

**SB**

**33**

<TARGET><BILL>SB 33</BILL><SUBJECT>SB  
33</SUBJECT><COMM>HFIN29</COMM></TARGET>

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# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 33
Fiscal Note Number:	2
(S) Publish Date:	3/27/2015

Identifier: SB033-DOR-TAX-3-19-15  
 Title: FEES FOR TIRES  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Senate Finance

Department: Department of Revenue  
 Appropriation: Taxation and Treasury  
 Allocation: Tax Division  
 OMB Component Number: 2476

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2016 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>	(5.0)							
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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/15

**Why this fiscal note differs from previous version:**

This version provides a more accurate loss of revenue than the initial version.

Prepared By: Anna Kim  
 Division: Tax  
 Approved By: Jerry Burnett, Deputy Commissioner  
 Agency: Department of Revenue

Phone: (907)465-4773  
 Date: 03/19/2015 02:00 PM  
 Date: 03/19/15

**REPORTED OUT OF  
SFC 03/26/2015**

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

The tire fee return and payments are currently due 30 days following the last day of the calendar quarter. For three calendar quarters, the return and payment are due prior to the last day of the month. This has caused confusion for taxpayers and caused them to file and pay late. Filing and paying late has resulted in a loss of the timely payment credit and the assessment of penalties and interest.

This bill would align the due date of the return and payment with other tax types that have the due date as the last day of the month and would eliminate confusion regarding the due date.

This legislation will not require additional positions or resources.

## Fiscal impact:

We estimate \$5.0 loss of GF revenue from a decrease in tax, penalty and interest as a result of filing and paying on time:

- Timely pay credit loss-\$2.5
- Penalty-\$2.5
- Interest-less than \$50 dollars

**HOUSE CS FOR SENATE BILL NO. 33(FIN)**  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:  
 Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**  
**FOR AN ACT ENTITLED**

1 "An Act relating to remittance of tire fees; and providing for an effective date."

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

3 \* **Section 1.** AS 43.98.025(d) is amended to read:

4 (d) A seller shall collect the fees from the purchaser. A seller shall file a return  
 5 on a form prescribed by the department and remit the fees collected to the department  
 6 not later than the last day of the calendar month [30 DAYS] following the last day  
 7 of the calendar quarter of the sale or installation. The department may only, on a  
 8 form required under this subsection, require a seller to provide information on  
 9 tires subject to the tax under this section.

10 \* **Sec. 2.** AS 43.98.025(e) is amended to read:

11 (e) A seller remitting the fees collected under this section to the department in  
 12 accordance with (d) of this section [WITHIN 30 DAYS AFTER THE LAST DAY  
 13 OF THE PRECEDING CALENDAR QUARTER] may retain five percent of the  
 14 amount collected, not to exceed \$600 [\$900] a quarter, to cover expenses associated  
 15 with collecting and remitting the fees.

1     \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
2 read:

3             APPLICABILITY. AS 43.98.025(d) and (e), as amended by secs. 1 and 2 of this Act,  
4 apply to tire fee returns due after the end of the first calendar quarter occurring after the  
5 effective date of this Act.

6     \* **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

*adopted  
4-13-15*

29-GS1044\W  
Nauman  
4/11/15

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STATE CAPITOL  
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Governor Bill Walker  
STATE OF ALASKA

January 28, 2015

The Honorable Kevin Meyer  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the deadline for tire fees to be submitted to the State of Alaska by tire vendors.

Under Alaska law, vendors who sell tires are required to collect a fee for each tire sold and submit the fees to the State on a quarterly basis. The bill would change the deadline for vendors to report and pay collected tire fees. The current statutory language has caused confusion because some months have 31 days, and some vendors are late in submitting the collected fees. Therefore, the bill would amend AS 43.98.025 to make it clear to vendors that they have until the end of the month (regardless of the number of days in the month) to submit the fees. The bill would reduce administrative costs to the State of Alaska and benefit vendors by lessening the chance for accidental late filings.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script that reads "Bill Walker".

