SENATE BILL NO. 5002

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIFTH SPECIAL SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 7/11/16
Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

"An Act relating to the exploration incentive credit; increasing the motor fuel tax; increasing the taxes on cigarettes and tobacco products; taxing electronic smoking products; adding a definition of 'electronic smoking product' and requiring labeling of an electronic smoking product; increasing the excise tax on alcoholic beverages; relating to exemptions from the mining license tax; removing the minimum and maximum restrictions on the annual base fee for the reissuance or renewal of an entry permit or an interim-use permit; increasing the mining license tax rate; relating to mining license application, renewal, and fees; increasing the fisheries business tax and fishery resource landing tax; relating to refunds to local governments; and providing for an effective date."

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

* Section 1. AS 16.43.160(c) is amended to read:

New Text Underlined [DELETED TEXT BRACKETED]
(c) The annual base fee for issuance or renewal of an entry permit or an interim-use permit [MAY NOT BE LESS THAN $30 OR MORE THAN $3,000. THE ANNUAL BASE FEE] must reasonably reflect the different rates of economic return for different fisheries. In addition to the annual base fee established by the commission under this subsection, a nonresident shall pay an annual nonresident surcharge for the issuance or renewal of one or more entry permits or interim-use permits. The commission shall establish the annual nonresident surcharge by regulation [AT AN AMOUNT THAT IS AS CLOSE AS IS PRACTICABLE TO THE MAXIMUM ALLOWED BY LAW].

* Sec. 2. AS 27.30.030(a) is amended to read:

(a) In a tax year [OR ROYALTY PAYMENT PERIOD], subject to (c) of this section and the respective limitations of this subsection, the person may apply the credit, the taking of which was approved under AS 27.30.020(2), against [(1)] taxes payable by the person

   (1) [(A)] under AS 43.65; application of the credit under this paragraph [SUBPARAGRAPH] may not exceed the lesser of

   (A) [(i)] 50 percent of the person's tax liability under AS 43.65 for the tax year that is related to production from the mining operation at which the exploration activities occurred, as shown under (b) of this section; or

   (B) [(ii)] 50 percent of the person's total tax liability under AS 43.65 for the tax year;

   (2) [(B)] under AS 43.20; application of the credit under this paragraph [SUBPARAGRAPH] may not exceed the lesser of

   (A) [(i)] an amount equal to the amount determined under (1)(A) [(A)(i)] of this subsection [PARAGRAPH]; or

   (B) [(ii)] 50 percent of the person's total tax liability under AS 43.20 for the tax year [; AND

   (2) MINERAL PRODUCTION ROYALTY PAYMENTS PAYABLE BY THE PERSON UNDER AS 38.05.135 - 38.05.160 AND 38.05.212 FOR PRODUCTION FROM THE MINING OPERATION AT WHICH THE EXPLORATION ACTIVITIES OCCURRED; APPLICATION OF THE CREDIT
UNDER THIS PARAGRAPH MAY NOT EXCEED 50 PERCENT OF THE
PERSON'S MINERAL PRODUCTION ROYALTY PAYMENT LIABILITY FROM
THE MINING OPERATION AT WHICH THE EXPLORATION ACTIVITIES
OCCURRED].

* Sec. 3. AS 27.30.030(b) is amended to read:

(b) If the person applies the credit against the person's tax liability under
(a)(1)(A) or (a)(2)(A), [(a)(1)(A)(i) OR (a)(1)(B)(i)] of this section, the commissioner
of revenue shall disallow application of the credit under that provision unless the
person files with the person's tax return an accounting of the person's mining operation
activities for each mining operation that is included in the tax return and as to which
the credit is being applied. The accounting of mining operation activities required by
this subsection shall be made

(1) on a form prescribed by the Department of Revenue; on the form,
the person shall

(A) identify the mining operations for which the credit is
claimed; and

(B) set out the gross income attributable to the mining
operations and other information about the mining operations that the
Department of Revenue may require;

(2) without regard to an exemption to which the person may be entitled
under AS 43.65.010(a).

* Sec. 4. AS 27.30.040 is amended to read:

Sec. 27.30.040. Credit may be carried forward. Except as its application is
limited by AS 27.30.030 and 27.30.050, a portion of a credit that is not
applied under
AS 27.30.030 during a tax year [OR ROYALTY PAYMENT PERIOD] may be
carried forward to and applied during a subsequent tax year [OR ROYALTY
PAYMENT PERIOD].

