 1979.

Sec. 43.40.050. Refund claim by affidavit. (a) A person who claims a refund as provided in this chapter shall present his claim to the commissioner of revenue by affidavit upon a form provided by the commissioner. The claim shall include the name, address and occupation of the applicant, the nature of the business of the applicant, and a description sufficient to identify the machinery or equipment in which the motor fuel for which the refund is claimed was used. The claim shall be accompanied by each invoice issued to the claimant at the time the motor fuel was purchased. The commissioner may require any additional information which he considers necessary for the administration of this chapter.

(am § 37 ch 113 SLA 1980)

Effect of amendment. — The 1980 amendment, effective June 21, 1980, and retroactive to January 1, 1980, in subsection (a), substituted "this chapter" for "AS 43.40.010 — 43.40.100" at the beginning and at the end of the subsection, substituted the present second sentence for the former material, which read: "with the information the commissioner requires", and substituted "was" for "is"

preceding "purchase" at the end of the present third sentence.

As the rest of the section was not affected by the amendment, it is not set out.

Editor's note. Section 52, ch. 113, SLA 1980, effective June 21, 1980, makes this section applicable to tax years beginning after December 31, 1979.

Sec. 43.40.080. Examination of books and records. (a) To determine the validity of a claim for refund, the Department of Revenue may examine the books and records of the claimant and the books and records of a distributor of motor fuel. The Department of Revenue may cancel the refund permit of the claimant relying upon a fraudulent invoice for a period of not more than one year.

(b) Repealed by § 46 ch 113 SLA 1980. (§ 5 ch 47 SLA 1955; am § 46 ch 113 SLA 1980)

Effect of amendment. — The 1980 amendment, effective June 21, 1980, repealed subsection (b).

Sec. 43.40.090. Criminal violation.

Repealed by § 46 ch 113 SLA 1980.

Cross reference. — For present provisions concerning criminal penalties, see AS 43.05.290.

Editor's note. — The repealed section derived from § 11, ch. 47, SLA 1955; § 4, ch. 27, SLA 1957.

Sec. 43.40.100. Definitions. In AS 43.40.010 — 43.40.100

(2) "motor fuel" means fuel used in an engine for the propulsion of a motor vehicle or aircraft, and fuel used in and on watercraft for any purpose, or in a stationary engine, machine or mechanical contrivance which is run by an internal combustion motor; "motor fuel" does not include

- (A) fuel consigned to foreign countries,
 - (B) fuel sold for use in jet propulsion aircraft operating in flights to foreign countries,
 - (C) fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public,
 - (D) fuel used by nonprofit power associations or corporations for generating electric energy for resale,
 - (E) fuel used by charitable institutions, or
 - (F) [Effective January 1, 1981] fuel which is at least 10 percent alcohol by volume.
- (am § 10 ch 83 SLA 1980)

Effect of amendment. — The 1980 amendment, effective January 1, 1981, added subparagraph (F) in paragraph (2).

As the rest of the section was not affected by the amendment, it is not set out.

Chapter 45. School Tax.

Section 10—60. [Repealed]

Editor's note. — The repealed chapter derived from §§ 37-4-3 — 37-4-6, ACL 1949; § 1, ch. 41, SLA 1957; § 1, ch. 175, SLA 1957; § 1, ch. 149, SLA 1959; §§ 1—5, ch. 179, SLA 1960; § 111, ch. 127, SLA 1974.

Section 3, ch. 64, SLA 1980, effective June 13, 1980, makes the repeal of this chapter applicable to tax years beginning after December 31, 1979.

Section 4, ch. 64, SLA 1980, effective June 13, 1980, provides: "The Department

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

After bill reported out
of HFC

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 101 (Finance)
Title An Act repealing the tax on motor fuel used in or on
watercraft Date 2-8-82

Requested by: Finance Committee

II. FISCAL DETAIL

Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, Or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		22.0	23.5	25.0	27.0	29.5
200 TRAVEL		1.6	1.8	2.0	2.2	2.4
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT		.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		24.1	25.3	27.0	29.2	31.9

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		24.1	25.3	27.0	29.2	31.9
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

This bill would remove fuel used in or on watercraft from the motor fuel tax. See attached copy of memo to R. D. Stevenson.

