



LAWS OF ALASKA

2002

Source
SCS CSHB 225(RLS)

Chapter No.
116

AN ACT

Relating to state taxation of alcoholic beverages; and increasing the alcoholic beverage state tax rates.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: July 3, 2002
Actual Effective Date: October 1, 2002

AN ACT

1 Relating to state taxation of alcoholic beverages; and increasing the alcoholic beverage state
2 tax rates.

3
4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 PURPOSE. The purpose of the alcohol and other drug abuse treatment and prevention
7 fund established by sec. 4 of this Act is to finance the establishment and maintenance of
8 programs under AS 47.37.030 for the prevention and treatment of alcoholism, drug abuse, and
9 misuse of hazardous volatile materials and substances by inhalant abusers.

10 * **Sec. 2.** AS 43.60.010(a) is amended to read:

11 (a) Except as provided in (c) of this section, every [EVERY] brewer,
12 distiller, bottler, jobber, retailer, wholesaler, or manufacturer who sells alcoholic
13 beverages in the state or who consigns shipments of alcoholic beverages into the state,
14 whether or not the alcoholic beverages are brewed, distilled, bottled, or manufactured

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1 in the state, shall pay on all malt beverages (alcoholic content of one percent or more
2 by volume), wines, and hard or distilled alcoholic beverages, the following taxes:

3 (1) malt beverages at the rate of \$1.07 [35 CENTS] a gallon or fraction
4 of a gallon;

5 (2) cider with at least 0.5 percent alcohol by volume but not more
6 than seven percent alcohol by volume, at the rate of \$1.07 a gallon or fraction of a
7 gallon;

8 (3) wine or other beverages, other than beverages described in (1) or
9 (2) of this subsection, of 21 percent alcohol by volume or less, at the rate of \$2.50
10 [85 CENTS] a gallon or fraction of a gallon; and

11 (4) [(3)] other beverages having a content of more than 21 percent
12 alcohol by volume at the rate of \$12.80 [\$5.60] a gallon.

13 * **Sec. 3.** AS 43.60.010 is amended by adding a new subsection to read:

14 (c) A brewer shall pay a tax at the rate of 35 cents a gallon on sales of the first
15 60,000 barrels of beer sold in the state each fiscal year beginning July 1, 2001, for beer
16 produced in the United States if the producing brewery meets the qualifications of 26
17 U.S.C. 5051(a)(2). To qualify for the tax rate under this subsection, the brewer must
18 file with the department a copy of a Bureau of Alcohol, Tobacco and Firearms
19 acknowledged copy of the brewer's notice of intent to pay reduced rate of tax required
20 under 27 C.F.R. 25.167 for the calendar year in which the fiscal year begins for which
21 the partial exemption is sought. If proof of eligibility is not received by the
22 department before June 1, the tax rate under this subsection does not apply until the
23 first day of the second month after the month the notice is received by the department.
24 For purposes of applying this subsection, a barrel of beer may contain no more than 31
25 gallons.

26 * **Sec. 4.** AS 43.60 is amended by adding a new section to read:

27 **Sec. 43.60.050. Disposition of proceeds.** (a) The alcohol and other drug
28 abuse treatment and prevention fund is established in the general fund. The
29 Department of Administration shall separately account for 50 percent of the tax
30 collected under AS 43.60.010 and deposit it into the alcohol and other drug abuse
31 treatment and prevention fund.

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1 (b) The legislature may use the annual estimated balance in the fund to make
2 appropriations to the Department of Health and Social Services to establish and
3 maintain programs for the prevention and treatment of alcoholism, drug abuse, and
4 misuse of hazardous volatile materials and substances by inhalant abusers under
5 AS 47.37.030.

6 (c) Nothing in this section creates a dedicated fund.