* Sec. 5. AS 27.30.050 is amended to read:

Sec. 27.30.050. Limit on application of credit. An exploration incentive
credit for a mining operation may not exceed $20,000,000 and must be applied within
15 tax years [OR ROYALTY PAYMENT PERIODS] after the taking of the credit is

New Text Underlined [DELETED TEXT BRACKETED]
approved under AS 27.30.020(2), but the tax years [OR ROYALTY PAYMENT PERIODS] in which the credit is applied need not be

(1) the tax year [OR ROYALTY PAYMENT PERIOD] in which the person first incurs liability for payment of tax [OR ROYALTY] based on the person's activity that is the basis of the claim of the exploration incentive credit; or

(2) consecutive periods.

* Sec. 6. AS 38.05.150(d) is amended to read:

(d) For the privilege of mining or extracting the coal in the land covered by the lease, the lessee

(1) shall pay to the state the royalties specified in the lease; the royalties shall be fixed before offering the lease, and shall be effective for a period of not more than 20 years; the royalties shall be not less than five cents a ton of 2,000 pounds; [THE ROYALTY PAYMENT IS SUBJECT TO THE EXPLORATION INCENTIVE CREDIT AUTHORIZED BY AS 27.30;]

(2) shall also pay an annual rental, payable at the date of the lease and annually thereafter, on the land or coal deposits covered by the lease, at a rate fixed by the commissioner before offering the lease; the annual rental shall be effective for a period of not more than 20 years; the annual rental shall be not less than 25 cents an acre for the first year of the lease, not less than 50 cents an acre for the second year, third year, fourth year and fifth year, and not less than $1 an acre for each year thereafter during the continuance of the lease; the rental for each year shall be credited against the royalties as they accrue for that year; each lease shall provide that the annual rental payment is subject to adjustment at intervals of not [NO] more than 20 years and adjustments shall be based on the current rates for properties similarly situated.

* Sec. 7. AS 43.40.010(a) is amended to read:

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

(1) the tax on aviation gasoline is seven [FOUR AND SEVEN-TENTHS] cents a gallon;
(2) the tax on motor fuel used in and on watercraft of all descriptions is 10 [FIVE] cents a gallon;

(3) the tax on all aviation fuel other than gasoline is six and one-half [THREE AND TWO-TENTHS] cents a gallon; and

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

* Sec. 8. AS 43.40.010(b) is amended to read:

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

(1) the tax on aviation gasoline consumed is seven [FOUR AND SEVEN-TENTHS] cents a gallon;

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

(3) the tax on all aviation fuel other than gasoline is six and one-half [THREE AND TWO-TENTHS] cents a gallon; and

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

* Sec. 9. AS 43.40.030(a) is amended to read:

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

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

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

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

* Sec. 10. AS 43.50.150(c) is amended to read:

(c) The department may enter into an agreement with a municipality that
imposes a tax on cigarettes, electronic smoking products, or other tobacco products
for the purpose of jointly auditing a person liable for a tax under AS 43.50.010 -
43.50.390 and the municipal tax on cigarettes, electronic smoking products, or other
tobacco products.

* Sec. 11. AS 43.50.170 is amended by adding a new paragraph to read:

(13) "electronic smoking product" has the meaning given in
AS 43.50.390.

* Sec. 12. AS 43.50.190(a) is amended to read:

(a) There is levied an excise tax on each cigarette imported or acquired in this
state of 112 [,

(1) AFTER DECEMBER 31, 2004, BUT BEFORE JULY 1, 2006, 42
MILLS;

(2) AFTER JUNE 30, 2006, BUT BEFORE JULY 1, 2007, 52
MILLS;


* Sec. 13. AS 43.50.300 is amended to read:

Sec. 43.50.300. Excise tax levied. An excise tax is levied on tobacco products
in the state at the rate of 100 [75] percent of the wholesale price of the tobacco
products. The tax is levied when a person

(1) brings, or causes to be brought, a tobacco product into the state
from outside the state for sale;

(2) makes, manufactures, or fabricates a tobacco product in the state
for sale in the state; or

(3) ships or transports a tobacco product to a retailer in the state for
sale by the retailer.