IV. DATE February 11, 1982 PREPARED BY Robert R. Kessel
AGENCY Department of Revenue - Audit
Original: Legislative Finance PHONE 465-2320
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

MEMORANDUM

State of Alaska Department of Revenue

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: February 8, 1982

FILE NO:

TELEPHONE NO:

FROM: Robert R. Fessel *RR*
Director, Audit Division

SUBJECT: CSHB 101 (Finance)

CSHB 101 would restructure the motor fuel law to remove fuel used in a watercraft from the definition of motor fuel.

HB 101, along with SB 182, was introduced during the 1981 session and provided substantially the same changes as CSHB 101. Gary Jenkins, previous Audit Director, determined that there would be no fiscal impact for either HB 101 or SB 182. The Division now believes that there would be a fiscal impact.

If the motor fuel tax is removed from water craft, an enforcement problem could develop for the remaining motor fuel tax law. That is simply because the various fuels used in watercraft, i.e. diesel, kerosene and gasoline, can be used in other taxable manners. The elimination of fuel tax from watercraft would then provide another possible avenue for avoidance of the fuel tax unless the Revenue Department were able to provide stringent enforcement policies via additional manpower.

The proceeds from the revenue from the tax on motor fuel used in boats and watercraft of all descriptions are deposited in a special watercraft fuel tax account in the general fund and may be appropriated for water and harbor facilities. Therefore, there would apparently be some impact on such facilities if this bill became law. The extent of that impact cannot be ventured by the Audit Division.

RRK/gb

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSHB 101 (Finance)
 Title Act repealing marine fuel tax
 Requested by House Rules Committee Date 2/3/82

II. FISCAL DETAIL
 Agency Affected _____
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		(3,800)	(4,000)	(4,200)		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The above figures are derived from the Department of Revenue's forecasting model, and represent the loss to the General Fund if CSHB 101 (Finance) is enacted.

Robert W. Elliott

IV. DATE 2/3/82 PREPARED BY Robert W. Elliott
 AGENCY Department of Revenue
 Original: Legislative Finance PHONE 465-2173
 cc: Budget and Management
Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

11B37

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSHB37 / CSHB 101 (Rules)
 Title An Act relating to the motor fuel tax
 Requested by Randolph, Beirne, Bettisworth Date 3-8-82

II. FISCAL DETAIL
 Agency Affected Department of Revenue
 Program Category Affected Revenue Collections and Management
 BRU, Program, Or Subprogram(s) Affected Audit Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		22.0	23.5	25.0	27.0	29.5
200 TRAVEL		1.6	1.8	2.0	2.2	2.4
300 CONTRACTUAL						
400 COMMODITIES		.5				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		24.1	25.3	27.0	29.2	31.9

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		24.1	25.3	27.0	29.2	31.9
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

See attached memo to R. D. Stevenson dated 3-9-82.

Robert R. Kessel

IV. DATE March 9, 1982 PREPARED BY Robert R. Kessel
 AGENCY Audit Division
 Original: Legislative Finance PHONE 465-2320
 cc: Budget and Management
Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 37 / CSHB 101 (Rules)
 Title An Act relating to the motor fuel tax
 Requested by Randolph, Beirne, Bettisworth Date 3-9-82

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, Or Subprogram(s) Affected Audit Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) None

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		(1.4)	(1.4)			
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached copy of memo to R. D. Stevenson dated March 9, 1982.

IV. DATE March 9, 1982 PREPARED BY *Robert R. Kessel*
 AGENCY Audit Division
 Original: Legislative Finance PHONE 465-2320
 cc: Budget and Management
Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

MEMORANDUM

State of Alaska
Department of Revenue

TO: R. D. Stevenson
Special Assistant

DATE: March 9, 1982

FILE NO:

TELEPHONE NO:

FROM: Robert R. Kessel ^{RR}
Director, Audit Division

SUBJECT: Work Draft -
CSHB 37/CSHB 101 (Rules)

The work draft would allow motor fuel dealers (distributors/jobbers) to buy a portion of their fuel tax free from the manufacturer/supplier and would allow the distributor to sell that same portion to consumers tax free in those instances when such consumption is for exempt use. Exempt use includes a) fuel used for heating purposes and b) fuel used by exempt organizations such as the Federal Government, State agencies, charitable organizations, etc.

The distributors/jobbers must provide the manufacturer/supplier with a certificate of use for ex-tax purchases. The distributors/jobbers must obtain a certificate of use from every person purchasing fuel not intended for use as a motor fuel. The distributors/jobbers must retain the certificates for examination by the Department of Revenue.

