

Kevin Meyer
Lieutenant Governor
State Capitol
Juneau, Alaska 99811
907.465.3520
WWW.LTGOV.ALASKA.GOV



530 West 7th Ave, Suite 1700
Anchorage, Alaska 99501
907.269.7460
LT.GOVERNOR@ALASKA.GOV

**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

M E M O R A N D U M

TO: Genevieve Wojtusik
Department of Revenue

FROM: April Simpson, Office of the Lieutenant Governor
465.4081

DATE: April 21, 2021

RE: Filed Permanent Regulations: Department of Revenue

Department of Revenue Regulation re: Commercial Passenger Vessel Excise Tax (15 AAC 52)

Attorney General File:	2020200550
Regulation Filed:	4/21/2021
Effective Date:	5/21/2021
Print:	238, July 2021

cc with enclosures: Harry Hale, Department of Law
Judy Herndon, LexisNexis
Susan Jakonis, Income and Excise Tax Specialist

ORDER ADOPTING CHANGES TO REGULATIONS OF THE DEPARTMENT OF
REVENUE

The attached page of regulations, dealing with transportation taxes, is adopted and certified to be a correct copy of the regulation changes that the Department of Revenue adopts under the authority of AS 43.05.080, and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Department of Revenue paid special attention to the cost to private persons of the regulatory action being taken.

The regulatory changes adopted under this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.

Date: _____

Lucinda Mahoney

Digitally signed by Lucinda
Mahoney
Date: 2021.01.30 08:30:04 -09'00'

Lucinda Mahoney, Revenue Commissioner

April Simpson, for
↑

FILING CERTIFICATION

I, Kevin Meyer, Lieutenant Governor for the State of Alaska, certify that on April 21,

²⁰²¹
~~2020~~, at 11:13 a.m., I filed the attached regulations according to the provisions of AS 44.62.040
– 44.62.120.

April Simpson

for Lieutenant Governor *Kevin Meyer*

Effective: May 21, 2021.

Register: 238, July 2021.

FOR DELEGATION OF THE LIEUTENANT GOVERNOR'S AUTHORITY

**I, KEVIN MEYER, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA,
designate the following state employees to perform the Administrative Procedures Act
filing functions of the Office of the Lieutenant Governor:**

**Josh Applebee, Chief of Staff
Kady Levale, Notary Administrator
April Simpson, Regulations and Initiatives Specialist**

**IN TESTIMONY WHEREOF, I have
signed and affixed the Seal of the State of
Alaska, in Juneau, on December 11th,
2018.**



A handwritten signature in blue ink, appearing to read "K. Meyer", is written over a horizontal dotted line.

**KEVIN MEYER
LIEUTENANT GOVERNOR**

Article 2 of 15 AAC 52 is amended by adding a new section to read:

under AS 43.52.255

15 AAC 52.255. Tax reduction for local levies. The rates for the tax reduction for local levies ^{are} shall be:

- ^{for the} (1) City and Borough of Juneau \$8.⁰⁰;
- ^{for the} (2) City of Ketchikan for docking at a city-owned or city-leased facility \$7.⁰⁰;
- ^{for the} (3) City of Ketchikan for docking at a privately-owned facility \$4.⁰⁰; and
- ^{for the} (4) City of Ketchikan for lightering passengers to facilities \$4.⁰⁰. (Eff.

