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3/18/83 ✓

Original sponsors: Zharoff, Grussendorf
and McBride

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IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

CS FOR HOUSE BILL NO. 150 (Transportation)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to motor fuel tax provisions and
repeal of the tax on motor fuel used in or on water-
craft; and providing for an effective date."

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

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

(a) There is levied a tax of 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(c) is amended to read:

(c) Every dealer who sells or otherwise transfers motor fuel in

1 the state shall collect the tax at the time of sale, and remit the
2 total tax collected during each calendar month of each year to the
3 Department of Revenue by the last day of each succeeding month. Every
4 user shall likewise remit the tax accrued on motor fuel actually used
5 by him during each month. If the monthly tax return is timely filed,
6 one percent of the total monthly tax due, limited to a maximum of
7 \$100, can be deducted and retained to cover the expense of accounting
8 and filing the monthly tax return. At the time the remittance is
9 made, each dealer or user shall submit a statement to the Department
10 of Revenue showing all [MOTOR] fuel which the user [HE] has dis-
11 tributed or used during the month.

12 * Sec. 4. AS 43.40.010(g) is amended to read:

13 (g) The proceeds of the revenue from the tax on all motor fuels,
14 except as provided in (e)[, (f)] and (j) of this section, shall be
15 deposited in a special highway fuel tax account in the state general
16 fund. The legislature may appropriate money [FUNDS] from it for
17 expenditure by the Department of Transportation and Public Facilities
18 [PUBLIC WORKS] directly or as matched with available federal-aid
19 highway money for maintenance of highways, construction of highway
20 projects and ferries included in the program provided for in AS 19.-
21 10.150, including approaches, appurtenances and related facilities and
22 acquisition of rights-of-way or easements, and other highway costs
23 including surveys, administration, and related matters. All depart-
24 ments of the state government authorized to spend money [FUNDS] col-
25 lected from taxes imposed by AS 43.40 shall perform, when feasible,
26 all construction or reconstruction projects by contract after the
27 projects have been advertised for competitive bids, except that, when
28 feasible, arrangements shall be made with political subdivisions to
29 carry out the construction or reconstruction projects. If it is not

1 agencies for official use;

2 (I) fuel used in stationary power plants that generate
3 electrical energy for private residential consumption;

4 (J) fuel used to heat private or commercial buildings
5 or facilities [, OR];

6 (K) fuel used for other nontaxable purposes as p . -
7 scribed by regulations adopted by the department; or

8 (L) fuel used in and on watercraft for any purpose;

9 * Sec. 9. AS 43.40.010(f) is repealed.

10 * Sec. 10. This Act takes effect July 1, 1983.

1 IN THE HOUSE

BY MARTIN AND GRUSSENDORF

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 55

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act decreasing the motor fuel tax to offset tax
7 increase by federal government, repealing motor fuel
8 tax refund provisions; and providing for an effective
9 date."

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

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

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

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

15 (2) the tax on motor fuel used in and on watercraft of all
16 descriptions is five cents a gallon, and

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

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

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

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

24 (2) the tax on motor fuel used in and on watercraft of all
25 descriptions is five cents a gallon, and

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

28 * Sec. 3. ~~AS 43.40.030, 43.40.035, 43.40.040, 43.40.050, 43.40.060,~~
29 ~~43.40.070 and 43.40.080 are repealed.~~

1 * Sec. 4. This Act takes effect April 1, 1983.

APR 5 1983

March 31, 1983

RE: H BILL-150

Bette M. Cato
Pouch V
Juneau, Alaska 99811

Dear Ms:

I would like to comment on H Bill-150 concerning repeal of the 5 cent per gallon watercraft fuel tax.

The proceeds of the watercraft fuel tax should be used to assure proper maintenance of State boat harbors. Additionally any remaining funds should be used to improve and upgrade existing boat harbors.

Though I understand that the Alaska Constitution prohibits designating revenues, the watercraft fuel tax (WCFT) has traditionally been used to fund small boat harbor improvements statewide. With the advent of large oil tax revenues the purpose and legislative intent of this "users tax" has been lost in translation.

Current CIP funding legislation does not adequately distribute this revenue to the regions in which it is collected.

I petition you to continue to collect this tax and also to adequately fund harbor maintenance and improvement projects.

Sincerely,



Harold Moeser
789-0703

KODIAK AREA CHAMBER OF COMMERCE



March 1, 1981

Representative Fred Zharoff
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Fred,

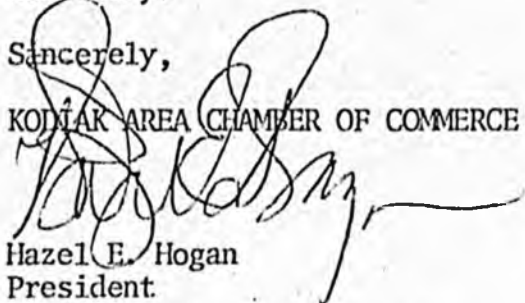
At its meeting on February 23, 1981, the Board of Directors of the Kodiak Area Chamber of Commerce passed a motion unanimously supporting House Bill 101 repealing the tax on motor fuel used in or on watercraft.

We are pleased that you are a co-sponsor of this bill and trust that you will see that our support is passed on to appropriate legislators.

As you know, the Chamber represents the vast majority of Kodiak businesses thereby reflecting the position of the Kodiak economic community.

Sincerely,

KODIAK AREA CHAMBER OF COMMERCE



Hazel E. Hogan
President

HEH:fp

cc: Don Wickey
State Chamber of Commerce

1 IN THE HOUSE

BY ZHAROFF AND GRUSSENDORF

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HOUSE BILL NO. 150

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH 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."

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

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* 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

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fuel sold or otherwise transferred within the state, except that

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

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added
~~and~~

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deleted
~~[(2) THE TAX ON MOTOR FUEL USED IN AND ON WATERCRAFT OF ALL~~

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~~DESCRIPTIONS IS FIVE CENTS A GALLON, AND]~~

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(3) the tax on all aviation fuel other than gasoline is two

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and one-half cents a gallon.

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

19

(b) There is levied a tax of eight cents a gallon on all motor

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fuel consumed by a user, except that

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

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gallon, ~~and~~ *added*

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deleted
~~[(2) THE TAX ON MOTOR FUEL USED IN AND ON WATERCRAFT OF ALL~~

24

~~DESCRIPTIONS IS FIVE CENTS A GALLON, AND]~~

25

(3) the tax on all aviation fuel other than gasoline is two

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and one-half cents a gallon.

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

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

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except as provided in (e)[, (f)] and (j) of this section, shall be

1 deposited in a special highway fuel tax account in the state general
2 fund. The legislature may appropriate ^{add} money ^{delete} [FUNDS] from it for
3 expenditure by the Department of ^{add} Transportation and Public Facilities
4 ^{delete} [PUBLIC WORKS] directly or as matched with available federal-aid
5 highway money for maintenance of highways, construction of highway
6 projects and ferries included in the program provided for in AS 19.-
7 10.150, including approaches, appurtenances and related facilities and
8 acquisition of rights-of-way or easements, and other highway costs
9 including surveys, administration, and related matters. All depart-
10 ments of the state government authorized to spend ^{add} money ^{delete} [FUNDS] col-
11 lected from taxes imposed by ¹⁵¹⁰⁻¹⁰⁰ AS 43.40 shall perform, when feasible,
12 all construction or reconstruction projects by contract after the
13 projects have been advertised for competitive bids, except that, when
14 feasible, arrangements shall be made with political subdivisions to
15 carry out the construction or reconstruction projects. If it is not
16 feasible for the work to be performed by state engineering forces, the
17 commissioner of ^{add} Transportation and Public Facilities ^{delete} [PUBLIC WORKS]
18 may contract on a professional basis with private engineering firms
19 for road design, bridge design, and services in connection with sur-
20 veys. If more than one private engineering firm is available for the
21 work the contracts shall be entered into on a negotiated basis.