* Sec. 14. AS 43.50 is amended by adding a new section to read:
Sec. 43.50.305. Electronic smoking products excise tax; labeling. (a) An excise tax is levied on electronic smoking products in the state at the rate of 75 percent of the wholesale price of the electronic smoking product. The tax is levied when a person

   (1) brings, or causes to be brought, an electronic smoking product into the state from outside the state for sale;

   (2) makes, manufactures, or fabricates an electronic smoking product in the state for sale in the state; or

   (3) ships or transports a tobacco product to a retailer in the state for sale by the retailer.

   (b) An electronic smoking product sold in the state that contains nicotine must be prominently labeled "CONTAINS NICOTINE."

* Sec. 15. AS 43.50.310(b) is amended to read:

   (b) The tax does not apply to a tobacco product or electronic smoking product if the United States Constitution or other federal laws prohibit the levying of the tax on the product by the state.

* Sec. 16. AS 43.50.320(a) is amended to read:

   (a) Except as provided in (g) of this section, a person must be licensed by the department if the person engages in business as a distributor for a tobacco product or electronic smoking product that is subject to the tax.

* Sec. 17. AS 43.50.330(a) is amended to read:

   (a) On or before the last day of each calendar month, a licensee shall file a return with the department. The return must state the number or amount of tobacco products or electronic smoking products sold by the licensee during the preceding calendar month, the selling price of the tobacco products or electronic smoking products, and the amount of tax imposed on the tobacco products or electronic smoking products.

* Sec. 18. AS 43.50.335 is amended to read:

Sec. AS 43.50.335. Tax credits and refunds. The department shall adopt procedures for a refund or credit to a licensee of the tax paid for tobacco products or electronic smoking products that have become unfit for sale, are destroyed, or are
returned to the manufacturer for credit or replacement if the licensee provides proof
acceptable to the department that the tobacco products or electronic smoking
products have not been and will not be consumed in this state.

* Sec. 19. AS 43.50.340 is amended to read:

Sec. 43.50.340. Records. A licensee shall keep a complete and accurate record
of all tobacco products or electronic smoking products of the licensee subject to the
tax, including purchase prices, sales prices, the names and addresses of the sellers and
the purchasers, the dates of delivery, the quantities of tobacco products or electronic
smoking products, and the trade names and brands. Statements and records required
by this section must be in the form prescribed by the department, preserved for three
years, and available for inspection upon demand by the department.

* Sec. 20. AS 43.50.390(4) is amended to read:

(4) "tobacco product"

(A) means

(i) [(A)] a cigar;

(ii) [(B)] a cheroot;

(iii) [(C)] a stogie;

(iv) [(D)] a perique;

(v) [(E)] snuff and snuff flour;

(vi) [(F)] smoking tobacco, including granulated, plug-cut, crimp-cut, ready-rubbed, and any form of tobacco suitable for
smoking in a pipe or cigarette;

(vii) [(G)] chewing tobacco, including cavendish, twist, plug, scrap, and tobacco suitable for chewing; or

(viii) [(H)] an article or product made of tobacco or a tobacco substitute, but not including a cigarette as defined in
AS 43.50.170;

(B) does not include a product that has been approved by
the United States Food and Drug Administration for sale as a smoking
cessation product, tobacco dependence product, or modified risk tobacco
product:
* Sec. 21. AS 43.50.390(5) is amended to read:

   (5) "wholesale price" means, **for a tobacco product or electronic smoking product**

   (A) acquired from a manufacturer, the **gross invoice** price, **including all federal excise taxes**, at [FOR] which the [A] manufacturer sells a tobacco product **or electronic smoking product** **acquired from a manufacturer**, after a deduction of a trade discount or other reduction **established** by the distributor [FOR QUANTITY OR CASH IF THE MANUFACTURER'S **ESTABLISHED PRICE** IS ADEQUATELY SUPPORTED BY BONA FIDE ARM'S LENGTH SALES AS DETERMINED BY THE DEPARTMENT]; or

   (B) **not acquired from a manufacturer**, the **gross invoice** price, **including all federal excise taxes**, **after a deduction of a trade discount or other reduction** [AS DETERMINED BY THE DEPARTMENT, FOR WHICH TOBACCO PRODUCTS OF COMPARABLE RETAIL PRICE ARE SOLD TO DISTRIBUTORS IN THE ORDINARY COURSE OF TRADE IF THE MANUFACTURER'S **ESTABLISHED PRICE** DOES NOT MEET THE STANDARDS OF (A) OF THIS PARAGRAPH].

