

LEG. FINANCE - BILLS 1983 - 1984 1808  
CSHB 39 cont. - CSSSHB 40 1808

1.	POSITION TITLE Associate Coordinator				RANGE/STEP 18A	DARG. UNIT GGU	FORM 12	PAGE/LINE	GOV.	APPROV.	DISAPP.	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY 1	LOCATION Juneau	ELECTION DISTRICT 4		LEG.			
3.	CONTINUATION LEVEL				JUSTIFICATION							
4.	TYPE OF EXPENDITURE				FY 84 9 mos. Staffing							
	1		2	3								
	PERSONAL SERVICES											
5.	Salary		26,685									
6.	Benefits		4,560									
7.	Supplemental Benefits		1,636									
8.	Fixed Benefits		2,160									
9.	TOTAL PERSONAL SERVICES		01	35,041								
10.	Travel		02	1,200								
11.	Contractual		03	4,600								
12.	Commodities		04	400								
13.	Equipment		05									
14.	Other											
15.	TOTAL COST			41,241								
	RECEIPT CODE	FUNDING SOURCE										
16.		Federal Receipts 1002										
17.		G.F. Match 1003										
18.		General Funds 1004		41.2								
19.		I-A Receipts 1005										
20.		Program Receipts 1028										
21.		Other										
FOR B&M USE ONLY												
4A KEY NUMBER _____												

13 REQUEST FOR  
NEW POSITION

AGENCY Health and Social Services  
Social and Economic Assistance  
PROGRAM for the General Population

BRU Program Services

COMPONENT To Be Established

FY 84

Page 4 of 4 1  
Revised Date

Introduced: 1/17/83  
Referred: Health, Education & Social  
Services and Finance

BY M.M.MILLER, MARTIN, ZHAROFF  
KOPONEN AND FRITZ

1 IN THE HOUSE

2 HOUSE BILL NO. 39

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to services for pregnant women; and  
7 providing for an effective date."

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

9 \* Section 1. LEGISLATIVE FINDINGS AND PURPOSE. The legislature finds  
10 that there are insufficient maternal and infant care services available to  
11 women experiencing social and economic difficulties associated with child-  
12 bearing. As a result of these inadequate services, some children may  
13 develop health conditions that require state-supported services throughout  
14 their lives. In order to promote healthier generations of Alaskans, the  
15 legislature wishes to invest in the state's future by providing prenatal  
16 care and social services to pregnant women.

17 \* Sec. 2. AS 47 is amended by adding a new chapter to read:

18 CHAPTER 42. PURCHASE OF SERVICES FOR PREGNANT WOMEN.

19 Sec. 47.42.010. PURCHASE OF SERVICES FOR PREGNANT WOMEN. The  
20 Department of Health and Social Services shall pay the cost of pre-  
21 natal services other than medical services for a pregnant woman ex-  
22 perienceing social and economic difficulties, including the costs of  
23 birthing centers, midwife services, and transportation to and from a  
24 maternity home or a foster home, counseling, adoption assistance,  
25 maternity home and foster home care, postnatal care, and parenting  
26 skills.

27 Sec. 47.42.020. LICENSING AND SUPERVISION. A person providing  
28 services purchased by the Department of Health and Social Services  
29 under this chapter shall, if required to be licensed under AS 47.35,

1        be licensed and supervised in the same manner as foster homes, board-  
2        ing homes, maternity homes, and other agencies and institutions under  
3        AS 47.35.

4        \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
5        10.070(c).

6

Offered: 3/16/83  
Referred: Finance

Original sponsors: M.M. Miller, Martin,  
Zharoff et al

1 IN THE HOUSE BY THE HEALTH, EDUCATION  
AND SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 39 (HESS)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to services for pregnant women; and  
7 providing for an effective date."

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

9 \* Section 1. LEGISLATIVE FINDINGS AND PURPOSE. The legislature finds  
10 that there are insufficient maternal and infant care services available to  
11 women experiencing social and economic difficulties associated with child-  
12 bearing. As a result of these inadequate services, some children may  
13 develop health conditions that require state-supported services throughout  
14 their lives. In order to promote healthier generations of Alaskans, the  
15 legislature wishes to invest in the state's future by providing prenatal  
16 care and social services to pregnant women.

17 \* Sec. 2. AS 47 is amended by adding a new chapter to read:

18 CHAPTER 42. PURCHASE OF SERVICES FOR PREGNANT WOMEN.

19 Sec. 47.42.010. PURCHASE OF SERVICES FOR PREGNANT WOMEN. The  
20 Department of Health and Social Services shall <sup>with appropriate</sup> pay the cost of pre-  
21 natal services ~~and medical services~~ <sup>which are not available from an</sup> for a pregnant woman experiencing  
22 social and economic difficulties, including the costs of birthing  
23 centers, midwife services, and transportation to and from a maternity  
24 home or a foster home, counseling, adoption assistance, maternity home  
25 and foster home care, postnatal care, and parenting skills.

26 Sec. 47.42.020. LICENSING AND SUPERVISION. A person providing  
27 services purchased by the Department of Health and Social Services  
28 under this chapter shall, if required to be licensed under AS 47.35,  
29 be licensed and supervised in the same manner as foster homes,

*Amended by House Bill 39*

1       boarding homes, maternity homes, and other agencies and institutions  
2       under AS 47.35.

3       \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
4 10.070(c).

5



Original sponsors: Hayes, Martin,  
Lindauer, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 40 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending motor fuel tax provisions; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 43.40.010(c) is amended to read:

10 (c) Every dealer who sells or otherwise transfers motor fuel in  
11 the state shall collect the tax at the time of sale, and remit the  
12 total tax collected during each calendar month of each year to the  
13 Department of Revenue by the last day of each succeeding month. Every  
14 user shall likewise remit the tax accrued on motor fuel actually used  
15 by him during each month. If the monthly tax return is timely filed,  
16 one percent of the total monthly tax due, limited to a maximum of  
17 \$100, can be deducted and retained to cover the expense of accounting  
18 and filing the monthly tax return. At the time the remittance is  
19 made, each dealer or user shall submit a statement to the Department  
20 of Revenue showing all [MOTOR] fuel which he has distributed or used  
21 during the month.

22 \* Sec. 2. AS 43.40.010(1) is amended to read:

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

1 tax from a dealer for fuel for which a certificate of use has been  
2 properly obtained under this subsection. A certificate of use is not  
3 required for fuel used to heat a residential housing accommodation as  
4 defined in AS 34.06.050(3) or for fuel which is at least 10 percent  
5 alcohol by volume. An annual certificate of use is required for all  
6 other exemptions listed under AS 43.40.100(2), except certificate of  
7 use needs under AS 43.40.100(2)(K) will be determined by the Depart-  
8 ment of Revenue. The dealer shall retain a copy of each certificate  
9 of use obtained under this subsection for examination or audit on  
10 request by the Department of Revenue [DEPARTMENT]. The form of a  
11 certificate of use may be prescribed by regulation adopted by the  
12 department.

13 \* Sec. 3. AS 43.40.035(a) is amended to read:

14 (a) A person who resells fuel on which the tax under AS 43.40.-  
15 010(a) or (b) was previously paid is entitled to a credit or refund of  
16 the tax if (1) the resold fuel is not motor fuel and the requirements  
17 of AS 43.40.010(1) have been fulfilled [A CERTIFICATE OF USE IS AC-  
18 QUIRED UNDER AS 43.40.010(1)]; or (2) the amount of tax previously  
19 paid exceeds the tax due on the resale. The amount of the credit or  
20 refund under this section is equal to the amount of tax previously  
21 paid on the resold fuel less the amount of tax prescribed by AS 43.-  
22 40.010(a) or (b).

23 \* Sec. 4. AS 43.40.100(2) is amended by adding a new subparagraph to  
24 read:

25 (L) fuel used in stationary power plants of 100 kw or  
26 less that generate electrical power for commercial enterprises  
27 not for resale;

28 \* Sec. 5. This Act is retroactive to April 1, 1983.

29 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-

1 10.070(c).