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

23 (2) the motor fuel is not aviation fuel ^{add} [OR MOTOR FUEL

24 ^{delete} USED IN OR ON WATERCRAFT]; and

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

26 (2) "motor fuel" means fuel used in an engine for the
27 propulsion of a motor vehicle or aircraft, and fuel used [IN AND ON
28 WATERCRAFT FOR ANY PURPOSE, OR] in a stationary engine, machine or
29 mechanical contrivance which is run by an internal combustion motor;

1 "motor fuel" does not include

2 (A) fuel consigned to foreign countries;

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

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

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

10 (E) fuel used by charitable institutions;

11 (F) fuel which is at least 10 percent alcohol by
12 volume;

13 (G) fuel sold or transferred between qualified
14 dealers;

15 (H) fuel sold to federal, state, and local government
16 agencies for official use;

17 (I) fuel used in stationary power plants that generate
18 electrical energy for private residential consumption;

19 (J) fuel used to heat private or commercial buildings
20 or facilities [, OR];

21 (K) fuel used for other nontaxable purposes as pre-
22 scribed by regulations adopted by the department; or

23 ~~(L) fuel used in and on watercraft for any purpose;~~

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

25 * Sec. 7. This Act takes effect July 1, 1983.

INTRODUCTION OF BILLS (House)

Motor Fuel
Tax
(decreasing &
repealing re-
fund provis.)

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 55, by Reps. Martin and Grussendorf. Lowers motor fuel tax to three cents per gallon, as did original (see p. 46), and repeals motor fuel tax refund provisions contained in the following statutes:

--AS 43.40.030, "Refund for Nonhighway Use," allows six-cent-per-gallon refund of any tax paid for fuel used for a vehicle which is not operated on highways in the state (does not apply to aviation fuel and watercraft fuel). Allows total refund on that part of the fuel sold for non-highway use in a foreign country.

--AS 43.40.035, "Other Refunds and Credits," which allows a person who resells fuel on which the motor fuel tax was previously paid to receive a refund of the tax.

--AS 43.40.050, "Refund Claim by Affidavit," containing procedure for claiming refund of motor fuel tax by filing an affidavit with the Dept. of Revenue.

--AS 43.40.060, "Separate Invoices," which allows the Dept. of Revenue to require separate invoices for fuel sold, distributed, or transferred when the invoices will be the basis for a refund claim.

--AS 43.40.070, "Refund Warrants," directs the Dept. of Revenue, upon approval of a refund claim, to issue a warrant drawn on the Highway Fuel Tax Account in favor of the applicant in the amount of the claim.

--AS 43.40.080, "Examination of Books and Records," allows the Dept. of Revenue to examine a claimant's books and records to determine the validity of a claim for a refund.

Note: bill also includes repealer for AS 43.40.040, "Applications and Permits for Refund," however this section was repealed in 1980 by Sec. 45 of Ch. 113, SLA 1980. (Required person seeking refund to obtain a permit from the Dept. of Revenue.)

Effective April 1, 1983.

Introduced February 4 and referred to Transportation and Finance.

Appropriation
(special)
(Tununak
seawall)

HOUSE BILL NO. 149, by Rep. Vaska. Would appropriate \$905,000 for a grant to the City of Tununak to construct a seawall for the prevention of soil erosion. Tununak is on the western side of Nelson Island on the Bering Sea. Provides appropriation be disbursed in accordance with laws governing state grants (AS 37.05.315 - 319). Effective immediately.

Introduced January 31 and referred to Community & Regional Affairs and Finance.

Motor Fuel
Tax/Water-
Craft
(repealing)

HOUSE BILL NO. 150, by Zharoff, Grussendorf and McBride. Would repeal the five cent per gallon tax on motor fuel used in or on watercraft (AS 43.40.010(1) and (b)(2)). Effective July 1, 1983.

INTRODUCTION OF BILLS (House)(cont'd)

HB 150 (cont'd)

Introduced January 31 and referred to Transportation, Resources and Finance.

Appropriation
(special)
(House of
Wickersham)

HOUSE BILL NO. 151, by Reps. Hayes, M.M. Miller, Duncan, Cowdery, Fritz, Bettisworth, Cato, Clocksin, Davis, Flood, Furnace, Goll, Kosonen, Larson, Liska, Martin, McBride, M.W. Miller, Pestinger, Szymanski, Tischer, Uehling, Wendte and Zharoff. Would appropriate \$1 million to the Dept. of Natural Resources, Division of Parks, for the acquisition of the House of Wickersham in Juneau and the historical collections and artifacts contained in the house and for the development of the acquisition as an historic site. Appropriation lapses on June 30, 1984. Effective July 1, 1983. Identical to SB 31, page 10.

Introduced January 31 and referred to State Affairs and Finance.

Appropriation
(supplemental)
(revenue
sharing)

HOUSE BILL NO. 152, by the Community & Regional Affairs Committee. Would make a \$3.5 million supplemental appropriation to the miscellaneous services account (AS 29.89.080) for AS 29.89 (Misc. State Aid to Municipalities) for distribution to local governments and other recipients for the fiscal year ending June 30, 1983. AS 29.89 provides for state aid for roads, health facilities and hospitals, volunteer fire departments in the unorganized borough, and aid to Native Village governments. Appropriation lapses June 30, 1984. Effective immediately.

Introduced February 2 and referred to Community & Regional Affairs and Finance.

Appropriation
(supplemental)
(Municipal
Assistance
Fund)

HOUSE BILL NO. 153, by the Community & Regional Affairs Committee. Would make a \$25.1 million supplemental appropriation to the Dept. of Revenue for the Municipal Assistance Fund (AS 43.20.016(a)) for distribution to municipalities for the fiscal year ending June 30, 1983. Lapses on June 30, 1984. Effective immediately.

Identical to SB 17, as amended by Senate CERA Committee, and identical to HB 136 p. 99, except for lapse date.

Introduced February 2 and referred to Community & Regional Affairs and Finance.

Minimum Train
Crews
(repealing
law)

HOUSE BILL NO. 154, by the Rules Committee by request of the Governor. Would repeal law establishing minimum train crews in Alaska (AS 23.10.420). See Governor's letter, below.

Does not provide for an effective date (effective 90 days after Governor's signature).

Introduced February 2 and referred to Labor & Commerce and Transportation.

In his message transmitting the bill to the House for consideration, Governor Sheffield stated:

(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
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§ 43.40.010 REVENUE AND TAXATION § 43.40.010

Section	Section
50. Refund claim by affidavit	85. Preservation of books and records
60. Separate invoices	90. Criminal violation
70. Refund warrants	100. Definitions
80. Examination of books and records	

~~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 the fees imposed by §§ 10—100 of this chapter shall perform, when feasible, all construction or reconstruction projects by contract. For 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)

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icles and, er, other a motor ited in a nd. The tment of tenance. vided for -2 ACLA l, 2 ch 27 152 SLA LA 1959; 110 SLA ; am § 1 LA 1968; , 2 ch 124 LA 1972;

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 stake and shelter construction and maintenance projects in sparsely populated areas to protect the interests of safety requiring the 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 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)

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§ 43.40.060

REVENUE AND TAXATION

§ 43.40.100

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. (§ 43-5-1 A.C.L.A. 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.

Section 110 - 160. [

Secs. 43 Repealed

Editor's note derived from Section 2, July 1, 1970,

Section 10. Tax imp
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Sec. 43 a year up in the sta who is u spouse ar under § (b) The the gener (c) The the caler employer year or, i after the or other same tim except th compens in the fir be presc SLA 195 ch 179 S

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STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

HB 107
JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

January 28, 1982

THE HONORABLE
FRED F. ZHARCFE
ALASKA STATE HOUSE
OF REPRESENTATIVES
POUCH V
JUNEAU

AK 99811

I am enclosing a copy of a monthly report prepared by the Alaska Department of Revenue concerning tax collections and interest income.

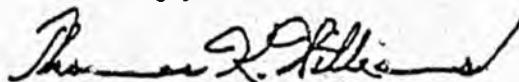
The statement entitled "Cumulative Summary of Revenue Collected July 1, 1981 through December 30, 1981" discloses gross receipts, refunds, net receipts, estimated total year collections, and percent of estimate realized. It covers receipts of all taxes and licenses administered by the Department of Revenue and interest income accounted for on a cash basis. It does not cover all items of state revenue.

The estimated total year collections have been adjusted to coincide with FY 1982 revenue estimate appearing in the publication entitled "Revenue Sources FY 1981-1984 - January 1982."