The bill expands the term "user" (taxpayer) to include a person consuming or using diesel fuel who purchases or receives the fuel within the State that was not taxed at the time of purchase or receipt because it was sold as heating fuel.

Section 3 of the work draft provides, in essence, that all audit assessments against dealers for failure to collect the tax from a purchaser or transferee could not be collected by the Department of Revenue nor could further audits be conducted nor assessments made. This section is arguably unconstitutional. In addition, the State would lose about \$2.8 million because of abatement of current audit assessments and forfeiture of other audit efforts for prior years.

The work draft as written would apparently continue to require dealers and users to file motor fuel tax returns. The sponsors of this bill might not be aware of this requirement.

There would literally be thousands of certificates of use issued. The effort to audit under the certificate concept would require an additional revenue auditor.

Section 3 essentially punishes those 50% of the dealers who have conformed to the law and properly collected tax. The State of Alaska has a substantial amount of dollars impacted by the dealers' failure to collect when required.

RRK/gb

April 16, 1982

The Honorable Joe L. Hayes
Speaker of the House of Representatives

Dear Mr. Speaker:

It is the intent of the Finance Committee that the "certificate of use" provision in * Section 1 of CSHB 101 (Rules) be interpreted in accordance with the following:

Section 1 of CSHB 101(Rules) states that a motor fuel dealer need not collect the motor fuel tax if the dealer has a reasonable belief that the fuel that is sold or transferred is not to be used as "motor fuel" within the meaning of AS 43.40.100(2). In addition the dealer must obtain a certificate of use from the recipient of the fuel if the tax is not collected. The certificate is a statement by the recipient that the fuel has not been and will not be used in a manner that would make it "motor fuel", subject to the motor fuel tax. The Department of Revenue is to prescribe the form of the certificate of use by regulation.

It is the intent of the Finance Committee that a certificate of use may be a short statement printed on a fuel delivery invoice to be signed by the recipient of fuel at the time of delivery. To avoid unnecessary recordkeeping and duplication of forms the certificate of use should be printed on the delivery invoice or the fuel billing form whenever possible. The regulations adopted by the Department of Revenue to implement this section of the Act should allow the certificate of use to be printed on forms used by fuel dealers.

except in cases where a separate certificate of use is absolutely necessary.

Sincerely,

Al Adams
Chairman
House Finance Committee

101
H

A M E N D M E N T

TO: CSHB 101 (Rules)

By Zharoff

Page 1, line 6:

After "motor fuel tax (AS 43.40);" insert "repealing the tax on motor fuel used in or on watercraft;"

Page 1, after line 8:

Insert new sections to read:

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

(a) There is levied a tax of 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, and

[(2) THE TAX ON MOTOR FUEL USED IN AND ON WATERCRAFT OF ALL DESCRIPTIONS IS FIVE CENTS A GALLON, 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 eight cents a gallon on all motor fuel consumed by a user, except that

(1) the tax on aviation gasoline consumed is four cents a gallon, and

[(2) THE TAX ON MOTOR FUEL USED IN AND ON WATERCRAFT OF ALL DESCRIPTIONS IS FIVE CENTS A GALLON, AND]

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

* Sec. 3. AS 43.40.010(g) is amended to read:

(g) The proceeds of the revenue from the tax on all motor fuels,

1 except as provided in (e) [, (f),] and (j) of this section, shall be
2 deposited in a special highway fuel tax account in the state general
3 fund. The legislature may appropriate funds from it for expenditure by
4 the Department of Transportation and Public Facilities [PUBLIC WORKS]
5 directly or as matched with available federal-aid-highway money for
6 maintenance of highways, construction of highway projects and ferries
7 included in the program provided for in AS 19.10.150, including ap-
8 proaches, appurtenances and related facilities and acquisition of
9 rights-of-way or easements, and other highway costs including surveys,
10 administration, and related matters. All departments of the state
11 government authorized to spend funds collected from taxes imposed by
12 this chapter [AS 43.40.010 - 43.40.100] shall perform, when feasible,
13 all construction or reconstruction projects by contract after the
14 projects have been advertised for competitive bids, except that, when
15 feasible, arrangements shall be made with political subdivisions to
16 carry out the construction or reconstruction projects. If it is not
17 feasible for the work to be performed by state engineering forces, the
18 commissioner of Transportation and Public Facilities [PUBLIC WORKS] may
19 contract on a professional basis with private engineering firms for
20 road design, bridge design, and services in connection with surveys.
21 If more than one private engineering firm is available for the work the
22 contracts shall be entered into on a negotiated basis.