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Alaska State Legislature  
House of Representatives

Al Adams  
Chairman  
Committee on Finance

Official Business

April 18, 1983

WHILE IN SESSION  
Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3706

OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3320

1024 W. 6th  
Anchorage, Alaska 99501  
(907) 274-0615

MEMORANDUM

TO: House Finance Committee Members  
FROM: Al Adams, Chair *ADA*  
SUBJ: Proposed CS for SS HB 40

You may recall that SS HB 40 was scheduled for a hearing before the House Finance Committee last week. At the request of the prime sponsor, Speaker Hayes, I delayed the hearing until today so that the Transportation Committee could complete its work on legislation to amend the motor fuel tax statutes instead of repealing it.

This work has been completed and is presented to you today in the form of a proposed CS SS HB 40 (Finance). Please refer to the comparison chart in your files for an explanation of the legislation's provisions in comparison to other House bills on the same subject. The provisions of this proposed CS are the same as the provisions of CS HB 335 (Transportation).

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 40 (Finance)  
 Title An Act amending motor fuel tax provisions  
 Requested by House Finance Date 4/15/83

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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL						
Revenue		(60.0)	(48.0)	(48.0)	(48.0)	(48.0)

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 4/15/83 PREPARED BY Al Adams, Chairman *APA*  
 AGENCY House Finance Committee  
 Original: Legislative Finance PHONE 465-3706  
 cc: Budget & Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/82)

CSHB 40 (Finance)  
ATTACHMENT A

It is assumed in this fiscal note that about 100 dealers per month would take advantage of the 1% deductible allowance to cover the accounting expense of filing timely monthly tax returns.

It is also assumed that the average monthly deduction would be about \$40.00 per month.

Although the bill is retroactive to April 1, 1983, we assume that the refunding for the period April 1 through June 30, 1983 would not occur until FY 84 and that is why the FY 84 impact is greater than subsequent years.

The following individuals are expected to testify on SS HB 40:

Representative Joe Hayes, prime sponsor

Commissioner Bob Heath or Deputy Commissioner Joe Donahue,  
Department of Revenue

A M E N D M E N T

OFFERED IN THE HOUSE: Transportation  
Committee

By: \_\_\_\_\_

To: \_\_\_\_\_ HOUSE BILL No. SS. House Bill 40

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 10-13

Delete\* Section 2.

0484

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 40

Title "An Act repealing certain State revenue and taxation laws; and  
Requested by House State Affairs Date 1/18/83 providing  
for an effective date.

II. FISCAL DETAIL

Agency Affected Office of the Governor

Program Category Affected Division of Elections

BRU, Program, Or Subprogram(s) Affected Division of Elections

(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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

No additional fiscal impact is anticipated. The Division of Elections already prepares a microfiche listing of all persons who have registered to vote in this state. This list is generated from a magnetic tape compatible with Department of Administration data processing equipment.

IV. DATE 1/20/83

*Danith D. Arnoldt*  
PREPARED BY Danith D. Arnoldt, Deputy Director  
AGENCY Office of the Governor, Division of  
Elections

Original: Legislative Finance

PHONE 586-6181

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE

HB 40

FISCAL NOTE

Expenditure Type  
 Revenue Type

I. REQUEST

Bill/Resolution No. HB 40  
Title An Act repealing certain state revenue and taxation laws  
Requested by House State Affairs Date 1-19-83

II. FISCAL DETAIL

Agency Affected Department of Public Safety  
Program Category Affected Life and Property Protection  
BRU, Program, Or Subprogram(s) Affected Driver/Vehicle Services  
(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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This would have no fiscal impact on Division of Motor Vehicles.

Office of Management and Budget  
Reviewed by: Mike Maher, Program Budget Analyst  
Division of Budget Review

IV. DATE Janu 19, 1983 PREPARED BY Bill Brown Phone 465-4335

Original: Legislative Finance DEPARTMENT OF PUBLIC SAFETY Initials RJR  
cc: Budget and Management initials

Prime Sponsor (First Legislator Named)

STATE OF ALASKA  
FISCAL NOTE

Revision Date 4/11, 1983

I. REQUEST  
 Bill/Resolution No.: SSHB 40  
 Title: Repealing Motor Fuel Tax  
 Sponsor: Hayes  
 Requestor: House Finance

II. FISCAL DETAIL  
 Agency Affected: Revenue  
 Program Category Affected: Coll. & Mgmt.  
 BRU, Program of Subprogram(s) Affected: Audit Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	-0-	(32.5)	(65.0)			
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	-0-	(32.5)	(65.0)			
CAPITAL						
REVENUE		(48,000)	(33,000)			

FUNDING: (Thousands of Dollars)

GENERAL FUND		(32.5)	(65.0)			
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME		(2)	(2)			
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: R. R. Hessel Phone: 465-2320  
 Division: Aud. F Date: 4-11-83  
 Approved by Commissioner: Joseph Donohue for Date: 4/11/83  
 Department: Revenue

Distribution:

Original to Legislative Finance  
 Copy to Office of Management and Budget (for Legislature introduced bills)  
 Copy to Department (for Governor introduced bills)  
 Copy to Sponsor  
 Copy to Requestor (if different from Sponsor)

3/8/83

#### IV. Analysis for SSHB 40

Since the bill would eliminate the Motor Fuel Tax, two positions currently allocated to those sources could eventually be eliminated. The elimination of those positions could not occur until sometime in FY 84 because there would be substantial clean up work between now and the several months succeeding the effective date of the bill, thus the fiscal note assumes partial funding for FY 84 of two positions.

The difference between the FY 84 loss in revenues and the FY 85 loss in revenues is due to the retroactive clause in Sec. 2 of the bill. It is estimated that \$15,000,000 would be necessary to refund back to January 1, 1983. The task of refunding the numerous fuel users could be monumental.

STATE OF ALASKA  
FISCAL NOTE

*Rec'd 5-9-83*  
*H7*  
Revision Date \_\_\_\_\_, 1983

I. REQUEST

Bill/Resolution No: CSSSHB 40 (Fin) am  
Title: Amending Motor Fuel Tax  
Sponsor: Finance Committee  
Requestor: Senate Finance

II. FISCAL DETAIL

Agency Affected: Department of Revenue  
Program Category Affected: Rev Coll & Mgmt  
BRU, Program of Subprogram(s) Affected: Audit Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
<b>OPERATING</b>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	-	-	-	-
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	(60.0)	(48.0)	(48.0)	(48.0)	(48.0)

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

IV. ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Robert R. Kessel  
Division: Audit Division

Approved by Commissioner: [Signature]  
Department: Revenue

OFFICE OF  
MANAGEMENT & BUDGET

MAY 6 1983

BUDGET REVIEW

Phone: 465-2320  
Date: April 29, 1983

Date: 5/6/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

#### IV. Analysis

It is assumed in this fiscal note that about 100 dealers per month would take advantage of the 1% deductible allowance to cover the accounting expense of filing timely monthly tax returns.

It is also assumed that the average monthly deduction would be about \$40.00 per month.

Although the bill is retroactive to April 1, 1983, we assume that the refunding for the period April 1 through June 30, 1983 would not occur until FY84 and that is why the FY84 impact is greater than subsequent years.

The most substantive portion of the proposed amendments pertains to limiting the number of Certificates of Use required to be obtained by motor fuel dealers. The amendment moves the certificate concept from a veritable paper mill to an administrable program able to be complied with by the industry.

Offered: 4/20/83  
Referred: Rules

Original sponsors: Hayes, Martin,  
Lindauer, et al

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 40 (Finance) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL  
6 For an Act entitled: "An Act amending motor fuel tax provisions; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 43.40.010(c) is amended to read:

10 (c) Every dealer who sells or otherwise transfers motor fuel in  
11 the state shall collect the tax at the time of sale, and remit the  
12 total tax collected during each calendar month of each year to the  
13 Department of Revenue by the last day of each succeeding month. Every  
14 user shall likewise remit the tax accrued on motor fuel actually used  
15 by him during each month. If the monthly tax return is timely filed,  
16 one percent of the total monthly tax due, limited to a maximum of  
17 \$100, can be deducted and retained to cover the expense of accounting  
18 and filing the monthly tax return. At the time the remittance is  
19 made, each dealer or user shall submit a statement to the Department  
20 of Revenue showing all [MOTOR] fuel which he has distributed or used  
21 during the month.

