

CS FOR SENATE BILL NO. 178(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/8/14

Referred: Rules

Sponsor(s): SENATORS BISHOP, Micciche, Giessel, Dyson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the passenger and recreational vehicle rental taxes; and providing**
2 **for an effective date."**

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

4 *** Section 1.** AS 43.52.010 is amended to read:

5 **Sec. 43.52.010. Levy of passenger and recreational vehicle rental tax.** There
6 is imposed an excise tax on the charge for the lease or rental of a passenger **or**
7 **recreational** vehicle in this state [IF THE LEASE OR RENTAL OF THE
8 PASSENGER VEHICLE DOES NOT EXCEED A PERIOD OF 90 CONSECUTIVE
9 DAYS].

10 *** Sec. 2.** AS 43.52.010 is amended by adding new subsections to read:

- 11 (b) A lease or rental is exempt from the tax imposed under (a) of this section if
- 12 (1) the initial lease or rental contract is for a period of 28 days or more;
 - 13 (2) the initial lease or rental contract is in writing; and
 - 14 (3) the lease or rental contract is not terminated before the expiration

1 of 28 days.

2 (c) An extension of a lease or rental that is exempt under (b) of this section is
3 exempt if the extension is agreed upon before the expiration of the initial 28-day lease
4 or rental period and there is no break between the initial period and the period of the
5 extension.

6 * **Sec. 3.** AS 43.52.020 is amended to read:

7 **Sec. 43.52.020. Rate of [PASSENGER] vehicle rental tax.** The rate of the
8 tax levied in AS 43.52.010 is

9 (1) 10 percent of the total fees and costs charged for the lease or rental
10 of a [THE] passenger vehicle;

11 (2) three percent of the total fees and costs charged for the lease or
12 rental of a recreational vehicle.

13 * **Sec. 4.** AS 43.52.030 and 43.52.040 are repealed.

14 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).