← 5/21/2021, Register 238)

Authority: AS 43.05.080

AS 43.52.255

AS 43.52.240

MEMORANDUM

State of Alaska Department of Law

To: The Honorable Kevin Meyer
Lieutenant Governor

Date: April 15, 2021

File No.: 2020200550

Tel. No.: 465-3600

From: Susan R. Pollard
Chief Assistant Attorney General
and Regulations Attorney
Legislation and Regulations Section

DS
SRP

Re: Department of Revenue Regulation
re: 15 AAC 52: Department of
Revenue - Commercial Passenger
Vessel Excise

The Department of Law has reviewed the attached regulations of the Department of Revenue against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This memorandum constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations. The regulations concern the excise tax on travel aboard commercial passenger vessels. The state levies an excise tax on each passenger traveling on a commercial passenger vessel that meets certain qualifications. The amount of the tax is reduced by the total amount of a tax or fee on a passenger traveling on a commercial passenger vessel that is imposed and collected by a home rule or general law municipality. AS 43.52.255. The regulation clarifies that the excise tax may be reduced only by the total amount of a tax or fee on a passenger traveling on a commercial passenger vessel that is imposed and collected by a home rule of general municipality under the tax or fee rates enacted before December 17, 2007. In its supplemental notice, the Department presents that the regulation will not change how the tax is under AS 43.52.200 - 43.53.295 is collected and distributed to port communities and will not reduce the amount of tax or fees port communities can collect.

The regulations were adopted by the Department of after the close of the public comment period. The September 22, 2020 public notice and the January 30, 2021 adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

SRP:srp

cc: Hon. Lucinda Mahoney, Commissioner, Department of Revenue
Colleen Glover, Director, Tax Division, Department of Revenue
Nicole Reynolds, Deputy Director, Tax Division, Department of Revenue
Susan Jakonis, Income and Excise Tax Specialist, Department of Revenue
Jonathan Clement, Assistant Attorney General, Commercial and Fair Business Section

NOTICE OF PROPOSED CHANGES TO EXCISE TAX ON TRAVEL ABOARD
COMMERCIAL PASSENGER VESSELS IN THE REGULATIONS OF THE DEPARTMENT
OF REVENUE

The Alaska Department of Revenue (department) proposes to add regulations in Chapter 52 of Title 15 of the Alaska Administrative Code: 15 AAC 52, Transportation Taxes. The proposed regulations add language for the tax rates used in the tax reduction for local levies in effect as of December 17, 2007. Other minor changes or additions proposed by the public may also be considered by the department.

The Department of Revenue proposes to add regulations under 15 AAC 52, Transportation Taxes of the Alaska Administrative Code as follows:

The following is necessary:

15 AAC 52.255, Tax reduction for local levies, establishes tax rates and law in effect on December 17, 2007.

You may comment on the proposed regulation changes, including the costs to private persons of complying with the proposed changes, by submitting written comments to: Susan Jakonis, Income & Excise Tax Specialist, Alaska Department of Revenue, 550 W. 7th Ave., Ste. 500, Anchorage, AK 99501. Additionally, the Department of Revenue will accept comments by electronic mail to susan.jakonis@alaska.gov, or by facsimile at (907) 269-6644. **Comments must be received no later than 4:00 p.m., on Monday, October 26, 2020.**

You may submit written questions relevant to the proposed action to Susan Jakonis. The questions must be received at least 10 days before the end of the public comment period. The department will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and Tax Division website at (<http://www.tax.alaska.gov>).

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System, the Tax Division website, and by contacting Susan Jakonis.

After the public comment period ends on Monday, October 26, 2020, the department will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. **You should comment during the time allowed if your interests could be affected.** Written comments received are public records and are subject to public inspection.

Statutory Authority: AS 43.05.080.

Statutes Being Implemented, Interpreted, or Made Specific: AS 43.52.255.

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

The department keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the department's notices of proposed regulation changes. If you would like to be added or removed from the department's "Interested Parties" list server to receive email notification of any proposed action you may do so at <http://list.state.ak.us>. Simply scroll down to the links beginning with "tax-".

The department reserves the right to waive technical defects in this publication. Individuals with disabilities who may need auxiliary aides, services, or special modifications to participate in this process must contact the above address, email, or the TDD number (907) 269-8411 by **4:00 pm, Monday, October 19, 2020**.