22 \* Sec. 2. AS 43.40.010(1) is amended to read:

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

1 tax from a dealer for fuel for which a certificate of use has been  
2 properly obtained under this subsection. A certificate of use is not  
3 required for fuel used to heat or light a residential housing accommo-  
4 modation as defined in AS 34.06.050(3) or for fuel which is at least 10  
5 percent alcohol by volume. An annual certificate of use is required  
6 for all other exemptions listed under AS 43.40.100(2), except certifi-  
7 cate of use needs under AS 43.40.100(2)(K) will be determined by the  
8 Department of Revenue. The dealer shall retain a copy of each certifi-  
9 cate of use obtained under this subsection for examination or audit  
10 on request by the Department of Revenue [DEPARTMENT]. The form of a  
11 certificate of use may be prescribed by regulation adopted by the  
12 department.

13 \* Sec. 3. AS 43.40.035(a) is amended to read:

14 (a) A person who resells fuel on which the tax under AS 43.40.-  
15 010(a) or (b) was previously paid is entitled to a credit or refund of  
16 the tax if (1) the resold fuel is not motor fuel and the requirements  
17 of AS 43.40.010(1) have been fulfilled [A CERTIFICATE OF USE IS AC-  
18 QUIRED UNDER AS 43.40,010(1)]; or (2) the amount of tax previously  
19 paid exceeds the tax due on the resale. The amount of the credit or  
20 refund under this section is equal to the amount of tax previously  
21 paid on the resold fuel less the amount of tax prescribed by AS 43.-  
22 40.010(a) or (b).

23 \* Sec. 4. AS 43.40.100(2) is amended by adding a new subparagraph to  
24 read:

25 (L) fuel used in stationary power plants of 100 kw or  
26 less that generate electrical power for commercial enterprises  
27 not for resale;

28 \* Sec. 5. This Act is retroactive to April 1, 1983.

29 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-

1 10.070(c).

# General Fund Unrestricted Revenues

In Thousands of Current Dollars

	<u>FY 1982</u> <u>Actual</u> <u>January</u>	<u>FY 1983</u> <u>Estimate</u> <u>January</u>	<u>FY 1984</u> <u>Estimate</u> <u>January</u>	<u>FY 1985</u> <u>Estimate</u> <u>January</u>
<u>Taxes</u>				
<u>Income</u>				
Corporate-General	34,800	-0-	-0-	-0-
Corporate-Petroleum	668,900	-0-	-0-	-0-
Corporate (1)	-0-	235,000	272,000	295,000
<u>Gross Receipts</u>				
Alaska Business License	5,500	5,800	6,000	6,300
Fish-Canned Salmon	8,600	5,000	5,000	5,000
Fish-Shorebased	8,700	9,000	9,000	9,000
Fish-Floating	5,500	5,500	5,500	5,500
Seafood Marketing (2)	-0-	1,000	1,000	1,000
Salmon Enhancement	2,400	2,400	2,400	2,400
Insurance Companies	12,500	14,500	17,000	20,000
Electric and Telephone Co-ops	1,200	1,300	1,300	1,300
Mining License Tax	200	200	200	300
<u>Severance</u>				
Oil & Gas Production(3)(4)	1,581,100	1,528,800	1,197,300	1,219,700
Oil & Gas Conservation	600	800	700	700
<u>Property</u>				
Oil & Gas(5)(6)	142,700	148,600	153,200	158,000
<u>Sale/Use</u>				
Alcoholic Beverages	9,000	12,000	12,500	13,000
Fuel Taxes-Aviation	6,300	5,100	5,400	5,500
Fuel Taxes-Highway	20,300	21,000	22,000	23,000
Fuel Taxes-Marine	3,700	3,800	4,000	4,200
Tobacco Products	1,900	2,000	2,000	2,000
<u>Other</u>				
Estate	300	500	500	500
<b>Total Taxes</b>	<b><u>2,514,200</u></b>	<b><u>2,002,300</u></b>	<b><u>1,717,000</u></b>	<b><u>1,772,400</u></b>
<u>Licenses &amp; Permits</u>				
<u>Business</u>	10,800	11,000	12,000	12,500
<u>Non-Business</u>	13,000	13,000	13,500	14,000
<b>Total Licenses &amp; Permits</b>	<b><u>23,800</u></b>	<b><u>24,000</u></b>	<b><u>25,500</u></b>	<b><u>26,500</u></b>
<u>Intergovernmental Receipts</u>				
<u>Federal Shared Revenues(7)(8)(9)</u>	<u>21,700</u>	<u>26,600</u>	<u>10,000</u>	<u>10,000</u>
<u>State Resource Revenue</u>				
<u>Sale/Use</u>				
Bonus Sales(7)(10)(11)	5,000	26,100	-0-	-0-
Investment Earnings(12)	324,700	300,000	100,000	100,000
Rents(7)(10)(11)	3,500	4,000	4,000	4,000
Royalties(4)(7)(13)	1,157,300	1,119,400	883,500	912,000
Sale of State Property	5,200	5,500	5,500	5,500
Gravel, Timber, etc.(14)	1,200	5,500	2,000	2,000

$\$30.3 = \left\langle \begin{matrix} 9,000 \\ 6,300 \\ 20,300 \\ 3,700 \end{matrix} \right.$ 
 $\$29.9 = \left\langle \begin{matrix} 12,000 \\ 5,100 \\ 21,000 \\ 3,800 \end{matrix} \right.$ 
 $\$31.9 = \left\langle \begin{matrix} 12,500 \\ 5,400 \\ 22,000 \\ 4,000 \end{matrix} \right.$ 
 $\$32.4 = \left\langle \begin{matrix} 13,000 \\ 5,500 \\ 23,000 \\ 4,200 \end{matrix} \right.$

## Sales/Use Taxes

### FUEL

Tax is levied on aviation fuel, highway fuel, and marine fuel at the following rates. (AS 43.40)

Aviation fuel: 4¢ per gallon on aviation gas and 2 1/2¢ per gallon on aviation jet fuel.

Highway fuel: Gasoline and diesel fuel is taxed at the rate of 8¢ per gallon. "Off-highway" users may claim a refund of 6¢ per gallon on motor fuel within one year of purchase if the 8¢ tax was paid.

Marine fuel: Rate is 5¢ per gallon for fuel used in engines for the propulsion of boats and watercraft.

#### Due Date

By last day of month for prior month

#### Allocation

General Fund

(Administered by the Department of Revenue.)

### ALCOHOLIC BEVERAGE

Tax rates are based on alcoholic content: Malt beverages (1% or more alcohol) \$0.25 per gallon; wine (21% or less alcohol) \$0.60 per gallon; hard liquor (more than 21% alcohol) \$4.00 per gallon. (AS 43.60)

#### Due Date

By last day of month for prior month

#### Allocation

General Fund

(Administered by the Department of Revenue.)

### CIGARETTE

A tax of 4 mills is levied on each cigarette imported or acquired in the state. Additional license fees follow. (AS 43.50)

Manufacturers	\$5
Vending Machine Operator	\$25
Direct-Buying Retailer	\$25
Buyer	\$25
Distributor	\$50

# Alaska State Legislature



MAK 4 1383

## Speaker of the House of Representatives

Pouch V  
State Capitol  
Juneau, Alaska 99801  
(907) 465-3720

Official Business

March 2, 1983

To: Members of House Transportation Committee

From: Jeff Day *JD*  
Assistant to the Speaker

Re: HB 40/ Repeal of Motor Fuel Tax

As I stated, I have attached a copy of the general testimony I presented on behalf of Representative Hayes to the Committee on March 1. I would also like to take this opportunity to summarize a few of the remarks I made to the Committee which were not contained in those prepared remarks.

The question of Alaska's image has been discussed a great deal in connection with these bills. While the repeal of the income tax and the distribution of \$1000 checks certainly made headlines nationwide, it is not believed repeal of these 8¢, 5¢ and 4¢ taxes would exactly get front page coverage in the Wall Street Journal.

