

**CS FOR SENATE BILL NO. 66(TRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered: 4/10/15

Referred: Finance

Sponsor(s): SENATOR GIESSEL

**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.**  
6 **Except as provided in (d) of this section, there** [THERE] is imposed an excise tax  
7 on the charge for the lease or rental of a passenger **or recreational** vehicle **driven or**  
8 **moved primarily on a highway or other public right-of-way maintained by the**  
9 [IN THIS] state [IF THE LEASE OR RENTAL OF THE PASSENGER VEHICLE  
10 DOES NOT EXCEED A PERIOD OF 90 CONSECUTIVE DAYS].

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

12 (b) A lease or rental is exempt from the tax imposed under (a) of this section if  
13 (1) the initial lease or rental contract is for a period of  
14 (A) 28 days or more for a passenger vehicle;

1 (B) 90 days or more for a recreational vehicle;  
2 (2) the initial lease or rental contract is in writing; and  
3 (3) the lease or rental contract is not terminated before the expiration  
4 of 28 days for a passenger vehicle or 90 days for a recreational vehicle.

5 (c) An extension of a lease or rental that is exempt under (b) of this section is  
6 exempt if the extension is agreed upon before the expiration of the initial 28-day lease  
7 or rental period for a passenger vehicle or the initial 90-day lease or rental period for a  
8 recreational vehicle and there is no break between the initial period and the period of  
9 the extension.

10 (d) The following passenger vehicles are exempt from tax under  
11 AS 43.52.020(1):

12 (1) a commercial motor vehicle as that term is defined in  
13 AS 28.90.990;

14 (2) emergency or fire equipment that is necessary to the preservation  
15 of life or property;

16 (3) a farm vehicle that is controlled and operated by a farmer used to  
17 transport agricultural products, farm machinery, or farm supplies to or from that  
18 farmer's farm, not used in the operations of a common or contract motor carrier, and  
19 used within 150 miles of the farmer's farm;

20 (4) a taxicab;

21 (5) a rental truck; in this subparagraph, "rental truck" means a motor  
22 vehicle with a gross vehicle weight rating greater than 8,500 pounds that is designed,  
23 used, or maintained primarily for the transportation of personal property;

24 (6) a vehicle provided by an automobile dealer to a customer as  
25 replacement transportation during warranty, recall, or service contract repairs if the  
26 dealer does not receive compensation from the customer; or

27 (7) a motorcycle or a motor-driven cycle as those terms are defined in  
28 AS 28.90.990 and a sidecar for a motorcycle or motor-driven cycle;

29 (8) a construction vehicle;

30 (9) a vehicle used exclusively for hauling or delivering cargo;

31 (10) an all-terrain vehicle;

1 (11) a trailer designed to carry property.

2 \* **Sec. 3.** AS 43.52.020 is amended to read:

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

5 (1) 10 percent of the total fees and costs charged for the lease or rental  
6 of a [THE] passenger vehicle;

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

9 \* **Sec. 4.** AS 43.52.099(2) is amended to read:

10 (2) "passenger vehicle" means a motor vehicle as defined in  
11 AS 28.90.990, including a car, sport utility vehicle, van, or truck, that is licensed  
12 to operate [DRIVEN OR MOVED ON A HIGHWAY OR OTHER PUBLIC RIGHT-  
13 OF-WAY] in the state [, BUT DOES NOT INCLUDE

14 (A) A COMMERCIAL MOTOR VEHICLE AS THAT TERM  
15 IS DEFINED IN AS 28.90.990;

16 (B) EMERGENCY OR FIRE EQUIPMENT THAT IS  
17 NECESSARY TO THE PRESERVATION OF LIFE OR PROPERTY;

18 (C) A FARM VEHICLE THAT IS CONTROLLED AND  
19 OPERATED BY A FARMER, USED TO TRANSPORT AGRICULTURAL  
20 PRODUCTS, FARM MACHINERY, OR FARM SUPPLIES TO OR FROM  
21 THAT FARMER'S FARM, NOT USED IN THE OPERATIONS OF A  
22 COMMON OR CONTRACT MOTOR CARRIER, AND USED WITHIN 150  
23 MILES OF THE FARMER'S FARM;

24 (D) A RECREATIONAL VEHICLE;

25 (E) A TAXICAB;

26 (F) A RENTAL TRUCK; IN THIS SUBPARAGRAPH,  
27 "RENTAL TRUCK" MEANS A MOTOR VEHICLE WITH A GROSS  
28 VEHICLE WEIGHT RATING GREATER THAN 8,500 POUNDS THAT IS  
29 DESIGNED, USED, OR MAINTAINED PRIMARILY FOR THE  
30 TRANSPORTATION OF PERSONAL PROPERTY;

31 (G) A VEHICLE PROVIDED BY AN AUTOMOBILE

1 DEALER TO A CUSTOMER AS REPLACEMENT TRANSPORTATION  
2 DURING WARRANTY, RECALL, OR SERVICE CONTRACT REPAIRS IF  
3 THE DEALER DOES NOT RECEIVE COMPENSATION FROM THE  
4 CUSTOMER; OR

5 (H) A MOTORCYCLE OR A MOTOR-DRIVEN CYCLE AS  
6 THOSE TERMS ARE DEFINED IN AS 28.90.990];

7 \* **Sec. 5.** AS 43.52.099 is amended by adding a new paragraph to read:

8 (6) "personal property" has the meaning given in AS 01.10.060;

9 \* **Sec. 6.** AS 43.52.030 and 43.52.040 are repealed.

10 \* **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).