The net collections of taxes and license fees, exclusive of interest income, collected by the Department of Revenue for December, 1981, was \$284,124,783.39. This is an increase of 2.85 percent as compared to \$292,226,315.70 collected in December, 1980.

For the first six months of the current fiscal year, total collections of net taxes and license fees, exclusive of interest income, amounted to \$1,207,183,497.34, compared to \$934,629,065.01 collected during the first six months of the previous year, an increase of 29.16 percent.

Sincerely,



Thomas K. Williams
Commissioner

Enclosures

CUMULATIVE SUMMARY OF REVENUE
COLLECTED 07/01/81 THRU 12/31/81
6/12 OR 50%

CODE NO	TYPE OF TAX	GROSS RECEIPTS	REFUNDS	NET RECEIPTS	ESTIMATE	NET RECEIPTS % OF ESTIMATE
001	OIL & GAS PROPERTY TAX	\$ 2,082,902.54	\$ 480,165.89	\$ 1,602,736.65	\$ 155,000,000.00	1.03
016	ALCOHOLIC BEVERAGE EXCISE TAX	4,818,854.57	0.00	4,818,854.57	8,500,000.00	56.69
017	CIGARETTE TAX (GF)	975,647.49	13.84	975,633.65	1,800,000.00	54.20
018	CIGARETTE TAX (SF)	1,626,079.05	0.00	1,626,079.05	3,000,000.00	54.20
020	ELECTRIC & TELEPHONE	2,897.00	0.00	2,897.00	1,100,000.00	.26
021	HIGHWAY MOTOR FUEL TAX	15,562,246.54	3,879,455.56	11,682,790.98	18,000,000.00	64.90
022	AVIATION MOTOR FUEL TAX	2,546,418.37	0.00	2,546,418.37	4,300,000.00	59.22
023	MARINE MOTOR FUEL TAX	2,486,787.95	0.00	2,486,787.95	3,600,000.00	69.08
036	INDIVIDUAL INCOME TAX	847,160.05	278,531.39	568,628.66	0.00	0.00
037	FIDUCIARY INCOME TAX	9.00	5,332.00	(5,323.00)	0.00	0.00
038	CORPORATION INCOME TAX	18,721,679.38	8,666,881.00	10,054,798.38	31,000,000.00	32.43
039	OIL & GAS CORP. INCOME TAX	350,951,352.00	660,794.00	350,290,558.00	713,000,000.00	49.13
046	BUSINESS LICENSE	1,399,855.00	217.10	1,399,637.90	5,500,000.00	25.45
052	ESTATE TAX	219,356.10	3,588.00	215,768.10	500,000.00	43.15
057	SCHOOL TAX	1,464.99	0.00	1,464.99	0.00	0.00
060	SAUJON ENHANCEMENT TAX	2,122,259.55	84.20	2,122,175.35	2,000,000.00	106.11
061	MIPS & MINING TAX	128,498.00	0.00	128,498.00	200,000.00	64.25
062	SALMON CANNERY-SHORE BASED TAX	629,921.09	0.00	629,921.08	6,200,000.00	10.16
063	SHORE-BASED FISHERIES TAX	930,566.24	21,051.00	909,515.24	11,200,000.00	8.12
064	FLOATING FISHERIES TAX	942,261.47	7,112.00	935,149.47	4,000,000.00	23.38
065	OIL PRODUCTION TAX	802,746,021.61	5,605.84	802,740,415.77	1,708,400,000.00	46.99
066	OIL & GAS CONSERVATION	471,044.41	0.00	471,044.41	700,000.00	67.29
067	GAS FLARING PENALTY	0.00	0.00	0.00	0.00	0.00
068	GAS PRODUCTION TAX	6,371,370.63	0.00	6,371,370.63	9,600,000.00	66.37
096	PREPAID TAX	5,042.00	0.00	5,042.00	0.00	0.00
106	LIQUOR LICENSE APPLICATION	32,350.00	0.00	32,350.00	150,000.00	21.57
107	PUB LIQUOR LICENSE	0.00	0.00	0.00	6.00	0.00
108	BREWERY LICENSE	0.00	0.00	0.00	0.00	0.00
109	DISTILLERY LICENSE	0.00	0.00	0.00	0.00	0.00
110	BEVERAGE DISPENSARY LICENSE	256,525.00	2,450.00	254,075.00	775,000.00	32.78
111	CLUB LICENSE	12,000.00	0.00	12,000.00	34,200.00	35.09
112	COMMON CARRIER LICENSE	14,175.00	0.00	14,175.00	28,000.00	50.63
113	RESTAURANT LICENSE	23,700.00	400.00	23,300.00	65,000.00	35.85
114	ROAD HOUSE LICENSE	0.00	0.00	0.00	0.00	0.00
115	RETAIL LICENSE	141,000.00	1,700.00	139,300.00	330,000.00	42.21
116	RETAIL STOCK SALE LICENSE	0.00	0.00	0.00	0.00	0.00
117	WHOLESALE GENERAL LICENSE	10,000.00	0.00	10,000.00	145,000.00	6.90
118	WHOLESALE MALT BEV. LICENSE	800.00	0.00	800.00	14,000.00	5.71
119	MISC. LIQUOR LICENSE	19,306.00	0.00	19,306.00	32,000.00	60.33
145	COIN OPER. AMUSE. / GAM. DVC. TAX	16,306.11	40.21	16,265.90	75,000.00	21.69
146	GAMES OF CHANCE & SKILL FEES	5,689.42	0.00	5,689.42	42,000.00	135.46
402	MISCELLANEOUS REVENUE	3,227.20	259.00	2,968.20	0.00	0.00
692	REDISTRIBUTED REVENUE	0.00	0.00	0.00	0.00	0.00
TOTAL		<u>\$1,217,124,773.75</u>	<u>\$14,013,681.03</u>	<u>\$1,203,111,092.72</u>	<u>\$2,689,290,800.00</u>	<u>44.73</u>
843	VESSELS & GEAR	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.00
137-844	COMM. FISH LIC.-RES.	86,688.85	20.00	86,668.85	161,000.00	53.83
138-845	COMM. FISH LIC.-N-RES.	172,632.52	660.00	171,972.52	257,000.00	67.17
140	COMMER. FISH. EXT. FEE	2,835.00	0.00	2,835.00	2,500.00	113.40
120-230	SPORT FISH., HUNT & TRAP LIC.	3,817,528.21	6,591.96	3,810,936.25	5,095,600.00	74.79
SUB-TOTAL		<u>\$ 4,079,676.58</u>	<u>\$ 7,271.96</u>	<u>\$ 4,072,404.62</u>	<u>\$ 5,516,100.00</u>	<u>73.83</u>
TOTAL TAXES		<u>\$1,221,204,450.33</u>	<u>\$14,020,952.99</u>	<u>\$1,207,183,497.64</u>	<u>\$2,694,805,900.00</u>	<u>44.80</u>
INTEREST						
575	INTEREST ON LOANS	\$ 1,020,621.48	\$ 0.00	\$ 1,020,621.48	\$ 3,000,000.00	34.02
576	INTEREST ON INVESTMENTS	108,425,529.11	0.00	108,425,529.11	200,000,000.00	54.21
TOTAL INTEREST		<u>\$ 109,446,150.59</u>	<u>\$ 0.00</u>	<u>\$ 109,446,150.59</u>	<u>\$ 203,000,000.00</u>	<u>53.91</u>
TOTAL REVENUE		<u>\$1,330,650,600.92</u>	<u>\$14,020,952.99</u>	<u>\$1,316,629,647.93</u>	<u>\$2,897,806,900.00</u>	<u>45.44</u>

