

CLERK'S OFFICE

APPROVED

Date: 3-19-02

Submitted by: Assemblymember Von Gemmingen

Prepared by: Department of Assembly

For reading: March 19, 2002

ANCHORAGE, ALASKA

AR NO. 2002- 91

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING
SENATE BILL 347, "AN ACT RELATING TO TAXATION."**

WHEREAS, statistics show that Alaska has the highest alcohol related death rate and the highest incidence of Fetal Alcohol Syndrome (FAS) in the Nation; and

WHEREAS, in Alaska, alcohol is implicated in 83% of child abuse investigations, 63% of sexual assaults, and 60% of domestic violence reports; and

WHEREAS, alcohol abuse has resulted in a serious financial and social toll on the resources of our Government and, according to a study provided by the Alaska Advisory Board on Alcoholism and Drug Abuse, the negative impacts associated with alcohol abuse in Alaska cost more than \$250 million per year; and


WHEREAS, Senate Bill 347 attempts to address the drain on government resources by allowing municipalities to impose a sales tax on alcoholic beverages provided the local voters approve the tax, and it also raises the excise tax imposed on alcoholic beverages for the first time since 1983.

NOW, THEREFORE, the Anchorage Assembly resolves:

Section 1: That the Anchorage Assembly supports and urges passage of Senate Bill 347, "An Act Relating to Taxation."

Section 2: That copies of this resolution be forwarded to the Governor and the Alaska State Legislature immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 19th day of March, 2002.


Chair

ATTEST:


Municipal Clerk

SENATE BILL NO. 347

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 3/6/02
Referred: Finance

A BILL

FOR AN ACT ENTITLED

"An Act relating to taxation."

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

3 * Section 1. AS 04.21.010(c) is amended to read:

4 (c) A municipality may not impose taxes on alcoholic beverages except a

5 (1) property tax on alcoholic beverage inventories;

6 (2) sales tax on alcoholic beverage sales; a sales tax may be imposed

on alcoholic beverages even if other sales are not taxed, or, if other sales are

8 taxed, a sales tax on alcoholic beverages may be equal to, higher than, or lower

9 than a sales tax [IF SALES TAXES ARE] imposed on other sales within the

10 municipality; and

(3) [SALES TAX ON ALCOHOLIC BEVERAGE SALES THAT
12 WAS IN EFFECT BEFORE JULY 1, 1985; AND

13 (4)] sales and use tax on alcoholic beverages if the sale of alcoholic
14 beverages within the municipality has been prohibited under AS 04.11.491(a)(1), (4),
15 or (5).

* Sec. 2. AS 29.45.650(a) is amended to read:

(a) Except as provided in [AS 04.21.010(c) AND IN] (f) and (h) of this section, a borough may levy and collect a sales tax on sales, rents, and on services provided in the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

* Sec. 3. AS 43.60.010(a) is amended to read:

(a) Except as provided in (c) of this section, every [EVERY] brewer, distiller, bottler, jobber, retailer, wholesaler, or manufacturer who sells alcoholic beverages in the state or who consigns shipments of alcoholic beverages into the state, whether or not the alcoholic beverages are brewed, distilled, bottled, or manufactured in the state, shall pay on all malt beverages (alcoholic content of one percent or more by volume), wines, and hard or distilled alcoholic beverages, the following taxes:

(1) malt beverages at the rate of \$1.42 [35 CENTS] a gallon or fraction of a gallon;

(2) cider with at least 0.5 percent alcohol by volume but not more than 7 percent alcohol by volume, at the rate of \$1.42 a gallon or fraction of a gallon;

(3) wine or other beverages, other than beverages described in (1) or (2) of this subsection, of 21 percent alcohol by volume or less, at the rate of \$3.41 [85 CENTS] a gallon or fraction of a gallon; and

(4) [(3)] other beverages having a content of more than 21 percent alcohol by volume at the rate of \$18.40 [\$5.60] a gallon.

* Sec. 4. AS 43.60.010 is amended by adding a new subsection to read:

(c) A brewer shall pay a tax at the rate of 35 cents a gallon on sales of the first 60,000 barrels of beer sold in the state each fiscal year beginning July 1, 2002, for beer produced in the United States if the producing brewery meets the qualifications of 26 U.S.C. 5051(a)(2). To qualify for the tax rate under this subsection, the brewer must file with the department a copy of a Bureau of Alcohol, Tobacco and Firearms acknowledged copy of the brewer's Notice of Brewer to Pay Reduced Rate of Tax required under 27 C.F.R. 25.167 for the calendar year in which the fiscal year begins for which the partial exemption is sought. If proof of eligibility is not received by the

1 department before June 1, the tax rate under this subsection does not apply until the
2 first day of the second month after the month the notice is received by the department.
3 For purposes of applying this subsection, a barrel of beer may contain no more than 31
4 gallons.

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1	SUBJECT OF AGENDA DOCUMENT		DATE PREPARED
	A Resolution Supporting SB 347, "An Act Relating to Taxation."		14-Mar-02
			Indicate Documents Attached <input type="checkbox"/> AO <input checked="" type="checkbox"/> AR <input type="checkbox"/> AM <input type="checkbox"/> AIM
2	DEPARTMENT NAME	DIRECTOR'S NAME	
	Assembly	Greg Moyer	
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY	HIS/HER PHONE NUMBER	
	Elvi Gray-Jackson	343-4751	
4	COORDINATED WITH AND REVIEWED BY	INITIALS	DATE
	Mayor		
	Heritage Land Bank		
	Merrill Field Airport		
	Municipal Light & Power		
	Port of Anchorage		
	Solid Waste Services		
	Water & Wastewater Utility		
	Municipal Manager		
	Cultural & Recreational Services		
	Employee Relations		
	Finance, Chief Fiscal Officer		
	Fire		
	Health & Human Services		
	Office of Management and Budget		
	Management Information Services		
	Police		
	Planning, Development & Public Works		
	Development Services		
	Facility Management		
	Planning		
	Project Management & Engineering		
	Street Maintenance		
	Traffic		
	Public Transportation Department		
	Purchasing		
	Municipal Attorney		
	Municipal Clerk		
	Other		
5	Special Instructions/Comments		
6	ASSEMBLY HEARING DATE REQUESTED	7	PUBLIC HEARING DATE REQUESTED
	3/19/02		