Bill Walker  
Governor

Enclosure

#	State	Scrap Tire Fee		Scrap Tire Fee \$	Who Collects?	Does the Fee Apply to Tires on New Cars?			Explicitly stated in statute, regs, instructions?		Remarks
		YES	NO			???	NO	YES	???	YES	
1	Alabama	X		\$1.00 per tire (on new, used, and retread)	Tire Dealer	X				X	Act 2003-332 (effective 9/1/2003); Rule 810-8-1-.12
2	Alaska	X		\$2.50 per tire (additional \$5.00 on studded tires/stud installs)	Tire Dealer		X			X	AS 43.98.025; 15 AAC 98
3	Arizona	X		2% of tire price (\$2 max); \$1.00 on new vehicles if price is not stated	Tire Dealer			X		X	DOR Publication 560
4	Arkansas	X		Auto Tire - \$2.00, truck tire - \$5.00, imported waste tire - \$1.00	Tire Dealer	X				X	8-9-404
5	California	X		\$1.75 per tire	Tire Dealer			X		X	SB 876 Chapter 838
6	Colorado	X		\$1.50 per tire	Tire Dealer	X				X	CRS 30-20-1403
7	Connecticut		X		---						
8	Delaware	X		\$2.00 per tire	Tire Dealer		X				House Bill #455
9	Florida	X		\$1.00 per tire	Tire Dealer			X		X	Title XXIX, Chapter 403.718
10	Georgia	X		\$1.00 per tire	Tire Dealer	X				X	Chapter 391-3-4-.19
11	Hawaii		X		---						
12	Idaho		X		---						
13	Illinois	X		\$2.50 per tire	Tire Dealer	X			X		Tire User Fee return (form ST-8)
14	Indiana	X		\$0.25 per tire	Tire Dealer	X			X		
15	Iowa		X		---						
16	Kansas	X		\$0.25 per tire	Tire Dealer			X	X		
17	Kentucky	X		\$1.00 per tire	Tire Dealer		X			X	224.50-868 New tire fee
18	Louisiana	X		Passenger/light truck - \$2.00, medium truck - \$5.00, off road - \$10.00	Tire Dealer	X			X		Collected by Dept of Environmental Quality
19	Maine	X		\$1.00 per tire	Tire Dealer	X			X		Instructional Bulletin No. 48
20	Maryland	X		\$0.80 per tire	Tire Dealer	X			X		
21	Massachusetts		X		---						
22	Michigan		X		---						
23	Minnesota		X		---						
24	Mississippi	X		Diameter < 24" - \$1.00, Diameter > 24" - \$2.00	Tire Dealer	X				X	Mississippi Code 17-17-423
25	Missouri	X		\$0.50 per tire	Tire Dealer	X			X		
26	Montana		X		---						
27	Nebraska	X		\$1.00 per tire	Tire Dealer			X	X		
28	Nevada	X		\$1.00 per tire	Tire Dealer	X			X		Tire Surcharge Fee Return
29	New Hampshire		X		---						
30	New Jersey	X		\$1.50 per tire	---			X	X		
31	New Mexico		X		---						
32	New York	X		\$2.50 per tire	Tire Dealer			X	X		
33	North Carolina	X		2% of tire price	Tire Dealer	X				X	G.S. 105-187.16
34	North Dakota		X		---						
35	Ohio	X		\$0.50 per tire	Wholesaler	X			X		
36	Oklahoma	X		based on rim size: <19.5" - \$2.50, >19.5" - \$3.50	Tire Dealer	X			X		
37	Oregon		X		---						
38	Pennsylvania	X		\$1.00 per tire	Tire Dealer			X	X		
39	Rhode Island	X		\$0.50 per tire	Tire Dealer	X				X	Regulation LIT 92-02
40	South Carolina	X		\$2.00 per tire	retailer	X			X		
41	South Dakota		X		---						
42	Tennessee	X		\$1.35 per tire	Tire Dealer	X				X	Tenn Code Ann. 67-4-1603
43	Texas		X		---						
44	Utah	X		\$1.00 per tire	Tire Dealer	X				X	19-6-805
45	Vermont		X		---						
46	Virginia	X		\$0.50 per tire	Tire Dealer	X				X	58.1-641
47	Washington	X		\$1.00 per tire	Tire Dealer	X				X	WAC 458-20-272
48	West Virginia		X		---						
49	Wisconsin		X		---						
50	Wyoming		X		---						
		32	18			21	3	8	15	16	