CODE NO.	TYPE OF TAX	GROSS RECEIPTS	REFUNDS	NET RECEIPTS	ESTIMATE	NET RECEIPTS Z OF ESTIMATE
001	Property	\$ 1,901,275.54	\$ 645,399.56	\$ 1,255,875.98	\$ 175,000,000.00	.72
016	Alcohol	5,437,537.01		5,437,537.01	7,700,000.00	70.62
017	Cigarette Tax - GF	1,103,028.24	5,015.84	1,098,012.40	1,700,000.00	64.59
018	Cigarette Tax - SF	1,838,379.76		1,838,379.76	2,800,000.00	65.66
020	Electric & Telephone	235,218.67		235,218.67	2,000,000.00	11.76
021	Highway Fuel	17,677,047.72	5,407,799.15	12,269,248.57	18,400,000.00	66.68
022	Aviation Fuel	2,960,869.95		2,960,869.95	3,600,000.00	82.25
023	Marine Fuel	2,491,773.99		2,491,773.99	3,100,000.00	80.38
036	Individual Income	115,157,292.75	7,140,971.28	108,016,321.47	122,000,000.00	88.54
037	Fiduciary Income	38,198.23	27,205.46	10,992.77	100,000.00	10.99
038	Corporation Income	12,010,132.03	10,257,249.83	1,752,882.20	15,000,000.00	11.69
039	Oil & Gas Corp Income	242,799,956.47	945,162.00	241,854,794.47	402,000,000.00	50.16
046	Business License	1,873,061.28	296,758.28	1,576,303.00	4,000,000.00	39.41
052	Estate	154,416.69	5,838.48	148,578.21	200,000.00	74.29
057	School	925,577.70		925,577.70	2,500,000.00	37.02
061	Mines & Mining	119,938.00	506.10	119,431.90	100,000.00	119.43
062	Raw Fish	5,740.35	9,071.13	(3,330.78)	8,600,000.00	0
063	Cold Storage	213,971.44	1,222.21	212,749.23	8,700,000.00	2.45
064	Freezer Ship	184,585.24	28,590.07	155,995.17	3,600,000.00	4.33
065	Oil Production	227,713,983.85	5,414.96	227,708,568.89	420,590,000.00	54.14
066	Oil & Gas Conservation	190,247.31		190,247.31	600,000.00	31.71
067	Gas Flaring	1,333.49		1,333.49	10,000.00	33.33
068	Gas Production	7,083,912.92		7,083,912.92	11,700,000.00	60.55
096	Prepaid Tax (102)	(239,048.33)	5,143.00	(244,191.33)	0	0
106	Liquor Lic. Application	61,500.00		61,500.00	80,000.00	76.88
107	Pub Liquor License	142.34		142.34	600.00	23.72
108	Brewery	0	0	0	100.00	0
109	Distillery	0	0	0	0	0
110	Beverage Dispensary	405,150.00	3,800.00	401,350.00	480,000.00	83.61
111	Club License	21,400.00	200.00	21,200.00	23,400.00	90.60
112	Common Carrier	11,500.00		11,500.00	15,900.00	72.33
113	Restaurant	35,350.00		35,350.00	43,000.00	82.21
114	Roadhouse	2,700.00		2,700.00	6,400.00	42.19
115	Retail	226,300.00	6,000.00	220,300.00	270,400.00	81.47
116	Retail Stock Sale	0	0	0	0	0
117	Wholesale General	23,000.00	500.00	22,500.00	79,000.00	28.48
118	Wholesale Malt Beverage	4,700.00		4,700.00	14,100.00	33.33
119	Misc. License	12,765.50		12,765.50	18,000.00	70.92
145	Amusement & Gaming	58,719.52	192.00	58,527.52	85,000.00	68.86
146	Lottery Permits	27,725.43		27,725.43	20,000.00	138.63
402	Misc. Revenues	9,503.80		9,503.80	0	0
692	Redistributed Revenue	0	0	0	0	0
	TOTAL	<u>\$642,778,886.89</u>	<u>\$24,792,039.35</u>	<u>\$617,986,847.54</u>	<u>\$1,215,135,900.00</u>	<u>50.86</u>
126	Vessels & Gear	\$ 0	\$ 0	\$ 0	\$ 0	0
137-844	Comm. Fish Resident	85,995.28		85,995.28	151,000.00	56.95
138-845	Comm. Fish Nonresident	139,397.27		139,397.27	217,000.00	64.24
140	Comm Fish Ext Fee	1,125.00		1,125.00	0	0
120-218	Sport Fish & Hunt	3,676,681.76		3,676,681.76	4,385,000.00	83.85
	SUB-TOTAL	<u>\$ 3,903,199.31</u>	<u>0</u>	<u>\$ 3,903,199.31</u>	<u>\$ 4,753,000.00</u>	<u>82.12</u>
	TOTAL	<u>\$646,682,086.20</u>	<u>\$24,792,039.35</u>	<u>\$621,890,046.85</u>	<u>\$1,219,888,900.00</u>	<u>50.98</u>
	INTEREST					
575	Interest on Loans	\$ 1,876,501.42	\$ 0	\$ 1,876,501.42	\$ 2,628,000.00	71.40
576	Interest on Investments	50,796,560.04	0	50,796,660.04	64,160,000.00	79.17
577	Interest on Deposits	16,205.89	0	16,205.89	3,212,000.00	.50
	TOTAL INTEREST	<u>\$ 52,689,367.35</u>	<u>\$ 0</u>	<u>\$ 52,689,367.35</u>	<u>\$ 70,000,000.00</u>	<u>75.27</u>
	TOTAL REVENUE	<u>\$699,371,453.55</u>	<u>\$24,792,039.35</u>	<u>\$674,579,414.20</u>	<u>\$1,289,888,900.00</u>	<u>52.30</u>

STATE OF ALASKA
DEPARTMENT OF REVENUE

M E M O R A N D U M

TO: The Honorable Representative Robert Bettisworth

FROM: Robert R. Kessel
Director, Audit Division *RR*
Department of Revenue

RE: Amendments to Motor Fuel Law

DATE: February 16, 1983

The Department of Revenue has conducted public meetings with motor fuel dealers and other interested parties in Fairbanks, Anchorage and Juneau. In the opinion of the Department of Revenue, if the following changes could be made to Chapter 40, Title 43 of the Alaska Statutes, the motor fuel dealers would feel satisfied with the existing law.

1. Eliminate the certificate of use requirement, in total, for fuel used exclusively for heating a private residence.
2. Eliminate the certificate of use requirement, in total, for fuel which is at least 10% alcohol by volume.
3. Require only an annual certificate of use for almost all other exempt sales, reserving some discretionary judgement for exempt sales handled on an individual basis under sub-paragraph (K) of Section 43.40.100(2).

In addition we believe that motor fuel dealers should be granted a 1% commission, limited to \$100, to compensate them for collecting the tax and for the demands required in maintaining records. Alaska currently allows a commission for cigarette taxes and most other states have similar provisions. I believe the motor fuel dealers would, obviously, like this change. For example, application would be as follows:

<u>Tax To Be Remitted</u>	<u>Commission</u>
\$ 600	6 (1%)
5,000	50 (1%)
10,000	100 (1%)
20,000	100 (1%-limited to \$100)

The maximum amount of \$100 would provide remuneration for the dealers extra work and yet would not be costly to the state. There are a limited number of dealers.

The recommended change to AS 43.40, per attached Exhibit 1, would provide for the above recommendations; the changes could very well be incorporated into Senate Bill 117 (By the Rules Committee by Request of the Governor) which is "An Act making technical amendments relating to state taxation."

AS 43.40.010(c) is amended to read:

(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. If the monthly tax return is timely filed, one percent of the total monthly tax due, limited to a maximum of \$100, can be deducted and retained to cover the expense of accounting and filing the monthly tax return. 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.

AS 43.40.010(1) is amended to read:

(1) If a dealer has a reasonable belief at the time of sale or transfer that fuel that is sold or transferred is not to be used as motor fuel, the dealer need not collect the motor fuel tax. If the tax is not collected, the dealer shall obtain a certificate of use from the buyer or transferee stating that the fuel that has been or will be purchased or received is not intended for use as motor fuel. The Department of Revenue may not collect the motor fuel tax from a dealer for fuel for which a certificate of

use has been properly obtained under this subsection. A Certificate of use is not required for fuel used to heat a private residence or for fuel which is at least 10% alcohol by volume. An annual certificate of use is required for all other exemptions, as listed under AS 43.40.100(2), except sub-paragraph (K) where certificate of use needs will be determined by the Department of Revenue. The dealer shall retain a copy of each certificate of use obtained under this subsection for examination or audit on request by the Department of Revenue. The form of a certificate of use may be prescribed by regulation adopted by the Department of Revenue.