As a related matter, there have been questions raised regarding what the federal government might do as a result of our repealing the taxes and our lessened image. First, it must be noted that in FY 82, Alaska committed \$230 million in state funds to transportation projects. These taxes we are talking about repealing amount to \$30 million or roughly 9% of the total state commitment to transportation. It is believed that repeal of these taxes will not necessarily mean any lessening of that commitment to transportation or in paying the states share of projects which are financially shared with the federal government. Those decisions, though, will be made by the Legislature and not as any direct result of a repeal of reduction of fuel taxes. It is not believed our image will be lessened nor federal dollars jeopardized since it is assumed legislators will vote for a major financial commitment to transportation and that is still the image this state will present to the nation.

I refer to the figure of 30 million dollars. However, the fiscal note you received on the bill shows a fiscal impact of \$48 million. The fiscal note and the Departments own revenue projections from these taxes do not match, unless possibly they are including, in that 48 million, taxes collected before refunding.

If that is the case, then the fiscal note is quite misleading. I would suggest the Committee ask for further clarification of how the \$48 million figure was arrived at. In my discussions with the Department, they said my assumption of a \$30 million dollar loss of revenue as a result of the repeal was accurate.

Finally, I wish to emphasize the whole philisophical point of this bill. If we repeal the taxes, we are not directly lessening the amount of money that will go towards transportation releated projects. Though there are separate accounts established in the GENERAL FUND for the proceeds of these taxes, the monies cannot be dedicated to transportation projects. The funds are simply a part of the whole general fund which is the source of everything in the state budget. By eliminating the tax we are eliminating 30 million dollars in revenue available to be spent in any way as part of state Government.

Many representatives ran campaigns advocating less government and a lowered government budget. Though you are not the Finance Committee, positive action on HB 40 will result in an indirect budget cut since you will be eliminating 30 million dollars in revenue which would otherwise be available for general government to spend. A positive vote on HB 40 indicates your belief the state does not need this money, that the budget is too large and that there are better indirect effects this 30 million dollars will have for Alaskans rather than increased government. If you vote against repeal of the taxes, you are in effect saying government needs this money, the budget is at a proper level or needs to be increased.

Please contact me in Room 208 of the Capitol if I can be of further assistance.

Thanks.

HAYES' REMARKS RE: HB 40: REPEAL OF MOTOR FUEL TAX

*(Presented to House Transportation Committee)*

THIS COMMITTEE HAS BEFORE IT SEVERAL PIECES OF LEGISLATION RANGING FROM ELIMINATION OF THE WATERCRAFT MOTOR FUEL TAX, TO A REDUCTION OF THE HIGHWAY MOTOR FUEL TAX, TO AN INCREASE IN THE MOTOR FUEL TAX, AND THEN THERE IS THE LEGISLATION WHICH I HAVE INTRODUCED WHICH ELIMINATES THE MOTOR FUEL TAX TOTALLY IN ALL AREAS.

YOU HAVE HEARD THE ARGUMENTS FOR ELIMINATION OF THE TAX FOR FUEL USED IN AND ON WATERCRAFT. I CONCUR IN THE REASONS STATED IN SUPPORT OF THAT LEGISLATION LAST WEEK BY REPRESENTATIVES GRUSSENDORF AND ZHAROFF. THOSE SAME REASONS CAN APPLY TO ELIMINATION OF THE TAX IMPOSED ON THE SALE OF AVIATION FUEL.

THE AVIATION FUEL TAX IS ESTIMATED TO BRING THE STATE ABOUT 5.4 MILLION DOLLARS IN FY 84...CLEARLY A VERY SMALL AMOUNT COMPARED TO THE ENTIRE REVENUE PICTURE. THE DEPARTMENT OF REVENUE HAS ALSO ESTIMATED THAT THE INCOME PRODUCED FROM THE TAX ON WATERCRAFT FUEL WILL BE ABOUT 4 MILLION DOLLARS.

THE MAJOR TAX THAT WOULD BE ELIMINATED UNDER THIS BILL IS THE 8 CENT PER GALLON TAX ON HIGHWAY FUEL SUCH AS GASOLINE. IT'S ESTIMATED THAT THIS TAX WOULD BRING THE STATE ABOUT 21 MILLION DOLLARS THIS YEAR.

THE TOTAL IMPACT OF REPEALING THE MOTOR FUEL TAX ENTIRELY WOULD BE A LOSS OF REVENUE TO THE STATE OF ABOUT 30 MILLION DOLLARS...ROUGHLY ONE PERCENT ON THIS STATES TOTAL REVENUES.

HOWEVER, THAT LOSS OF REVENUE TO THE STATE MEANS 30 MILLION DOLLARS IN THE POCKETS OF ALASKANS WHO DRIVE CARS OR OWN BOATS AND AIRPLANES. IT MEANS THE COST OF AIR TRAVEL SHOULD BE LESS IN A STATE THAT IS VERY DEPENDENT ON THE AIRPLANE AS A MODE OF TRANSPORTATION. IT MEANS THE OPERATION OF MASS TRANSIT SYSTEMS WHICH ARE USUALLY HEAVILY SUBSIDIZED BY LOCAL GOVERNMENTS WILL COST LESS TO OPERATE. IT MEANS THE AVERAGE CONSUMER OF MOTOR FUELS WILL RECEIVE ADDITIONAL MONEY DIRECTLY AND INDIRECTLY THAT WILL IN TURN BE PUT INTO THE ECONOMY IN OTHER WAYS.

THE REPEAL OF THE TAX DOES NOT MEAN THERE WILL BE 30 MILLION DOLLARS LESS FOR PORTS, AIRPORTS AND HIGHWAYS. WHILE THE STATUTES DO ESTABLISH SEPARATE ACCOUNTS WITHIN THE GENERAL FUND FROM THE PROCEEDS OF WATERCRAFT, AVIATION AND HIGHWAY FUEL TAXES...THE MONEY IS SIMPLY PART OF THE OVERALL GENERAL FUND. THE STATUES SAY THE LEGISLATURE MAY APPROPRIATE FROM THESE FUNDS FOR BUILDING DOCKS, ROADS OR AIRPORT IMPROVEMENTS.

THE FACT IS THAT APPROPRIATIONS FOR SUCH PROJECTS ARE NOT TIED TO THESE FUNDS SPECIFICALLY. THE LEGISLATURE APPROPRIATES FAR MORE THAN 30 MILLION ANNUALLY FOR SUCH PROJECTS, AND THOSE APPROPRIATIONS COME FROM THE GENERAL FUND OF WHICH THESE THREE ACCOUNTS ARE SIMPLY A PART.

REPEAL OF THE TAX DOES NOT NECESSARILY MEAN WE WILL NOT BE ABLE TO DEVOTE AS MUCH MONEY TO TRANSPORTATION RELATED DEVELOPMENT. IT DOES MEAN 30 MILLION DOLLARS LESS FOR STATE BEAURACRACY TO PROVIDE GOVERNMENT SERVICES. CERTAINLY I WOULD EXPECT THE PUBLIC TO ANTICIPATE 30 MILLION DOLLARS LESS IN GOVERNMENT SERVICE AS A RESULT OF HAVING 30 MILLION DOLLARS INDIRECTLY ADDED TO THEIR SPENDING POWER.

YOU ALSO HAVE BEFORE YOU TODAY HB 55 BY REPRESENTATIVE MARTIN WHICH WOULD REDUCE THE HIGHWAY MOTOR FUEL TAX FROM 8 TO THREE CENTS IN AN EFFORT TO OFFSET THE 5¢ PER GALLON TAX WHICH WILL SOON TAKE EFFECT AS A RESULT OF FEDERAL LEGISLATION. HOWEVER, HB 55 MAKES NO CHANGE TO THE AVIATION OR WATERCRAFT FUEL TAX, WHILE A 5¢ REDUCTION IN THE HIGHWAY FUEL TAX MIGHT BE A POTENTIAL COMPROMISE IN ONE AREA, I FEEL IT WOULD BE UNFAIR TO REDUCE ONE TAX AND NOT REDUCE TAXES FOR WATERCRAFT AND AVIATION.

AS A MINIMUM I WOULD HOPE THIS COMMITTEE WOULD ENDORSE THE CONCEPT OF REDUCING ALL THESE TAXES AND ELIMINATE THE CUMBERSOME REFUND PROCEDURES WHICH ARE IN EFFECT FOR THE HIGHWAY MOTOR FUEL TAX.