23
24 Page 1, line 9:

25 Change "Section 1" to "Sec. 4"

26
27 Page 1, after line 21:

28 Insert new sections to read:

29 * Sec. 5. AS 43.40.030(a)(2) is amended to read:

1 (2) the motor fuel is not aviation fuel [, OR MOTOR FUEL
2 USED IN OR ON WATERCRAFT]; and

3 * Sec. 6. AS 43.40.100(2) is amended to read:

4 (2) "motor fuel" means fuel used in an engine for the pro-
5 pulsion of a motor vehicle or aircraft, and fuel used [IN AND ON WATER-
6 CRAFT FOR ANY PURPOSE, OR] in a stationary engine, machine or mechanical
7 contrivance which is run by an internal combustion motor; "motor fuel"
8 does not include

9 (A) fuel consigned to foreign countries,

10 (B) fuel sold for use in jet propulsion aircraft op-
11 erating in flights to foreign countries,

12 (C) fuel used in stationary power plants operating as
13 public utility plants and generating electrical energy for sale to
14 the general public,

15 (D) fuel used by nonprofit power associations or
16 corporations for generating electric energy for resale,

17 (E) fuel used by charitable institutions, [OR]

18 (F) fuel which is at least 10 percent alcohol by
19 volume, or

20 (G) fuel used in and on watercraft for any purpose; [.]
21

22 Renumber Secs. 2 - 5 as Secs. 7 - 10

23
24 Page 2, after line 21:

25 Insert a new section to read:

26 * Sec. 11. AS 43.40.010(f) is repealed.

27
28 Page 2, line 22:

29 Change "Sec. 6" to "Sec. 12"

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 182

Title An Act repealing the tax on motor fuel used in or on watercraft

Requested by Senate Transportation and Finance Committee Date 2/18/81

II. FISCAL DETAIL

Agency Affected _____

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING MILLIONS
(Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	-0-	(3.6)	(3.8)	(4.0)	(4.2)	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

The above estimates are based on the Department of Revenue's forecasting model.

IV. DATE 2/18/81

PREPARED BY Vincent D. Wright
 AGENCY Department of Revenue
 PHONE _____

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 101

Title An Act repealing the tax on motor fuel used in or on watercraft.

Requested by House Resources Committee Date Feb. 7, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) - NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) - NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS - NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill will repeal the marine motor fuel tax. It will have no effect on the administrative costs of this division.

IV. DATE February 13, 1981

PREPARED BY Gary L. Jenkins

AGENCY Division of Audit

PHONE 465-2320

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

HB 101

SENATE JOURNAL - PAGE 961- 2 4/20/82

<CS FOR HOUSE BILL NO. 101 (2d FIN)> by the Finance Committee with Letter of Intent, entitled:

"An Act relating to the motor fuel tax (AS 43.40); and providing for an effective date."

was read the first time and referred to the Transportation Committee and the Finance Committee.

HB 101

SENATE JOURNAL - PAGE 1028- 1 4/23/82

The Transportation Committee considered <CS FOR HOUSE BILL NO. > <101 (2d FIN)> (motor fuel tax (AS 43.40)) and a majority of the committee recommends it do pass. Senator Ray, Chairman, signed "no recommendation". Senators Gilman, Dankworth and Sackett signed "do pass".

CS FOR HOUSE BILL NO. 101 (2d FIN) was referred to the Finance Committee.

HB 101

SENATE JOURNAL - PAGE 1090- 1 4/29/82

The Finance Committee considered <CS FOR HOUSE BILL NO. 101> <(2d FIN)> (motor fuel tax (AS 43.40)) and a majority of the committee recommends it be replaced with SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN), entitled:

"An Act relating to state taxation; and providing for an effective date."

and do pass. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Sackett, Sturgulewski, Eliason, Ferguson and Dankworth. Senator Stimson signed "no recommendation".

CS FOR HOUSE BILL NO. 101 (2d FIN) was referred to the Rules Committee.