AS 43.40.035(a) is amended to read:

(a) A person who resells fuel on which the tax under AS 43.40.010(a) or (b) was previously paid is entitled to a credit or refund of the tax if (1) the resold fuel is not motor fuel and the requirements prescribed by AS 43.40.010(L) have been fulfilled [A CERTIFICATE OF USE IS ACQUIRED UNDER AS 43.40.010(1)]; or (2) the amount of tax previously paid exceeds the tax due on the resale. The amount of the credit or refund under this section is equal to the amount of tax previously paid on the resold fuel less the amount of tax prescribed by AS 43.40.010(a) or (b).

AS 43.40.100 IS AMENDED TO INCLUDE:

(L) fuel used in stationary power plants that generate
electrical energy for commercial enterprises;

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

March 4, 1983

The Honorable Bette Cato
Representative
Alaska State Legislature
Pouch V
Juneau, AK 99811

RE: Motor Fuel Special Tax Accounts -
Your Request of Mr. Robert Kessel

Dear Representative Cato:

You requested certain information from Mr. Kessel during the March 2, 1983 hearing relating to various motor fuel bills. The information has been somewhat difficult to compile but I hope what I present herein is adequate. If not, please feel free to call me and we will make additional efforts.

Our qualified conclusion is that even though specific accounts are provided for in the motor fuel statutes (AS 43.40.010), the legislature does not, in fact, correlate appropriations to the amount in the accounts. In other words, appropriations for water and harbor facilities, maintenance of highways, etc. are not limited to the amounts accumulated in the special accounts. As will be demonstrated, monies appropriated come partly from the special accounts and partly from other General Fund monies.

Our contacts during this mini-project have been the Finance Section of the Department of Administration and the Finance Section of the Department of Transportation.

REVENUES - FUEL TAX ACCOUNTS

Gross receipts deposited as unrestricted revenues in the General Fund, and designated as unreserved special accounts in the General Fund (thousands of dollars) are as follows:

	<u>Actual FY 81</u>	<u>Actual FY 82</u>	<u>Estimated FY 83</u>	<u>Three Year Total</u>
Fuel Taxes - Aviation	\$ 4,100	\$ 6,300	\$ 5,100	\$15,500
Fuel Taxes - Highway	15,600	20,300	21,000	56,900
Fuel Taxes - Marine	3,600	3,700	3,800	11,100

APPROPRIATIONS - FUEL TAX ACCOUNTS

Included within the General Fund appropriations for the operating and capital expenses of the state government were the following amounts from the above unreserved special accounts (thousands of dollars):

	<u>Actual</u> <u>FY 81</u>	<u>Actual</u> <u>FY 82</u>	<u>Actual</u> <u>FY 83</u>	<u>Three Yr</u> <u>Total</u>
Aviation Fuel Tax Acct.	\$ 3,700	\$ 4,300	\$ 4,500	\$13,500
Highway Fuel Tax Acct.	19,000	20,200	18,500	57,700
Watercraft Fuel Tax Acct.	3,200	3,300	3,800	10,300

The amounts shown for the highway fuel tax and the aviation fuel tax accounts were included in the appropriations from the General Fund for the Operating Budget. The amounts shown for the watercraft fuel tax account were included in the appropriations from the General Fund for the capital budget for water and harbor facilities. The original capital budget for FY 1983 for ports and harbors appropriated from the General Fund was \$4,707,000. Included in this is the \$3,800,000 from the watercraft fuel tax account.

EXPENDITURES FROM FUEL TAX ACCOUNTS

The General Fund summary of expenditures and encumbrances compared with appropriations for the operating programs of the Department of Transportation and Public Facilities supports the previous statement made in this memo regarding lack of correlation. Example: The line item amount for Highway Design & Construction expenditures and encumbrances for FY 1982 was \$39,577,000. Included in this would be the \$20,200,000 appropriated from the highway fuel tax account in the General Fund. The balance of this line item expenditure apparently came from other General Fund monies.

The General Fund summary of expenditures and encumbrances compared with appropriations for the capital outlay projects of the Department of Transportation & Public Facilities further supports our statement. Example: The total expenditures for capital outlay projects for the Department of Transportation & Public Facilities for FY 1982 was \$46,742,000. Included in this was the \$3,300,000 appropriated from the watercraft fuel tax account. The balance of the expenditure came from other General Fund monies.

CONCLUSION

It would require many hours of work to match the actual expenditures for highway, airport, and port & harbor facilities against the appropriations from the unreserved highway, aviation and watercraft fuel tax accounts in the General Fund. Since these funds are not restricted in the General Fund or

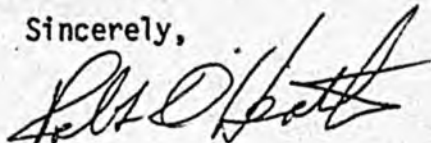
The Honorable Bette Cato
March 4, 1983
Page 3

set aside in a Special Revenue Fund, they are always included in the general appropriations made from the General Fund for airports, highways, and port & harbors operating and capital budgets.

QUALIFICATION

Please bear in mind that the above is from the limited perspective of this Department. If the Committee has more specific questions pertaining to federal matching funds, the Department of Revenue would defer to the Department of Transportation, or the Office of Management and Budget for a more comprehensive explanation of the funding formulas.

Sincerely,



Robert D. Heath
Commissioner of Revenue

RDH/RRK/gb

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 150 Date on Bill: 1/31/83
 Title: act repealing the tax on motor fuel used in or on watercraft
 Sponsor: Zharoff and Grussendorf
 Requestor: House Transportation

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating				
Total				

b. Revenues:

Revenue	-0-	(3.2 mill.)	(4.2 mill.)
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2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

The above figures are a loss of revenues in the General Fund.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Mary Relford Phone: 465-2300
 Division: Commissioner's Office Date: 2/24/83
 Approved by Commissioner: Robt O'Heir Date: _____
 Department: Revenue

- Distribution:
 Original to Legislative Finance
 Copy to OMB
 Copy to Sponsor
 Copy to Requestor

2/15/83

INTRODUCTION OF BILLS (House)

Motor Fuel
Tax
(decreasing &
repealing re-
fund provis.)

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 55, by Reps. Martin and Grussendorf. Lowers motor fuel tax to three cents per gallon, as did original (see p. 46), and repeals motor fuel tax refund provisions contained in the following statutes:

--AS 43.40.030, "Refund for Nonhighway Use," allows six-cent-per-gallon refund of any tax paid for fuel used for a vehicle which is not operated on highways in the state (does not apply to aviation fuel and watercraft fuel). Allows total refund on that part of the fuel sold for non-highway use in a foreign country.

--AS 43.40.035, "Other Refunds and Credits," which allows a person who resells fuel on which the motor fuel tax was previously paid to receive a refund of the tax.

--AS 43.40.050, "Refund Claim by Affidavit," containing procedure for claiming refund of motor fuel tax by filing an affidavit with the Dept. of Revenue.

--AS 43.40.060, "Separate Invoices," which allows the Dept. of Revenue to require separate invoices for fuel sold, distributed, or transferred when the invoices will be the basis for a refund claim.

--AS 43.40.070, "Refund Warrants," directs the Dept. of Revenue, upon approval of a refund claim, to issue a warrant drawn on the Highway Fuel Tax Account in favor of the applicant in the amount of the claim.

--AS 43.40.080, "Examination of Books and Records," allows the Dept. of Revenue to examine a claimant's books and records to determine the validity of a claim for a refund.

Note: bill also includes repealer for AS 43.40.040, "Applications and Permits for Refund," however this section was repealed in 1980 by Sec. 45 of Ch. 113, SLA 1980. (Required person seeking refund to obtain a permit from the Dept. of Revenue.)

Effective April 1, 1983.

Introduced February 4 and referred to Transportation and Finance.

Appropriation
(special)
(Tununak
seawall)

HOUSE BILL NO. 149, by Rep. Vaska. Would appropriate \$905,000 for a grant to the City of Tununak to construct a seawall for the prevention of soil erosion. Tununak is on the western side of Nelson Island on the Bering Sea. Provides appropriation be disbursed in accordance with laws governing state grants (AS 37.05.315 - 319). Effective immediately.

Introduced January 31 and referred to Community & Regional Affairs and Finance.