AT BEST I WOULD HOPE YOU WOULD ADOPT HB 40 WHICH WOULD ELIMINATE THIS SO CALLED NUISANCE TAX ALLTOGETHER.

THE BASIC QUESTION IS SIMPLY WHO GETS THE 30 MILLION DOLLARS THIS TAX GENERATES. WILL THE STATE GET IT TO PROVIDE MORE GOVERNMENT OR WILL ALASKANS RETAIN IT AND IN TURN PROVIDE BENEFITS TO THE ALASKAN ECONOMY THROUGH THE MARKET PLACE.

REALIZING THE COMMITTEE PROBABLY HAS MANY TECHNICAL QUESTIONS RELATED TO THE MOTOR FUEL TAX, MY OFFICE HAS JOINED IN ASKING REPRESENTATIVES OF THE DEPARTMENT OF REVENUE TO BE PRESENT TODAY. I WOULD PREFER YOU DIRECT ANY TECHNICAL QUESTION AS TO TAX COLLECTIONS AND REFUNDS TO THEM.

THANK YOU FOR THE OPPORTUNITY TO TESTIFY ON THIS BILL TODAY.

I LOOK FORWARD TO THIS COMMITTEES ACTION.

# Big State Equipment Company

P.O. Box 1540 • Fairbanks, Alaska 99707  
Phone (907) 456-6367

FEB 22 1983

February 10, 1983

To All Legislators  
Pouch V  
Juneau, Alaska 99803

Representative Cato

Dear Legislator:

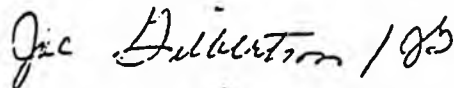
We are a Tesoro distributor in Fairbanks and we are quite concerned about the present statutes, regulations, and various forms that are involved with motor fuel tax.

We simply feel that present laws and regulations are out of line. What has been created here is a mountain of paper work that is quite simply "uncalled for".

We understand that there is a house bill (40) that would eliminate this tax all together. We would like to see this passed and that the present law not be implemented until the 1983 legislators review it.

Thank you for your consideration in this matter.

Yours truly,



H.L. (Joe) Gilbertson

MOTOR FUEL TAX STATUTES

HEADINGS TITLE 43.  
Revenue and Taxation.  
CHAPTER 40.  
Motor Fuel Tax.  
ARTICLE 1.  
General Tax Levy on Transfers or Consumption of Motor  
Fuel.  
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 sec. 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 secs. 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 secs. 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 sec. 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.

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 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. The dealer shall retain a copy of each certificate of use obtained under this subsection for examination or audit on request by the department. The form of a certificate of use may be prescribed by regulation adopted by the department.

HISTORY (Sec. 48-5-2 ACLA 1949; am sec. 1 ch 80 SLA 1951; am sec. 1 ch 47 SLA 1955; am secs. 1, 2 ch 27 SLA 1957; am sec. 1 ch 134 SLA 1957; am sec. 1 art VI title II ch 152 SLA 1957; am sec. 2 art V title III ch 152 SLA 1957; am sec. 2 ch 124 SLA 1959; am secs. 1, 2 ch 20 SLA 1960; am sec. 1 ch 150 SLA 1960; am sec. 1 ch 110 SLA 1961; am sec. 1 ch 136 SLA 1961; am secs. 1 - 3 ch 131 SLA 1962; am sec. 1 ch 130 SLA 1968; am sec. 10 ch 143 SLA 1968; am secs. 1, 2 ch 216 SLA 1968; am secs. 1 - 3 ch 158 SLA 1970; am sec. 3 ch 58 SLA 1971; am secs. 1, 2 ch 124 SLA 1971; am secs. 2, 3 ch 125 SLA 1971; am secs. 1 - 3 ch 153 SLA 1972; am sec. 3 ch 166 SLA 1976; am secs. 1, 2 ch 116 SLA 1977; am sec. 4 ch 82 SLA 1982)

Sec. 43.40.030.

REFUND FOR NONHIGHWAY USE.

(a) Except as specified in AS 43.40.010(j), 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 this chapter shall be refunded to the purchaser on that part of the motor fuel used in a foreign country on which the tax has been paid when the fuel is sold and delivered in the state for non-highway use in a foreign country.

(c) The department shall establish the necessary regulations and prescribe the appropriate forms to prove that the motor fuel is taken to and used in foreign countries.

(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.

HISTORY (Sec. 2 ch 47 SLA 1955; am sec. 3 ch 27 SLA 1957; am sec. 2 ch 136 SLA 1961; am sec. 4 ch 158 SLA 1970; am sec. 3 ch 124 SLA 1971; am sec. 4 ch 125 SLA 1971; am sec. 4 ch 116 SLA 1977; am secs. 35, 36 ch 113 SLA 1980; am sec. 5 ch 82 SLA 1982)

Sec. 43.40.035.

OTHER REFUNDS AND CREDITS.

(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 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).

(b) A reseller may elect, with the express written consent of the supplier of the resaler, to receive the credit or refund under this section directly from the supplier rather than by filing a claim for the credit or refund with the department. When an election is properly made under this subsection, the supplier may claim the credit or refund from the department. To be effective an election under this subsection must be signed in quadruplicate by the reseller and by the supplier. The reseller and the supplier shall each file one copy of the election, with original signatures, with the department. The reseller and supplier shall each retain a copy of the election with original signatures for audit review by the department. If an election is made under this subsection, it may not be revoked without the express written consent of the supplier.

HISTORY (Sec. 6 ch 82 SLA 1982)

Sec. 43.40.050.

REFUND CLAIM BY AFFIDAVIT.

(a) A person who claims a refund under AS 43.40.030 shall present the claim for the refund 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 the commissioner considers necessary for the administration of this subsection.

(b) A claim for refund under AS 43.40.030 or 43.40.035 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.

(c) A reseller who claims a refund or credit under AS 43.40.035 shall present the refund claim to the department or to the supplier of that reseller by affidavit on a form provided by the department. 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 reason for the refund or credit. The claim shall be supported by documentation required by the department.

HISTORY (Sec. 4 ch 47 SLA 1955; am sec. 1 ch 139 SLA 1960; am sec. 37 ch 113 SLA 1980; am secs. 7 - 9 ch 82 SLA 1982)

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.

HISTORY (Sec. 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.

HISTORY (Sec. 7 ch 47 SLA 1955; am sec. 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) Repealed by sec. 46 ch 113 SLA 1980.

HISTORY (Sec. 5 ch 47 SLA 1955; am sec. 46 ch 113 SLA 1980)

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.

HISTORY (Sec. 5 ch 158 SLA 1970)

Sec. 43.40.100.

DEFINITIONS.

In AS 43.40.010 - 43.40.100

(1) "dealer" means a person who sells or otherwise transfers in this state motor fuel upon which the taxes imposed by AS 43.40.010 - 43.40.100 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;

(E) fuel used by charitable institutions;

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

(G) fuel sold or transferred between qualified dealers;

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

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

(J) fuel used to heat private or commercial buildings or facilities, or;

(K) fuel used for other nontaxable purposes as prescribed by regulations adopted by the department;

(3) "user" means a person consuming or using motor fuel, who either

(A) purchases the fuel out of the state and ships it into the state for personal use in the state;

(B) manufactures the fuel in the state; or

(C) purchases or receives fuel in the state that is not taxed at the time of purchase or receipt or is taxed at a rate that is less than the rate prescribed by AS 43.40.010.

(4) "qualified dealer" means a person who (A) refines, (B) imports, (C) manufactures, (D) produces, (E) compounds, or (F) wholesales motor fuel, who satisfies criteria for qualified dealers established by the department by regulation and who obtains a qualified dealer's license from the department.

HISTORY (Sec. 48-5-1 ACIA 1949; am sec. 1 ch 56 SLA 1949; am sec. 9 ch 47 SLA 1955; am sec. 26 ch 70 SLA 1964; am secs. 6, 7 ch 158 SLA 1970; am sec. 1 ch 74 SLA 1972; am sec. 5 ch 116 SLA 1977; am sec. 10 ch 83 SLA 1980; am secs. 10 - 12 ch 82 SLA 1982)

END OF DOCUMENT

COMPARISON OF HOUSE BILLS  
RELATING TO MOTOR FUEL TAXES

SSHB 40  
Hayes, Martin, Lindauer,  
Tischer, Barnes  
(In House Finance)

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

Would only repeal the state motor fuel tax (AS 43.40), retroactive to January 1, 1983, and applying to tax years beginning after December 31, 1982. Directs the Dept. of Revenue to adopt regulations providing for refunds of motor fuel taxes collected after December 31, 1982. Effective immediately.