HB 101

SENATE JOURNAL - PAGE 1134- 1 5/ 4/82

<CS FOR HOUSE BILL NO. 101 (2d FIN)> (relating to motor fuel tax (AS 43.40)) was read the second time.

Senator Sackett moved and asked unanimous consent that the

Finance Senate Committee Substitute offered on page 1090 be adopted. Without objection, (SENATE CS FOR CS FOR HOUSE BILL) (NO. 101 (FIN)) (relating to state taxation; eff date) was adopted.

Senator Rodey moved and asked unanimous consent for the adoption of the title change. Without objection, the title change was adopted.

SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) was read the second time.

Senator Rodey moved and asked unanimous consent that SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) was read the third time.

The question being: "Shall SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) (relating to state taxation) pass the Senate?" The roll was taken with the following result:

SCS CSHB 101 FIN 3RD

Yeas:	20	Anderson, Bennett, Bradley, Colletta, Dankworth, Eliason, Fahrenkamp, Ferguson, Fischer, Gilman, Kelly, Keritula, Mulcahy, Parr, Ray, Rodey, Sackett, Stimson, Sturgulewski, Ziegler
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Nays:	0
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and so, SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) passed the Senate.

Senator Rodey moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) was referred to the Secretary for engrossment.

SCS CSHB 101 (FIN)
ENGROSSED.

SENATE JOURNAL - PAGE 1146- 1 5/ 4/82

HB 101

SENATE JOURNAL - PAGE 1149- 1 5/ 5/82

Fiscal note on SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) appears in Senate Supplement No. 40 to the May 5 Journal.

HB 101 HOUSE JOURNAL - PAGE 1651- 1 5/ 5/82

Senate passed with amendment - SCS CSHB 101 (Fin).
Held for future consideration

HB 101 SENATE JOURNAL - PAGE 1149- 1 5/ 6/82

Fiscal note on SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN) appears in Senate Supplement No. 40 to the May 5 Journal.

HB 101 HOUSE JOURNAL - PAGE 1768- 1 5/10/82

Failed to concur in Senate amendments 17-22-0-1

HB 101 SENATE JOURNAL - PAGE 1261- 1 5/11/82

Message of May 10 was read, stating the House has failed to concur in the Senate amendment to CS FOR HOUSE BILL NO. 101 (2d FIN) (relating to the motor fuel tax (AS 43.40)? eff. date), namely:

<SENATE CS FOR CS FOR HOUSE BILL NO. 101 (FIN)>
(relating to state taxation? eff. date)

and respectfully requests the Senate to recede from its amendment.

Senator Rodey moved that the Senate recede from its amendment and requested the body to vote no.

The question being: "Shall the Senate recede from its amendment to CS FOR HOUSE BILL NO. 101 (2d FIN)?" The roll was taken with the following result:

CSHB 101 RECEDE

Yeas: 0

Nays: 20 Anderson, Bennett, Bradley,
Colletta, Dankworth, Eliason,
Fahrenkamp, Ferguson, Fischer,
Gilman, Kelly, Keritola, Mulcahy,
Parry, Ray, Rodey, Sackett, Stimson,

Sturgulewski, Ziegler

and so, the Senate failed to recede from its amendment.

The President appointed the following members to a CONFERENCE COMMITTEE to meet with a like committee from the House to consider the above bills:

Senator Sturgulewski, Chairman
Senator Fischer
Senator Colletta

The Secretary was requested to notify the House.

H B 101

*Primary file
for Trust 1/28*

NOTICE

Section 7, chapter 82, SLA 1981 became law on January 16, 1982, following a vote of the legislature to override the governor's 1981 veto of the section.

The section (part of the 1981 - 1982 general appropriation bill) reads as follows:

* Sec. 7. The figures in parentheses indicating numbers of positions which follow certain program or subprogram names throughout sec. 28 of this Act shall be the total number of permanent full-time or part-time positions for which expenditures are authorized from appropriations made in this Act. The amounts budgeted for personal services within an appropriation are conditioned upon compliance with the requirement that the total number of permanent full-time or part-time positions shall not be increased during the fiscal year over the numbers shown in parentheses for program or subprogram units within the appropriation. Additional positions beyond those indicated in parentheses may be authorized through an appropriated fiscal note or revised program authorizing receipt and expenditure of additional federal or other program receipts approved in accordance with AS 37.07.080(h).