Motor Fuel
Tax/Water-
Craft
(repealing)

HOUSE BILL NO. 150, by Zharoff, Grussendorf and McBride. Would repeal the five cent per gallon tax on motor fuel used in or on watercraft (AS 43.40.010(a)(2) and (b)(2)). Effective July 1, 1983.

INTRODUCTION OF BILLS (House)(cont'd)

EB 150 (cont'd)

Introduced January 31 and referred to Transportation, Resources and Finance.

Appropriation
(special)
(House of
Wickersham)

HOUSE BILL NO. 151, by Reps. Hayes, M.M. Miller, Duncan, Cowdery, Fritz, Bettisworth, Cato, Clocksin, Davis, Flood, Furnace, Goll, Koponen, Larson, Liaka, Martin, McBride, M.W. Miller, Pestinger, Szymanski, Tischer, Uehling, Wendte and Zharoff. Would appropriate \$1 million to the Dept. of Natural Resources, Division of Parks, for the acquisition of the House of Wickersham in Juneau and the historical collections and artifacts contained in the house and for the development of the acquisition as an historic site. Appropriation lapses on June 30, 1984. Effective July 1, 1983. Identical to SB 31, page 10.

Introduced January 31 and referred to State Affairs and Finance.

Appropriation
(supplemental)
(revenue
sharing)

HOUSE BILL NO. 152, by the Community & Regional Affairs Committee. Would make a \$3.5 million supplemental appropriation to the miscellaneous services account (AS 29.89.080) for AS 29.89 (Misc. State Aid to Municipalities) for distribution to local governments and other recipients for the fiscal year ending June 30, 1983. AS 29.89 provides for state aid for roads, health facilities and hospitals, volunteer fire departments in the unorganized borough, and aid to Native Village governments. Appropriation lapses June 30, 1984. Effective immediately.

Introduced February 2 and referred to Community & Regional Affairs and Finance.

Appropriation
(supplemental)
(Municipal
Assistance
Fund)

HOUSE BILL NO. 153, by the Community & Regional Affairs Committee. Would make a \$25.1 million supplemental appropriation to the Dept. of Revenue for the Municipal Assistance Fund (AS 43.20.016(a)) for distribution to municipalities for the fiscal year ending June 30, 1983. Lapses on June 30, 1984. Effective immediately.

Identical to SB 17, as amended by Senate C&RA Committee, and identical to HB 136 p. 99, except for lapse date.

Introduced February 2 and referred to Community & Regional Affairs and Finance.

Minimum Train
Crews
(repealing
law)

HOUSE BILL NO. 154, by the Rules Committee by request of the Governor. Would repeal law establishing minimum train crews in Alaska (AS 23.10.420). See Governor's letter, below.

Does not provide for an effective date (effective 90 days after Governor's signature).

Introduced February 2 and referred to Labor & Commerce and Transportation.

In his message transmitting the bill to the House for consideration, Governor Sheffield stated:

(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

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REVENUE AND TAXATION

§ 43.40.010

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)

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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 1270.

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 1943, 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).

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."

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

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)

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REVENUE AND TAXATION

§ 43.40.100

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 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 153 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.

Section

110 — 160. [

Secs. 43

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Section 2,
July 1, 1970,

Section

10. Tax imp
20. Persons
30. Record

Sec. 43

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Alaska State Legislature

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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

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.

Rec. E.D. 1981

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

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS - NONE

	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)

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

IV. DATE February 11, 1981

PREPARED BY Cary L. Jenkins

AGENCY Division of Audit

PHONE 465-2320

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. 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)

	FY 81	FY 82	FY 83	FY 84	FY 85
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
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 2/9/81 PREPARED BY Bill Yankee
 AGENCY Revenue Research
 PHONE 465-2173
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

Alaska State Legislature

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House of Representatives

DISTRICT 14:

BELLSFLATS
CHINIAK
KODIAK
OUZINKIE

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 - Shorebased (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	1,700,100
Oil & Gas Conservation	300	600	600
<u>Property</u>			
Oil & Gas	168,900	170,700	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>	<u>10,700</u>	<u>12,000</u>	<u>12,500</u>
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)

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	2,700	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⁽⁶⁾</u>	<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>297,900</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	6,800	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>TAXES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATE</u>	<u>REVISED ESTIMATE</u>	<u>ESTIMATE</u>
INCOME				
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
GROSS RECEIPTS				
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
SEVERANCE				
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
PROPERTY				
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
SALE/USE				
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
OTHER				
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>624,577.5</u>
LICENSES AND PERMITS				
BUSINESS				
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
NON-BUSINESS				
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	6.5	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>
INTERGOVERNMENTAL RECEIPTS				
FEDERAL SHARED REVENUE				
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

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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 § 3, 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 § 48-6-3, 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)

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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. 43.40.045. Applications and permits for refund.

Repealed by § 15 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; and § 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, ACLA 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



Alaska State Legislature

House of Representatives

Committee on Resources

Terry Gardiner, Co-Chairman
Fred F. Zharoff, Co-Chairman
465-3715

Pouch V
State Capitol
Juneau, Alaska 99811

SYNOPSIS OF TELECONFERENCED TESTIMONY GIVEN ON H.B. 101
FEBRUARY 20, 1981

Kodiak: Alvin Burch of the Alaska Drag Net Association testified in favor of the bill. He felt the legislation would mainly benefit local alaskan boats which use from 12,000 - 25,000 gallons of fuel a year. The larger outside boats use up to 100,000 gallons of fuel a year and usually fuel up in outside waters. Mr. Burch stated that repeal of the tax would mean a savings of about \$5,100 on the two boats that he and his brother operate together.

Jeff Stephan of the United Fishermen's Marketing Association also testified in favor of the legislation. He pointed out that one of the reasons tanner crab fishermen have been on strike for the past month is because of rising operating costs due in part to fuel. Fuel prices have gone from 51¢ a gallon in 1977 to the present \$1.10 a gallon.

Blake Kinnear, a year around vessel operator, felt that the revenues saved by the tax repeal would be a help toward making up some of the money lost to foreign fleets fishing on alaskan grounds.

Paul Soper testified that his vessel the Tidings used about 30,000 gallons of fuel a year and that saving 5¢ a gallon would be very helpful.

Dillingham: Joe McGill, representing the Western Alaska Cooperative Marketing Association, stated that his organization represented 360 resident fishermen who were in favor of the bill. He felt that the state has plenty of oil revenues at present and that repealing the motor fuel tax would help ease the financial burden Bristol Bay fishermen are under at this time.

Kay Larsen spoke for the Bristol Bay Native Association. She testified that the decrease in fish prices and the rise in operating expenses were putting a real hardship on people in her area. She favored the legislation.

WESTERN ALASKA FISHERIES, INC.

P.O. BOX 2367 • KODIAK, ALASKA 99615

PHONE (907) 486-4112

TELEX 090-25-288

Representative Fred F. Zharoff
Pouch V
Juneau, Alaska 99811

February 26, 1981

Dear Representative Zharoff,

This letter is to let you know Western Alaska Fisheries and myself, support the total repeal of the Motor Marine Fuel Tax, and we support the Terror Lake Hydro-electric Project.

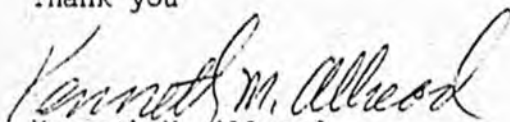
We feel that even this might not be enough. The rate that fuel and electric costs are increasing is scary. If this trend continues we may find that our Fisheries Industry may be on - should be on the Endangered Species List. We only have to look back a few decades to when Alaska had many cod fish salters, whaling stations and salmon canneries. Economic conditions changed and these processing sites today are only remembered because some rotting piling is still visible. In the short term these rising costs will directly affect crewshares on the boats and wages in the plants.

In our own case during the 1980 King Crab season the electricity and fuel bills combined were higher than our direct wages. At least in King Crab we have a chance to pass these costs on. In the fledgling Bottom Fish industry where world markets are firm, we are really in trouble. We are inexperienced in the processing techniques. Our labor costs are high, and our foreign competition is subsidized.

In summary, all fisheries market prices are pretty well established. As these utility costs increase, labor and fish prices will have to decrease if the industry is to survive. But our workers and fishermen are faced with the same increasing costs. We all have to survive together, if one segment fails we all fail.