SSHB 55  
Martin, Grussendorf  
(In House Finance)

An Act decreasing the motor fuel tax to offset tax increase by federal government; repealing motor fuel tax refund provisions; and providing for an effective date.

Lowers motor fuel tax to 3¢ per gallon, and repeals motor fuel tax refund provisions contained in the following statutes:

--AS 43.40.030 "Refunds for Nonhighway Use," allows six-cent-per-gallon refund on 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.

HB 150  
Zharoff, Grussendorf  
(In House Transportation)

An Act repealing the tax on motor fuel used in or on watercraft; and providing for an effective date.

Would repeal the 5¢ per gal. tax on motor fuel tax used in or on watercraft.

CSHB 335 (Transportation)  
House Transportation  
(In House Finance)

An Act amending motor fuel tax provisions; and providing for an effective date.

Provides that if monthly tax return is timely filed, 1% of tax due up to a maximum of \$100 can be deducted from the return to cover cost of calculating the tax and filing the return.

Provides that a certificate of use for exemption purposes is not required for fuel used for home heating or fuel with at least 10% alcohol ("gasahol") in it. DOR would determine on a case by case basis whether a certificate of use is necessary for liquified petroleum gas since it is often used for home heating purposes as well. Provides that a refund is appropriate when a person resells fuel as long as the requirements of the certificate of use language stated above are fulfilled.

States that motor fuel does not apply to fuel used to generate electricity that is not for resale. For example, diesel fuel used to run a generator

--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 to examine a claimant's books and records to determine validity of a claim for 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.)

Transportation Committee proposes an amendment that would repeal AS.43.40.030(a), providing a refund for non highway use of motor fuel only.

for a lodge would not be taxed.

Bill is retroactive to 4/1/83, since DOR began implementing these procedures at that time to cut down on the amount of paperwork required by the motor fuel tax.

FISCAL NOTE INFO.:

Loss of revenue as shown below:

FY 84 - 48 mill in revenue  
(due to retroactive clause)

FY 85 - 33 mill in revenue

FISCAL NOTE INFO.:

The proposed bill reduces the tax on motor fuel, thus reducing General Fund revenues:

FY 83 - 2.0 mill.

FY 84 - 17.0 mill.

FY 85 - 10.0 mill.

Only AS 43.40.030(a) needs to be repealed

FISCAL NOTE INFO.:

Shows a loss of revenues in the General Fund as follows:

FY 83 - 0

FY 84 - 3.2 mill

FY 85 - 4.2 mill

FISCAL NOTE INFO.:

Loss of revenue as shown below:

FY 83 - 0

FY 84 - \$60,000\*

FY 85 - \$48,000

\*Retroactive refunds would be provided in FY 84, hence higher revenue loss than future fiscal years.

COMPARISON OF HOUSE BILLS  
RELATING TO MOTOR FUEL TAXES

SSHB 40  
Hayes, Martin, Lindauer,  
Tischer, Barnes  
(In House Finance)

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

Would only repeal the state motor fuel tax (AS 43.40), retroactive to January 1, 1983, and applying to tax years beginning after December 31, 1982 Directs the Dept. of Revenue to adopt regulations providing for refunds of motor fuel taxes collected after December 31, 1982. Effective immediately.

SSHB 55  
Martin, Grussendorf  
(In House Transportation)

An Act decreasing the motor fuel tax to offset tax increase by federal government; repealing motor fuel tax refund provisions; and providing for an effective date.

Lowers motor fuel tax to 3¢ per gallon, and repeals motor fuel tax refund provisions contained in the following statutes:

--AS 43.40.030 "Refunds for Nonhighway Use," allows six-cent-per-gallon refund on 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.

HB 150  
Zharoff, Grussendorf  
(In House Transportation)

An Act repealing the tax on motor fuel used in or on watercraft; and providing for an effective date.

Would repeal the 5¢ per gal. tax on motor fuel tax used in or on watercraft.

HB 335  
House Transportation  
(In House Transportation)

An Act amending motor fuel tax provisions; and providing for an effective date.

Provides that if monthly tax return is timely filed, 1% of tax due up to a maximum of \$100 can be deducted from the return to cover cost of calculating the tax and filing the return.

Provides that a certificate of use for exemption purposes is not required for fuel used for home heating or fuel with at least 10% alcohol ("gasahol") in it. DOR would determine on a case by case basis whether a certificate of use is necessary for liquified petroleum gas since it is often used for home heating purposes as well. Provides that a refund is appropriate when a person resells fuel as long as the requirements of the certificate of use language stated above are fulfilled.

Bill is retroactive to 4/1/83, since DOR began implementing these procedures at that time to cut down on the amount of paperwork required by the motor

--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 to examine a claimant's books and records to determine validity of a claim for 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.)

fuel tax.

FISCAL NOTE INFO.:

Loss of revenue as shown below:

FY 84 - 48 mill in revenue  
(due to retroactive clause)

FY 85 - 33 mill in revenue

(lwc: 4/9/83)

FISCAL NOTE INFO.:

The proposed bill reduces the tax on motor fuel, thus reducing General Fund revenues:

FY 83 - 2.0 mill.

FY 84 - 17.0 mill.

FY 85 - 10.0 mill.

Only AS 43.40.030(a) needs to be repealed

FISCAL NOTE INFO.:

Shows a loss of revenues in the General Fund as follows:

FY 83 - 0

FY 84 - 3.2 mill

FY 85 - 4.2 mill

FISCAL NOTE INFO.:

Fiscal note has not been officially prepared but preliminary estimate is that elimination of paperwork requirements would have negligible fiscal impact and that allowing the \$100 deductible each month would result in a revenue loss of \$60 - 65,000.

Introduced: 4/7/83  
Referred: Transportation and  
Finance

1 IN THE HOUSE BY THE TRANSPORTATION COMMITTEE  
2 HOUSE BILL NO. 335

3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending motor fuel tax provisions; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 43.40.010(c) is amended to read:

10 (c) Every dealer who sells or otherwise transfers motor fuel in  
11 the state shall collect the tax at the time of sale, and remit the  
12 total tax collected during each calendar month of each year to the  
13 Department of Revenue by the last day of each succeeding month. Every  
14 user shall likewise remit the tax accrued on motor fuel actually used  
15 by him during each month. If the monthly tax return is timely filed,  
16 one percent of the total monthly tax due, limited to a maximum of  
17 \$100, can be deducted and retained to cover the expense of accounting  
18 and filing the monthly tax return. At the time the remittance is  
19 made, each dealer or user shall submit a statement to the Department  
20 of Revenue showing all [MOTOR] fuel which he has distributed or used  
21 during the month.

22 \* Sec. 2. AS 43.40.010(1) is amended to read:

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

1 tax from a dealer for fuel for which a certificate of use has been  
2 properly obtained under this subsection. A certificate of use is not  
3 required for fuel used to heat a private residence or for fuel which  
4 is at least 10 percent alcohol by volume. An annual certificate of  
5 use is required for all other exemptions, as listed under AS 43.40.-  
6 100(2), except subparagraph (K) where certificate of use needs will be  
7 determined by the Department of Revenue. The dealer shall retain a  
8 copy of each certificate of use obtained under this subsection for  
9 examination or audit on request by the Department of Revenue [DEPART-  
10 MENT]. The form of a certificate of use may be prescribed by regula-  
11 tion adopted by the department.

12 \* Sec. 3. AS 43.40.035(a) is amended to read:

13 (a) A person who resells fuel on which the tax under AS 43.40.-  
14 010(a) or (b) was previously paid is entitled to a credit or refund of  
15 the tax if (1) the resold fuel is not motor fuel and the requirements  
16 prescribed by AS 43.40.010(1) have been fulfilled [A CERTIFICATE OF  
17 USE IS ACQUIRED UNDER AS 43.40.010(1)]; or (2) the amount of tax  
18 previously paid exceeds the tax due on the resale. The amount of the  
19 credit or refund under this section is equal to the amount of tax  
20 previously paid on the resold fuel less the amount of tax prescribed  
21 by AS 43.40.010(a) or (b).

