

HOUSE CS FOR CS FOR SENATE BILL NO. 179(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 4/26/24

Referred: Rules

Sponsor(s): SENATORS BJORKMAN, Gray-Jackson

REPRESENTATIVE Coulombe

A BILL

FOR AN ACT ENTITLED

1 "An Act prohibiting municipalities from levying a tax on the transfer of real property;
2 prohibiting the state from levying a tax on the transfer of real property; and relating to
3 municipal taxation of mobile telecommunications services."

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

5 * **Section 1.** AS 29.10.200(56) is amended to read:

6 (56) AS 29.45.650(c), (d), (e), (f), (i), (j), [AND] (k), **and (l)** (sales and
7 use tax);

8 * **Sec. 2.** AS 29.10.200(57) is amended to read:

9 (57) AS 29.45.700(d), (e), [AND] (g), **and (h)** (sales and use tax);

10 * **Sec. 3.** AS 29.45.650(a) is amended to read:

11 (a) Except as provided in AS 04.21.010(c), AS 29.45.750, and in (f), (h), (i),
12 [AND] (j), **(k), and (l)** of this section, a borough may levy and collect a sales tax on
13 sales, rents, and [ON] services provided in the borough. The sales tax may apply to
14 any or all of these sources. Notwithstanding other statutes, exemptions may be granted

1 by ordinance. A borough may wholly or partially exempt a source from a borough
2 sales tax that is taxed by a city in that borough under AS 29.45.700.

3 * **Sec. 4.** AS 29.45.650 is amended by adding a new subsection to read:

4 (l) A borough may not levy or collect a sales or use tax on the transfer of real
5 property. This subsection applies to home rule and general law municipalities. In this
6 subsection, "transfer" has the meaning given in AS 34.70.200.

7 * **Sec. 5.** AS 29.45.700(a) is amended to read:

8 (a) A city in a borough that levies and collects areawide sales and use taxes
9 may levy sales and use taxes on all sources taxed by the borough in the manner
10 provided for boroughs. Except as provided in (d), [AND] (e), (g), and (h) of this
11 section, the assembly may by ordinance authorize a city to levy and collect sales and
12 use taxes on other sources.

13 * **Sec. 6.** AS 29.45.700 is amended by adding a new subsection to read:

14 (h) A city may not levy or collect a sales or use tax on the transfer of real
15 property. This subsection applies to home rule and general law municipalities. In this
16 subsection, "transfer" has the meaning given in AS 34.70.200.

17 * **Sec. 7.** AS 43.98 is amended by adding a new section to article 3 to read:

18 **Sec. 43.98.035. No tax on real property transfers.** The state may not levy or
19 collect a sales or use tax on the transfer of real property. In this section, "transfer" has
20 the meaning given in AS 34.70.200.

21 * **Sec. 8.** Section 4, ch. 100, SLA 2002, as repealed and reenacted by sec. 9, ch. 117, SLA
22 2003, and by sec. 2, ch. 30, SLA 2005; and secs. 6 and 9, ch. 100, SLA 2002, are repealed.

23 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
24 read:

25 **APPLICABILITY.** AS 29.45.650(l), enacted by sec. 4 of this Act, and
26 AS 29.45.700(h), enacted by sec. 6 of this Act, do not apply to an ordinance that establishes a
27 sales or use tax on the transfer of real property adopted by a municipality before the effective
28 date of this Act.