We support solid long term investments of our States' Oil wealth. Such examples are Terror Lake Hydro-electric, Dog Bay Boatharbor, Shelikof Avenue paving. Tax reductions, or elimination are good but are small by comparison. If we are not careful now, the state may find its oil revenue supply dried up, an ocean full of fish being processed by foreign fleets, and no domestic fisheries industry to tax.

Thank you


Kenneth M. Allread
General Manager

MARINE FUEL TAX

The following points were made in discussion with Don Statter 3/19/80:

The revenue accumulated from the Marine Fuel Tax this past year will not be indicated as such in this years' budget because the small budget items which were requested under this funding source, were lost in Budget and Management while they were working on the over-all Harbor Design and Construction budget. This money will not have a label, but will be included in the general fund.

The Marine Fuel Tax revenue estimated for 1980 was made this last September in the amount of \$2,800,000.

The Marine Fuel Tax revenue estimated for 1981 is \$3,200,000.

Last year was the first time any of the Marine Fuel Tax was used for projects other than docks and harbors. A portion was used for dams and other non-harbor type projects.

In the past the D.O.T. has contained their requests within the boundaries of the anticipated revenue, and the legislature would appropriate additional monies as they saw fit. This year is the first year D.O.T. Div. of Harbor Design and Construction (actually the whole Dept.) has not had to budget within the boundaries of the estimated revenue in planning their budget request.

Marine Fuel Tax is used not only for the actual capital improvements, but also for administrative costs and office rent, etc.

In regards to House Bill 745, Statter commented that back when prices for fuel were 35¢ a gallon, the 5¢ tax was significant. In this day and age, he says that it not quite so significant because the fuel prices are escalating at 10¢ or so every time they are raised. He says that if the budget remains at the current inflated level, repealing the Marine Fuel Tax would not hurt, but if we are to return to the previous limitation, the tax should not be repealed.

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.

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)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

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. Kessel ^{RK}
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.

REK/gb

Original sponsors: Zharoff, Grussendorf
and Bettisworth

Offered: 1/29/82
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 101 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND 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, 1982.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 745
 Title An Act repealing the motor fuel tax on motor fuel used in watercraft.
 Requested by House Resources & Finance Committees Date 2/19/80

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ Fiscal Services _____
 BRU, Program, or Subprogram(s) Affected _____ Audit Division _____
 (Note: If more than one budget component is affected, provide separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

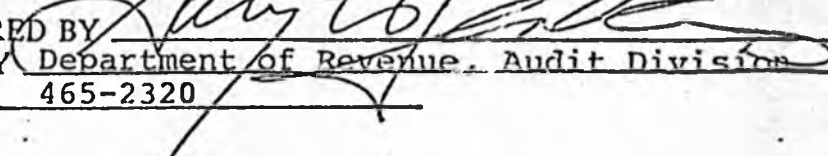
FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE February 19, 1980 PREPARED BY 
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 745
Title An Act repealing the motor fuel tax on fuel used in watercraft
Requested by _____ Date _____

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 80	FY 81	FY 82	FY 83	FY 84	FY 85
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 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	-0-	(\$3.2)	(\$3.3)	(\$3.4)	(\$3.5)	(\$3.6)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

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

The bill proposes to repeal the motor fuel tax presently imposed on motor fuel used in watercraft. If passed the repeal would become effective immediately.

The above estimate is based on the general assumptions contained in the department's long range estimating model.

IV. DATE 2/20/80 PREPARED BY Barbara Sorensen
AGENCY REVENUE
PHONE 42174
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

REPORT OF MOTOR FUEL DISTRIBUTED OR SOLD IN ALASKA DURING June 1976

ACCUMULATIVE TOTAL

from July 1975

to June 30, 1976

	TOTAL GALLONS	EXEMPT GALLONS	DIVISION I	DIVISION II	DIVISION III	DIVISION IV	TAXABLE GALLONS	
Aviation-Jet	25,217,826	16,243,677	480,436	121,620	7,445	926,752	8,974,149	96,495,305
Aviation-Gas	1,631,666	136,616	202,842	89,647	722,988	479,573	1,495,050	13,266,181
(non-taxable) Aviation-Bonded	3,307,371	3,307,371	-0-	-0-	3,307,371	-0-	3,307,371	21,362,024
Gas-Highway	18,345,936	442,084	1,752,422	341,505	11,434,791	4,375,134	17,903,852	179,697,007
Diesel-Highway	20,237,262	5,940,651	1,125,275	4,581,829	5,296,474	3,293,033	14,296,611	148,690,620
Gas-Marine	1,203,804	31,054	386,499	11,193	680,078	104,980	1,172,750	5,644,629
Diesel-Marine	3,363,654	507,197	822,163	8,367	1,957,486	68,441	2,856,457	23,675,425
(non-taxable) Marine Non- Dispulsion	1,031,366	1,031,366	227,678	-0-	803,688	-0-	1,031,366	9,664,494
Other Type Fuel	258,619	18,236	141	239,697	215	330	240,383	1,084,094

REPORT OF MOTOR FUEL DISTRIBUTED OR SOLD IN ALASKA DURING JUNE 1977

ACCUMULATIVE TOTAL
TAXABLE GALLONS
from 7/1/76
to 6/30/77

	TOTAL GALLONS	EXEMPT GALLONS	DIVISION I	DIVISION II	DIVISION III	DIVISION IV	TAXABLE GALLONS	
Aviation-Jet	21,942,474	12,377,786	460,825	80,221	8,106,778	976,864	9,624,688	96,217,874
Aviation-Gas	2,006,857	151,515	215,282	157,262	795,632	687,166	1,855,342	14,410,305
Aviation-Bonded (non-taxable)	3,328,439	3,328,439	-0-	-0-	-0-	-0-	-0-	-0-
Gas-Highway	17,797,282	388,613	1,412,850	411,411	11,661,604	3,922,804	17,408,669	182,313,174
Diesel-Highway	15,797,825	5,565,524	771,907	2,526,414	4,714,107	2,219,873	10,232,301	122,319,720
Gas-Marine	1,623,510	347,913	363,646	57,280	581,335	273,336	1,275,597	5,894,272
Diesel-Marine	3,545,296	237,143	747,468	29,107	2,418,705	112,873	3,308,153	36,975,208
Marine Non- Propulsion (non-taxable)	1,264,140	1,264,140	-0-	-0-	-0-	-0-	-0-	-0-
Other Type Fuel	79,897	-0-	1,881	49,324	24,193	4,499	79,897	534,963

Revised 2/28/78.

TAXABLE GALLONS BY DIVISION

ACCUMULATIVE
TOTAL
TAXABLE
GALLONS
from 7-1-77
to 6-30-78

FUEL TYPE	TOTAL GALLONS	EXEMPT GALLONS	DIVISION I	DIVISION II	DIVISION III	DIVISION IV	TOTAL TAXABLE GALLONS	ACCUMULATIVE TOTAL TAXABLE GALLONS
aviation-Jet	31,332,685	20,010,912	496,809	124,355	9,899,220	801,389	11,321,773	110,893,476
aviation-Gas	1,933,070	(16,611)	211,017	144,242	997,193	597,229	1,949,681	15,057,178
(Non-taxable) aviation-Bonded	3,672,077	3,672,077						
Gas-Highway	19,113,589	345,764	1,558,317	328,407	13,418,705	3,462,396	18,767,825	178,220,245
Diesel-Highway	14,985,130	6,985,267	652,075	15,075	4,520,449	2,812,260	7,999,863	121,212,785
Gas-Marine	1,628,220	294,961	344,571	86,571	661,956	240,161	1,333,259	6,283,606
Diesel-Marine	4,669,467	454,561	1,048,906	31,419	3,050,223	84,358	4,214,906	37,924,119
Other Type Fuel	3,603,276	-0-	2,724	111	48,095	3,552,346	3,603,276	7,708,796
Grand Totals	80,937,514	31,746,931	4,314,419	730,180	32,595,841	11,550,143	49,190,583	477,300,205

From Dept Rev.