22 \* Sec. 4. This Act is retroactive to April 1, 1983.

23 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.-  
24 10.070(c).

Introduced: 1/31/83  
Referred: Transportation, Resources  
and Finance

1 IN THE HOUSE

BY ZHAROFF AND GRUSSENDORF

2

HOUSE BILL NO. 150

3

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."

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,

13

and

14

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

15

DESCRIPTIONS IS FIVE CENTS A GALLON, AND]

16

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

17

and one-half cents a gallon.

18

\* 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

20

fuel consumed by a user, except that

21

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

22

gallon, and

23

[(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

26

and one-half cents a gallon.

27

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

28

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

29

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 money [FUNDS] from it for  
3 expenditure by the Department of Transportation and Public Facilities  
4 [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 money [FUNDS] col-  
11 lected from taxes imposed by 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 Transportation and Public Facilities [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 [, OR MOTOR FUEL  
24 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.

Introduced: 2/4/83  
Referred: Transportation and  
Finance

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.

Offered: 4/12/83  
Referred: Finance

Original sponsor: Transportation Committee

1 IN THE HOUSE BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE BILL NO. 335 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending motor fuel tax provisions; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 43.40.010(c) is amended to read:

10 (c) Every dealer who sells or otherwise transfers motor fuel in  
11 the state shall collect the tax at the time of sale, and remit the  
12 total tax collected during each calendar month of each year to the  
13 Department of Revenue by the last day of each succeeding month. Every  
14 user shall likewise remit the tax accrued on motor fuel actually used  
15 by him during each month. If the monthly tax return is timely filed,  
16 one percent of the total monthly tax due, limited to a maximum of  
17 \$100, can be deducted and retained to cover the expense of accounting  
18 and filing the monthly tax return. At the time the remittance is  
19 made, each dealer or user shall submit a statement to the Department  
20 of Revenue showing all [MOTOR] fuel which he has distributed or used  
21 during the month.

22 \* Sec. 2. AS 43.40.010(1) is amended to read:

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

1 tax from a dealer for fuel for which a certificate of use has been  
2 properly obtained under this subsection. A certificate of use is not  
3 required for fuel used to heat a residential housing accommodation as  
4 defined in AS 34.06.050(3) or for fuel which is at least 10 percent  
5 alcohol by volume. An annual certificate of use is required for all  
6 other exemptions listed under AS 43.40.100(2), except certificate of  
7 use needs under AS 43.40.100(2)(K) will be determined by the Depart-  
8 ment of Revenue. The dealer shall retain a copy of each certificate  
9 of use obtained under this subsection for examination or audit on  
10 request by the Department of Revenue [DEPARTMENT]. The form of a  
11 certificate of use may be prescribed by regulation adopted by the  
12 department.

13 \* Sec. 3. AS 43.40.035(a) is amended to read:

14 (a) A person who resells fuel on which the tax under AS 43.40.-  
15 010(a) or (b) was previously paid is entitled to a credit or refund of  
16 the tax if (1) the resold fuel is not motor fuel and the requirements  
17 of AS 43.40.010(1) have been fulfilled [A CERTIFICATE OF USE IS AC-  
18 QUIRED UNDER AS 43.40.010(1)]; or (2) the amount of tax previously  
19 paid exceeds the tax due on the resale. The amount of the credit or  
20 refund under this section is equal to the amount of tax previously  
21 paid on the resold fuel less the amount of tax prescribed by AS 43.-  
22 40.010(a) or (b).

23 \* Sec. 4. AS 43.40.100(2) is amended by adding a new subparagraph to  
24 read:

25 (L) fuel used in stationary power plants of 100 kw or  
26 less that generate electrical power for commercial enterprises  
27 not for resale;

28 \* Sec. 5. This Act is retroactive to April 1, 1983.

29 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-

1 10.070(c).

Introduced: 2/11/83  
Referred: Transportation  
and Finance

BY HAYES, MARTIN, LINDAUER  
TISCHER AND BARNES

1 IN THE HOUSE

2

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 40

3

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 motor fuel tax (AS 43.40); and  
7 providing for an effective date."

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

9 \* Section 1. AS 43.40 is repealed.

10 \* Sec. 2. This Act is retroactive to January 1, 1983, and applies to  
11 tax years beginning after December 31, 1982. The Department of Revenue  
12 shall adopt regulations to provide for refunds of motor fuel taxes collec-  
13 ted after December 31, 1982.

14 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
15 10.070(c).

STATE OF ALASKA  
FISCAL NOTE

Revision Date                     , 1983

I. REQUEST

Bill/Resolution No: CSSSHB 40 (Fin) am  
Title: Amending Motor Fuel Tax  
Sponsor: Finance Committee  
Requestor: Senate Finance

II. FISCAL DETAIL

Agency Affected: Department of Revenue  
Program Category Affected: Rev Coll & Mgmt  
BRU, Program of Subprogram(s) Affected: Audit Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
<b>OPERATING</b>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	-	-	-	-
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	(60.0)	(48.0)	(48.0)	(48.0)	(48.0)

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

IV. ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Robert R. Kessel  
Division: Audit Division

Phone: 465-2320  
Date: April 29, 1983

Approved by Commissioner: JK Donoh  
Department: Revenue

Date: 5/6/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

#### IV. Analysis

It is assumed in this fiscal note that about 100 dealers per month would take advantage of the 1% deductible allowance to cover the accounting expense of filing timely monthly tax returns.

It is also assumed that the average monthly deduction would be about \$40.00 per month.

Although the bill is retroactive to April 1, 1983, we assume that the refunding for the period April 1 through June 30, 1983 would not occur until FY84 and that is why the FY84 impact is greater than subsequent years.

The most substantive portion of the proposed amendments pertains to limiting the number of Certificates of Use required to be obtained by motor fuel dealers. The amendment moves the certificate concept from a veritable paper mill to an administrable program able to be complied with by the industry.

COMMITTEE REPORT  
SENATE

FURTHER:

4/27/83

Date: 5/24/83

Mr. President:

The Committee on FINANCE has had CS 8383 40 (Fin) 001

Amending motor fuel tax provisions; eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for CS 8383 40 (Fin)  same title  
 new title
- and recommends do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
*Gov. ...*  
 \_\_\_\_\_  
*...*  
 \_\_\_\_\_  
*V. ...*  
 \_\_\_\_\_  
*...*  
 \_\_\_\_\_

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 \_\_\_\_\_  
 \_\_\_\_\_

CHAIRMAN

Offered: 4/20/83  
Referred: Rules

Original sponsors: Hayes, Martin,  
Lindauer, et al

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 40 (Finance) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act amending motor fuel tax provisions; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 43.40.010(c) is amended to read:

10 (c) Every dealer who sells or otherwise transfers motor fuel in  
11 the state shall collect the tax at the time of sale, and remit the  
12 total tax collected during each calendar month of each year to the  
13 Department of Revenue by the last day of each succeeding month. Every  
14 user shall likewise remit the tax accrued on motor fuel actually used  
15 by him during each month. If the monthly tax return is timely filed,  
16 one percent of the total monthly tax due, limited to a maximum of  
17 \$100, can be deducted and retained to cover the expense of accounting  
18 and filing the monthly tax return. At the time the remittance is  
19 made, each dealer or user shall submit a statement to the Department  
20 of Revenue showing all [MOTOR] fuel which he has distributed or used  
21 during the month.

22 <sup>X</sup><sub>am</sub> \* Sec. 2. AS 43.40.010(1) is amended to read:

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

1 10.070(c).

