

**SB**

**33**

**<TARGET><BILL>SB 33</BILL><SUBJECT>SB  
33</SUBJECT><COMM>SFIN29</COMM></TARGET>**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/25/15

FURTHER:

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

Finance Committee considered SENATE BILL NO. 33

SB 33 FEES FOR TIRES

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

and recommends:

- be replaced with CS \_\_\_\_\_ ( \_\_\_\_\_ )  Same Title  New Title
- adopt previous CS \_\_\_\_\_ ( \_\_\_\_\_ )  Same Title  New Title
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
REV	✓			

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	MICCICHE	✓			
	BISHOP	✓			
	O'SON	✓			
	Hoffman	✓			
CO-CHAIR:	Kelly	✓			
CO-CHAIR:	Mackinnon	✓			

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Governor Bill Walker  
STATE OF ALASKA

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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

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version: SB 33  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

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 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</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>

**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>

**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	Phone: (907)465-4773
Division: Tax	Date: 03/19/2015 02:00 PM
Approved By: Jerry Burnett, Deputy Commissioner	Date: 03/19/15
Agency: Department of Revenue	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

BILL NO. SB 33

### 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

Dear Senators,

No more fees or taxes!

Get your spending under control.

Stop bleeding the public dry.

Vote NO on SB 33, Fees for Tires.

Peace & Blessings,

J.R. Myers

Soldotna, AK

### SB 33

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.

#### Issue:

Most of Alaska's excise taxes are due on the last day of the month. This has caused confusion for taxpayers and some have filed and paid late as a result. Taxpayers who file late lose a credit that is intended to compensate them for the service of collecting the tax from the customer and remitting the tax to the state. Taxpayers who file late are also assessed penalties and interest.

#### Outcome:

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 among taxpayers regarding the due date.

#	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								
						21	3	8	15	16	