

**SENATE BILL NO. 115**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

**BY SENATOR BISHOP**

**Introduced: 4/24/19**

**Referred: Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the motor fuel tax; and providing for an effective date."**

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

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

4 (a) In addition to the surcharge levied under AS 43.40.005, there is levied a  
5 tax of 16 [EIGHT] cents a gallon on all motor fuel sold or otherwise transferred within  
6 the state, except that

7 (1) the tax on aviation gasoline is four and seven-tenths cents a gallon;

8 (2) the tax on motor fuel used in and on watercraft of all descriptions is  
9 10 [FIVE] cents a gallon;

10 (3) the tax on all aviation fuel other than gasoline is three and two-  
11 tenths cents a gallon; and

12 (4) the tax rate on motor fuel that is blended with alcohol is the same  
13 tax rate a gallon as other motor fuel; however, in an area and during the months in  
14 which fuel containing alcohol is required to be sold, transferred, or used in an effort to  
15 attain air quality standards for carbon monoxide as required by federal or state law or

1 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon  
 2 less than the tax on other motor fuel not described in (1) - (3) of this subsection.

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

4 (b) In addition to the surcharge levied under AS 43.40.005, there is levied a  
 5 tax of 16 [EIGHT] cents a gallon on all motor fuel consumed by a user, except that

6 (1) the tax on aviation gasoline consumed is four and seven-tenths  
 7 cents a gallon;

8 (2) the tax on motor fuel used in and on watercraft of all descriptions is  
 9 10 [FIVE] cents a gallon;

10 (3) the tax on all aviation fuel other than gasoline is three and two-  
 11 tenths cents a gallon; and

12 (4) the tax rate on motor fuel that is blended with alcohol is the same  
 13 tax rate a gallon as other motor fuel; however, in an area and during the months in  
 14 which fuel containing alcohol is required to be sold, transferred, or used in an effort to  
 15 attain air quality standards for carbon monoxide as required by federal or state law or  
 16 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon  
 17 less than the tax on other motor fuel not described in (1) - (3) of this subsection.

18 \* **Sec. 3.** AS 43.40.030(a) is amended to read:

19 (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to  
 20 operate an internal combustion engine is entitled to a motor fuel tax refund of 12 [SIX]  
 21 cents a gallon if

22 (1) the tax on the motor fuel has been paid;

23 (2) the motor fuel is not aviation fuel, or motor fuel used in or on  
 24 watercraft; and

25 (3) the internal combustion engine is not used in or in conjunction with  
 26 a motor vehicle licensed to be operated on public ways.

27 \* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to  
 28 read:

29 TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations  
 30 necessary to implement the changes made by this Act. The regulations take effect under  
 31 AS 44.62 (Administrative Procedure Act), but not before the effective date of the law

1 implemented by the regulation.

2 \* **Sec. 5.** Section 4 of this Act takes effect immediately under AS 01.10.070(c).

3 \* **Sec. 6.** Except as provided in sec. 5 of this Act, this Act takes effect July 1, 2019.