* Sec. 22. AS 43.50.390 is amended by adding a new paragraph to read:

   (6) "electronic smoking product"

   (A) means a component, solution, vapor product, or other related product of an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or other similar product that is manufactured and sold for the purpose of being aerosolized to deliver nicotine to the person inhaling; if the product is sold as a disposable integrated unit containing a power source and delivery system, or as a kit containing a refillable electronic smoking system and power source, the entire unit shall be considered an electronic smoking product for the purposes of this definition;

   (B) does not include a

   (i) product that is subject to taxation under AS 43.61.010 - 43.61.050 that does not contain nicotine;
(ii) drug, product, or combination product approved for
sale by the United States Food and Drug Administration, as those terms
are defined in 21 U.S.C. 301-392 (Food, Drug, and Cosmetic Act); or
(iii) product that has been approved by the United
States Food and Drug Administration for sale as a smoking cessation
product, tobacco dependence product, or modified risk tobacco product.

* Sec. 23. AS 43.60.010(a) is amended to read:

(a) Except as provided in (c) of this section, 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 $2.14 [$1.07] a gallon or fraction of a
gallon;

(2) cider with at least 0.5 percent alcohol by volume but not more than
seven percent alcohol by volume, at the rate of $2.14 [$1.07] 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 $5 [$2.50]
a gallon or fraction of a gallon; and

(4) other beverages having a content of more than 21 percent alcohol
by volume at the rate of $25.60 [$12.80] a gallon.

* Sec. 24. AS 43.60.010(c) is amended to read:

(c) A brewer shall pay a tax at the rate of 70 [35] cents a gallon on sales of the
first 60,000 barrels of beer sold in the state each fiscal year beginning July 1, 2001, 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 an Alcohol and Tobacco Tax and Trade
Bureau acknowledged copy of the brewer's notice of intent 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
department before June 1, the tax rate under this subsection does not apply until the
first day of the second month after the month the notice is received by the department.
For purposes of applying this subsection, a barrel of beer may contain not more than
31 gallons.

* Sec. 25. AS 43.60.040(a) is amended to read:

(a) Each brewer, distiller, bottler, jobber, wholesaler, or manufacturer is
primarily liable for the payment of the excise taxes on alcoholic beverages sold, and
shall furnish a good and sufficient surety bond in an amount as determined by [OF
$25,000 PAYABLE TO] the department and approved by the Department of Law. If a
licensee [WHOLESALER] fails to pay the tax to the state the licensee
[WHOLESALER] forfeits the bond and the licensee's [WHOLESALER’S] license
shall be revoked. The department, in its discretion, may issue permits in place of
bonds to resident holders of wholesale, malt beverage, and wine licenses doing
business wholly in the state who pay the tax before shipment.

* Sec. 26. AS 43.65.010(a) is amended to read:

(a) A person prosecuting or attempting to prosecute, or engaging in the
business of mining in the state shall obtain a license from the department. All new
mining operations are exempt from the tax levied by this chapter for two [THREE
AND ONE-HALF] years after production begins.

* Sec. 27. AS 43.65.010(c) is amended to read:

(c) The license tax on mining is as follows: on [UPON] the net income of the
taxpayer from the property in the state, computed with allowable depletion, plus
royalty received in connection with mining property in the state
over $40,000 and not over $50,000 ............................................................... 3 percent
over $50,000 and not over $100,000 ........................................................... $1,500 plus
  5 percent of the excess over $50,000
over $100,000 ...................................................................................... $4,000 plus
  9 [7] percent of the excess over $100,000.

* Sec. 28. AS 43.65.030 is amended to read:

Sec. 43.65.030. Applications and [APPLICATION FOR] renewals; fees.
The fee for a mining license and for each renewal is $50. Application for renewal of a mining license shall be made before January 1 [MAY 1] of each year.