CUMULATIVE SUMMARY OF REVENUE
COLLECTED 7/1/79 THRU 2/29/80
8/12 or 66.67%

CODE NO.	TYPE OF TAX	GROSS RECEIPTS	REFUNDS	NET RECEIPTS	ESTIMATE	NET RECEIPTS % OF ESTIMATE
001	Property	\$ 1,901,275.54	\$ 645,399.56	\$ 1,255,875.98	\$ 175,000,000.00	.72
016	Alcohol	5,437,537.01		5,437,537.01	7,700,000.00	70.62
017	Cigarette Tax - GF	1,103,028.24	5,015.84	1,098,012.40	1,700,000.00	64.59
018	Cigarette Tax - SF	1,838,379.76		1,838,379.76	2,800,000.00	65.66
020	Electric & Telephone	235,218.67		235,218.67	2,000,000.00	11.76
021	Highway Fuel	17,677,047.72	3,407,799.15	12,269,248.57	18,400,000.00	66.68
022	Aviation Fuel	2,960,869.95		2,960,869.95	3,600,000.00	82.25
023	Marine Fuel	2,401,773.55		2,401,773.55	3,100,000.00	77.48
036	Individual Income	115,157,292.75	7,140,971.28	108,016,321.47	122,000,000.00	88.54
037	Fiduciary Income	38,198.23	27,205.66	10,992.77	100,000.00	10.99
038	Corporation Income	12,010,132.03	10,257,249.83	1,752,882.20	15,000,000.00	11.69
039	Oil & Gas Corp Income	242,799,956.47	945,162.00	241,854,794.47	402,000,000.00	60.16
046	Business License	1,873,061.28	296,758.28	1,576,303.00	4,000,000.00	39.41
052	Estate	154,416.69	5,838.48	148,578.21	200,000.00	74.29
057	Pool	925,577.70		925,577.70	2,500,000.00	37.02
061	Hires & Mining	119,938.00	506.10	119,431.90	100,000.00	119.43
062	Raw Fish	5,740.35	9,071.13	(3,330.78)	8,600,000.00	0
063	Cold Storage	213,971.44	1,222.21	212,749.23	8,700,000.00	2.45
064	Freezer Ship	184,585.24	28,390.07	155,995.17	3,600,000.00	4.33
065	Oil Production	327,713,964.85	5,414.96	227,708,568.89	420,590,000.00	54.14
066	Oil & Gas Conservation	190,247.31		190,247.31	600,000.00	31.71
067	Gas Flaring	1,333.49		1,333.49	10,000.00	33.33
068	Gas Production	7,083,912.92		7,083,912.92	11,700,000.00	60.55
096	Prepaid Tax (102)	(239,048.33)	5,143.00	(244,191.33)	0	0
106	Liquor Lic. Application	61,500.00		61,500.00	80,000.00	76.88
107	Pub Liquor License	142.34		142.34	600.00	23.72
108	Brewery	0	0	0	100.00	0
109	Distillery	0	0	0	0	0
110	Beverage Dispensary	405,150.00	3,800.00	401,350.00	480,000.00	83.61
111	Club License	21,400.00	200.00	21,200.00	23,400.00	90.60
112	Common Carrier	11,500.00		11,500.00	15,900.00	72.33
113	Restaurant	35,350.00		35,350.00	43,000.00	82.21
114	Roadhouse	2,700.00		2,700.00	6,400.00	42.19
115	Retail	226,300.00	6,000.00	220,300.00	270,400.00	81.47
116	Retail Stock Sale	0	0	0	0	0
117	Wholesale General	23,000.00	500.00	22,500.00	79,000.00	28.48
118	Wholesale Malt Beverage	4,700.00		4,700.00	14,100.00	33.33
119	Misc. License	12,765.50		12,765.50	18,000.00	70.92
145	Amusement & Gaming	58,719.52	192.00	58,527.52	85,000.00	68.86
146	Lottery Permits	27,725.43		27,725.43	20,000.00	138.63
402	Misc. Revenues	9,503.80		9,503.80	0	0
692	Redistributed Revenue	0	0	0	0	0
TOTAL.		\$642,778,886.89	\$24,792,039.35	\$617,986,847.54	\$1,215,135,900.00	50.86
126	Vessels & Gear	\$ 0	\$ 0	\$ 0	\$ 0	0
137-844	Comm. Fish Resident	85,995.28		85,995.28	151,000.00	56.95
138-845	Comm. Fish Nonresident	139,397.27		139,397.27	217,000.00	64.24
147	Comm Fish Ext Per	1,125.00		1,125.00	0	0
120-218	Sport Fish & Hunt	3,676,681.76		3,676,681.76	4,385,000.00	83.85
SUB-TOTAL		\$ 3,903,199.31	0	\$ 3,903,199.31	\$ 4,753,000.00	82.12
TOTAL		\$646,682,086.20	\$24,792,039.35	\$621,890,046.85	\$1,219,888,900.00	50.98
INTEREST						
575	Interest on Loans	\$ 1,876,501.42	\$ 0	\$ 1,876,501.42	\$ 2,628,000.00	71.40
576	Interest on Investments	50,796,660.04	0	50,796,660.04	64,160,000.00	79.17
577	Interest on Deposits	16,205.89	0	16,205.89	3,222,000.00	.50
TOTAL INTEREST		\$ 52,689,367.35	\$ 0	\$ 52,689,367.35	\$ 70,000,000.00	75.27
TOTAL REVENUE		\$699,371,453.55	\$24,792,039.35	\$674,579,414.20	\$1,289,888,900.00	52.30

KODIAK AREA CHAMBER OF COMMERCE



March 1, 1981

Representative Fred Zharoff
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Fred,

At its meeting on February 23, 1981, the Board of Directors of the Kodiak Area Chamber of Commerce passed a motion unanimously supporting House Bill 101 repealing the tax on motor fuel used in or on watercraft.

We are pleased that you are a co-sponsor of this bill and trust that you will see that our support is passed on to appropriate legislators.

As you know, the Chamber represents the vast majority of Kodiak businesses thereby reflecting the position of the Kodiak economic community.

Sincerely,

KODIAK AREA CHAMBER OF COMMERCE



Hazel E. Hogan
President

HEH:fp

cc: Don Wickey
State Chamber of Commerce

GALLONS BY DIVISION

TAXABLE FUEL

Fuel Type	Total Gallons	Division I	Division II	Division III	Division IV	Accumulative
						Total Gallons From 7-1-78 To 6-30-79
Aviation Jet	12,910,717	624,348	204,117	8,898,285	3,183,967	112,228,872
Aviation Gas	2,101,199	212,817	216,369	1,183,427	488,586	15,767,888
Highway Diesel	4,620,769	851,822	1,137,951	1,834,129	796,867	78,221,778
Highway Gas	19,616,487	1,256,925	525,481	14,326,881	3,507,200	180,542,151
Highway Other	7,187,902	136	42	162	7,187,562	59,740,023
Marine Diesel	6,489,323	1,217,855	55,481	5,128,423	87,564	47,706,166
Marine Gas	1,460,117	350,647	113,483	820,238	175,749	7,671,593
Marine Other	30,359	770	10,739	5,844	13,006	607,345
Taxable Total	54,416,873	4,515,320	2,263,663	32,197,389	15,440,501	502,485,816

EXEMPT FUEL

Fuel Type	Total Gallons	Division I	Division II	Division III	Division IV	Accumulative
						Total Gallons From 7-1-78 To 6-30-79
Aviation Jet	30,868,996	24,414	16,620	25,015,616	5,812,346	223,166,036
Aviation Gas	75,531	-0-	212	37,269	38,050	558,862
Aviation Randed	3,604,049	-0-	-0-	3,604,049	-0-	58,402,138
Highway Diesel	11,203,701	678,200	732,782	9,653,516	139,203	53,385,455
Highway Gas	6,976,703	51,596	34,812	6,690,118	200,177	14,677,171
Off-Highway Diesel	8,443,685	1,415,531	1,288,468	4,108,219	1,631,467	84,942,755
Marine Diesel	485,005	59,473	-0-	425,532	-0-	7,145,930
Marine Gas	1,460,117	350,647	113,483	820,238	175,749	1,798,817
Exempt Total	63,117,787	2,579,861	2,186,377	50,354,557	7,996,992	444,077,184

Grand Total	117,534,660	7,095,181	4,450,040	82,551,946	23,437,493	946,563,000
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