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

Offered: 4/20/83  
Referred: Rules

Original sponsors: Hayes, Martin,  
Lindauer, et al

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 40 (Finance) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act amending motor fuel tax provisions; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 43.40.010(c) is amended to read:

10 (c) Every dealer who sells or otherwise transfers motor fuel in  
11 the state shall collect the tax at the time of sale, and remit the  
12 total tax collected during each calendar month of each year to the  
13 Department of Revenue by the last day of each succeeding month. Every  
14 user shall likewise remit the tax accrued on motor fuel actually used  
15 by him during each month. If the monthly tax return is timely filed,  
16 one percent of the total monthly tax due, limited to a maximum of  
17 \$100, can be deducted and retained to cover the expense of accounting  
18 and filing the monthly tax return. At the time the remittance is  
19 made, each dealer or user shall submit a statement to the Department  
20 of Revenue showing all [MOTOR] fuel which he has distributed or used  
21 during the month.

22 <sup>X</sup><sub>am</sub> \* Sec. 2. AS 43.40.010(1) is amended to read:

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

1 tax from a dealer for fuel for which a certificate of use has been  
2 properly obtained under this subsection. A certificate of use is not  
3 required for fuel used ~~to heat or light a residential housing accommo-~~ *delete & add - for any domestic purpose in a single or*  
4 *multiple* ~~unit private dwelling, including mobile homes,~~ *unit private dwelling, including mobile homes,*  
~~ation as defined in AS 34.06.050(3)~~ or for fuel which is at least 10  
5 percent alcohol by volume. An annual certificate of use is required  
6 for all other exemptions listed under AS 43.40.100(2), except certifi-  
7 cate of use needs under AS 43.40.100(2)(K) will be determined by the  
8 Department of Revenue. The dealer shall retain a copy of each certifi-  
9 cate of use obtained under this subsection for examination or audit  
10 on request by the Department of Revenue [DEPARTMENT]. The form of a  
11 certificate of use may be prescribed by regulation adopted by the  
12 department.

13 \* Sec. 3. AS 43.40.035(a) is amended to read:

14 (a) A person who resells fuel on which the tax under AS 43.40.-  
15 010(a) or (b) was previously paid is entitled to a credit or refund of  
16 the tax if (1) the resold fuel is not motor fuel and the requirements  
17 of AS 43.40.010(1) have been fulfilled [A CERTIFICATE OF USE IS AC-  
18 QUIRED UNDER AS 43.40.010(1)]; or (2) the amount of tax previously  
19 paid exceeds the tax due on the resale. The amount of the credit or  
20 refund under this section is equal to the amount of tax previously  
21 paid on the resold fuel less the amount of tax prescribed by AS 43.-  
22 40.010(a) or (b).

23 \* Sec. 4. AS 43.40.100(2) is amended by adding a new subparagraph to  
24 read:

25 (L) fuel used in stationary power plants of 100 kw or  
26 less that generate electrical power for commercial enterprises  
27 not for resale;

28 ~~\* Sec. 5. This Act is retroactive to April 1, 1983.~~ *delete*

29 \* Sec. <sup>5</sup>. This Act takes effect immediately in accordance with AS 01.-

1 10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. SCS CS SS40 (Fin)  
 Title Amending Motor Fuel Tax  
 Requested by Senator Mulachy Date 5/26/83

II. FISCAL DETAIL  
 Agency Affected Department of Revenue  
 Program Category Affected Rev Coll & Mgmt  
 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 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.						
<b>TOTAL</b>					(48.0)	(48.0) ...

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 5/26/83 PREPARED BY Senator Mulcahy  
 AGENCY State Senate  
 PHONE 465-3716  
 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. SCS CS SS40 (Fin)  
 Title Amending Motor Fuel Tax  
 Requested by Senator Mulachy Date 5/26/83

II. FISCAL DETAIL  
 Agency Affected Department of Revenue  
 Program Category Affected Rev Coll & Mgmt  
 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 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.						
<b>TOTAL</b>					(48.0)	(48.0) ...

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 5/26/83 PREPARED BY Senator Mulachy  
 AGENCY State Senate  
 PHONE 465-3716  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

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."



Official Business

# Alaska State Legislature

## Senate

Pouch V  
State Capitol  
Juneau, Alaska 99811

### CSHB 40 Sectional:

- Section 1) Adds language which would permit a rebate to dealers for the administrative expense of collecting and filing the monthly tax return. Rebate would be 1% of the total monthly tax due, up to \$100.
- Section 2) Eliminates the certificate of use requirement for fuel used to heat or light a residential housing accommodation, and for fuel which is at least 10% alcohol by volume. Annual certificate of use will be required for all other exemptions under AS 43.40.100 (2), except for fuel used for other nontaxable purposes as prescribed by regulation of the Dept of Revenue AS 43.40.100 (2) (K).
- Section 3) Technical amendment to conform to the provisions adopted in section 2 of the bill.
- Section 4) Adds to the list of "non motor fuels", fuel used in stationary power plants of 100kw or less, that generate electrical power for commercial enterprises not for resale.
- Section 5) This act is retroactive to 1 April, 1983
- Section 6) Immediate effective date.

STATE OF ALASKA  
FISCAL NOTE

Revision Date                     , 1983

I. REQUEST

Bill/Resolution No: CSSSHB 40 (Fin) am  
 Title: Amending Motor Fuel Tax  
 Sponsor: Finance Committee  
 Requestor: Senate Finance

II. FISCAL DETAIL

Agency Affected: Department of Revenue  
 Program Category Affected: Rev Coll & Mgmt  
 BRU, Program of Subprogram(s) Affected: Audit Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	(60.0)	(48.0)	(48.0)	(48.0)	(48.0)

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

IV. ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Robert R. Kessel  
 Division: Audit Division

Phone: 465-2320  
 Date: April 29, 1983

Approved by Commissioner: J. K. Dool  
 Department: Revenue

Date: 5/6/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

#### IV. Analysis

It is assumed in this fiscal note that about 100 dealers per month would take advantage of the 1% deductible allowance to cover the accounting expense of filing timely monthly tax returns.

It is also assumed that the average monthly deduction would be about \$40.00 per month.

Although the bill is retroactive to April 1, 1983, we assume that the refunding for the period April 1 through June 30, 1983 would not occur until FY84 and that is why the FY84 impact is greater than subsequent years.

The most substantive portion of the proposed amendments pertains to limiting the number of Certificates of Use required to be obtained by motor fuel dealers. The amendment moves the certificate concept from a veritable paper mill to an administrable program able to be complied with by the industry.

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SS HB 40 Date on Bill: 2/11/83  
 Title: An act repealing motor fuel tax.  
 Sponsor: Hayes  
 Requestor: House Transportation

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating	-0-	(65)	(65)	
Total	-0-	(65)	(65)	

b. Revenues:

Revenue	-0-	(48,000)	(33,000)	
---------	-----	----------	----------	--

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

Since the bill would eliminate the Motor Fuel Tax, positions currently allocated to those sources could eventually be eliminated. The elimination of those positions could not occur until sometime in FY 84 because there would be substantial clean up work between now and the several months succeeding the effective date of the bill. The task of refunding numerous fuel users could be monumental.

The loss in revenues to the state are as a result of repealing highway, marine, and aviation taxes.

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 Rehfeld Phone: 465-2300  
 Division: Comm. Office Date: 2/28/83  
 Approved by Commissioner: [Signature] Date: 2/29/83  
 Department: Revenue

5. Distribution:

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

2/15/83

CSSSHB 40 (Finance) Page 2 of 2  
ATTACHMENT A

It is assumed in this fiscal note that about 100 dealers per month would take advantage of the 1% deductible allowance to cover the accounting expense of filing timely monthly tax returns.

It is also assumed that the average monthly deduction would be about \$40.00 per month.

Although the bill is retroactive to April 1, 1983, we assume that the refunding for the period April 1 through June 30, 1983 would not occur until FY 84 and that is why the FY 84 impact is greater than subsequent years.

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE

FISCAL NOTE

*7/10 4/20  
ce*

I. REQUEST  
 Bill/Resolution No. CSSSHB 40 (Finance) Page 1 of 2  
 Title An Act amending motor fuel tax provisions  
 Requested by House Finance Date 4/15/83

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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL						
Revenue		(66.0)	(48.0)	(48.0)	(48.0)	(48.0)

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 4/15/83 PREPARED BY Al Adams, Chairman *APA*  
 AGENCY House Finance Committee  
 Original: Legislative Finance PHONE 465-3706  
 cc: Budget & Management  
 Prime Sponsor (First Legislator Named)