* Sec. 29. AS 43.75.015(a) is amended to read:

(a) A person engaged in a fisheries business is liable for and shall pay the tax levied by this section on the value of each of the following fisheries resources processed during the year at the rate set out after each:

1. salmon canned at a shore-based fisheries business - five [FOUR] and one-half percent;
2. salmon processed by a shore-based fisheries business, except salmon for which the tax is due under (1) of this subsection, and all other fisheries resources processed by a shore-based fisheries business - four [THREE] percent;
3. fisheries resources processed by a floating fisheries business - six [FIVE] percent.

* Sec. 30. AS 43.75.015(d) is amended to read:

(d) Instead of the taxes levied under (a) or (b) of this section, a person who processes a fishery resource under a direct marketing fisheries business license is liable for and shall pay a tax equal to

1. one percent of the value of the developing commercial fish species processed during the year; and
2. four [THREE] percent of the value of a commercial fish species not subject to (1) of this subsection.

* Sec. 31. AS 43.75.030(b) is amended to read:

(b) The return shall be made on a [THE BASIS OF THE] calendar year basis and submitted to the department [AT JUNEAU] before April 1 after the close of the calendar year.

* Sec. 32. AS 43.75.130(a) is amended to read:

(a) The amount of tax revenue equal to one percent of the value of each fishery taxed under this chapter shall be deposited into the general fund. Except as provided in (d) of this section, and not including the revenue equal to one percent of the value of each fishery taxed under this section deposited in the general fund, the commissioner shall pay
(1) to each unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected in the municipality from taxes levied under this chapter;

(2) to each city located within a borough, 25 percent of the amount of tax revenue collected in the city from taxes levied under this chapter; and

(3) to each borough

   (A) 50 percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied under this chapter; and

   (B) 25 percent of the amount of tax revenue collected in cities located within the borough from taxes levied under this chapter.

* Sec. 33. AS 43.77.010 is amended to read:

Sec. 43.77.010. Landing tax. A person who engages or attempts to engage in a floating fisheries business in the state and who owns a fishery resource that is not subject to AS 43.75 but that is brought into the jurisdiction of, and first landed in, this state is liable for and shall pay a landing tax on the value of the fishery resource. The amount of the landing tax is

   (1) for a developing commercial fish species, as defined under AS 43.75.290, one percent of the value of the fishery resource at the place of landing;

   (2) for a fish species other than a developing commercial fish species, four [THREE] percent of the value of the fishery resource at the place of the landing.

* Sec. 34. AS 43.77.060(a) is amended to read:

(a) The amount of tax revenue equal to one percent of the value of each fishery taxed under this chapter shall be deposited into the general fund. Subject to appropriation by the legislature and except as provided in (b) of this section, and not including the revenue equal to one percent of the value of each fishery taxed under this section deposited in the general fund, the commissioner shall pay to each

   (1) unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected from taxes levied under this chapter on the fishery resource landed in the municipality and accounted for under AS 43.77.050(b);

   (2) city located within a borough, 25 percent of the amount of the tax
revenue collected from taxes levied under this chapter on fishery resources landed in
the city and accounted for under AS 43.77.050(b); and

(3) borough

(A) 50 percent of the amount of the tax revenue collected from
taxes levied under this chapter on fishery resources landed in the area of the
borough outside cities and accounted for under AS 43.77.050(b); and

(B) 25 percent of the amount of the tax revenue collected from
taxes levied under this chapter on fishery resources landed in cities located
within the borough and accounted for under AS 43.77.050(b).

* Sec. 35. AS 43.77.060(b) is amended to read:

(b) The amount of tax revenue equal to one percent of the value of each
fishery taxed under this chapter shall be deposited into the general fund.
Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and subject to
appropriation by the legislature, and not including the revenue equal to one percent
of the value of each fishery taxed under this section deposited in the general fund,
the commissioner shall pay to each

(1) city that is located in a borough incorporated after January 1, 1994,
the following percentages of the tax revenue collected from taxes levied under this
chapter on fishery resources landed in the city and accounted for under
AS 43.77.050(b):

(A) 45 percent of the tax revenue collected during the calendar
year in which the borough is incorporated;

(B) 40 percent of the tax revenue collected during the first
calendar year after the calendar year in which the borough is incorporated;

(C) 35 percent of the tax revenue collected during the second
calendar year after the calendar year in which the borough is incorporated; and

(D) 30 percent of the tax revenue collected during the third
calendar year after the calendar year in which the borough is incorporated; and

(2) borough that is incorporated after January 1, 1994, the following
percentages of the tax revenue collected from taxes levied under this chapter on
fishery resources landed in the cities located within the borough and accounted for
under AS 43.77.050(b):

(A) five percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) 10 percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 15 percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 20 percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated.

* Sec. 36. The uncodified law of the State of Alaska enacted in sec. 4, ch. 48, SLA 1997, as repealed and reenacted by sec. 42, ch. 1, FSSLA 2004, is repealed and reenacted to read:

Sec. 4. AS 43.50.190(a) is amended to read:

(a) There is levied an excise tax on each cigarette imported or acquired in this state,

(1) after September 30, 1997, but before January 1, 2005, 47.5 mills;
(2) after December 31, 2004, but before July 1, 2006, 77.5 mills;
(3) after June 30, 2006, but before July 1, 2007, 87.5 mills;
(4) after June 30, 2007, but before July 1, 2016, 97.5 mills;
(5) after June 30, 2016, 147.5 mills.

* Sec. 37. AS 27.30.080 and AS 38.05.212(b)(2) are repealed.

* Sec. 38. The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. (a) The changes to the applicability of the exploration incentive credit made in AS 27.30.030(a) and (b), as amended by secs. 2 and 3 of this Act, AS 27.30.040, as amended by sec. 4 of this Act, AS 27.30.050, as amended by sec. 5 of this Act, AS 38.05.150(d), as amended by sec. 6 of this Act, and the repeal of AS 27.30.080 and AS 38.05.212(b)(2) by sec. 37 of this Act, apply to a royalty payment period beginning on or after the effective date of sec. 2 of this Act.

(b) AS 43.40.010(a), as amended by sec. 7 of this Act, applies to motor fuel sold or transferred in the state on or after the effective date of sec. 7 of this Act.

(c) AS 43.40.010(b), as amended by sec. 8 of this Act, applies to motor fuel
consumed by a user on or after the effective date of sec. 8 of this Act.

  (d) AS 43.40.030(a), as amended by sec. 9 of this Act, applies to a motor fuel tax refund on motor fuel used on or after the effective date of sec. 9 of this Act.

  (e) AS 43.50.190(a), as amended by sec. 12 of this Act, and AS 43.50.300, as amended by sec. 13 of this Act, apply to tobacco products sold on or after the effective date of secs. 12 and 13 of this Act.

  (f) AS 43.50.305, added by sec. 14 of this Act, applies to electronic smoking products sold on or after the effective date of sec. 14 of this Act.

  (g) AS 43.50.330(a), as amended by sec. 17 of this Act, applies to the first monthly return submitted after the first full month after the effective date of sec. 17 of this Act.

  (h) AS 43.60.010(a), as amended by sec. 23 of this Act, and AS 43.60.010(c), as amended by sec. 24 of this Act, apply to alcoholic beverages sold on or after the effective date of secs. 23 and 24 of this Act.

  (i) AS 43.60.040(a), as amended by sec. 25 of this Act, applies to surety bonds on or after the effective date of sec. 25 of this Act.

  (j) AS 43.65.010(a), as amended by sec. 26 of this Act, applies to a mining operation that begins production on or after the effective date of sec. 26 of this Act.

  (k) AS 43.65.010(c), as amended by sec. 27 of this Act, applies to net income of the taxpayer from property in the state during a taxable year that begins on or after the effective date of sec. 27 of this Act.

  (l) AS 43.75.015(a) and 43.75.015(d), as amended by sec. 29 and 30 of this Act, apply to a fisheries resource processed on or after the effective date of secs. 29 and 30 of this Act.

  (m) AS 43.77.010, as amended by sec. 33 of this Act, applies to a fisheries resource landed in the state on or after the effective date of sec. 33 of this Act.

  * Sec. 39. The uncodified law of the State of Alaska is amended by adding a new section to read:

    TRANSITION: REGULATIONS. (a) The Alaska Commercial Fisheries Entry Commission, the Department of Fish and Game, the Department of Revenue, and the Department of Natural Resources may adopt regulations necessary to implement the changes made by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law implemented by the regulation.
1  * **Sec. 40.** Section 39 of this Act takes effect immediately under AS 01.10.070(c).

2  * **Sec. 41.** Except as provided in sec. 40 of this Act, this Act takes effect January 1, 2017.