September 22, 2020
Anchorage, Alaska



Colleen M. Glover
Director, Tax Division
(907) 269-1033

NOTICE OF PROPOSED CHANGES TO EXCISE TAX ON TRAVEL ABOARD
COMMERCIAL PASSENGER VESSELS IN THE REGULATIONS OF THE DEPARTMENT
OF REVENUE

BRIEF DESCRIPTION

The Department of Revenue proposes to change regulations on commercial passenger vessels taxes.

The Alaska Department of Revenue (department) proposes to add regulations in Chapter 52 of Title 15 of the Alaska Administrative Code: 15 AAC 52, Transportation Taxes. The proposed regulations add language for the tax rates used in the tax reduction for local levies in effect as of December 17, 2007. Other minor changes or additions proposed by the public may also be considered by the department.

The Department of Revenue proposes to add regulations under 15 AAC 52, Transportation Taxes of the Alaska Administrative Code as follows:

The following is necessary:

15 AAC 52.255, Tax reduction for local levies, establishes tax rates and law in effect on December 17, 2007.

You may comment on the proposed regulation changes, including the costs to private persons of complying with the proposed changes, by submitting written comments to: Susan Jakonis, Income & Excise Tax Specialist, Alaska Department of Revenue, 550 W. 7th Ave., Ste. 500, Anchorage, AK 99501. Additionally, the Department of Revenue will accept comments by electronic mail to susan.jakonis@alaska.gov, or by facsimile at (907) 269-6644. **Comments must be received no later than 4:00 p.m., on Monday, October 26, 2020.**

You may submit written questions relevant to the proposed action to Susan Jakonis. The questions must be received at least 10 days before the end of the public comment period. The department will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and Tax Division website at (<http://www.tax.alaska.gov>).

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System, the Tax Division website, and by contacting Susan Jakonis.

After the public comment period ends on Monday, October 26, 2020, the department will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. **You should comment during the time allowed if your interests could be affected.** Written comments received are public records and are subject to public inspection.

Statutory Authority: AS 43.05.080.

Statutes Being Implemented, Interpreted, or Made Specific: AS 43.52.255.

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

The department keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the department's notices of proposed regulation changes. If you would like to be added or removed from the department's "Interested Parties" list server to receive email notification of any proposed action you may do so at <http://list.state.ak.us>. Simply scroll down to the links beginning with "tax-".

The department reserves the right to waive technical defects in this publication. Individuals with disabilities who may need auxiliary aides, services, or special modifications to participate in this process must contact the above address, email, or the TDD number (907) 269-8411 by **4:00 pm, Monday, October 19, 2020**.

September 22, 2020
Anchorage, Alaska



Colleen M. Glover
Director, Tax Division
(907) 269-1033

Department of Revenue's Clarification Statement Regarding the Department's Notice of Proposed Changes to Excise Taxes on Travel Aboard Commercial Passenger Vessels dated September 24, 2020 for Proposed Changes to Department Regulations under 15 AAC 52, Transportation Taxes, and Extension to Public Comment Period.

The Department of Revenue has received several comments and questions regarding its Notice of Proposed Changes to Excise Taxes on Travel Aboard Commercial Passenger Vessels dated September 24, 2020 for Proposed Changes to Department Regulations under 15 AAC 52, Transportation Taxes. In light of the public's interest in this matter, the Department offers the below clarification statement and will also respond to each question separately.

The State of Alaska levies an excise tax of \$34.50 on each passenger traveling on a commercial passenger vessel that meets certain qualifications. AS 43.52.200 – 43.52.295. The amount of state tax imposed on a passenger (\$34.50), however, is reduced by the total amount of a tax or fee on a passenger traveling on a commercial passenger vessel that is imposed and collected by a home rule or general law municipality under a law enacted before December 17, 2007, as provided in AS 43.52.255. The City and Borough of Juneau and the City of Ketchikan are the only home rule or general law municipalities that had tax or fee laws enacted before December 17, 2007. Recently, the City of Ketchikan voted to increase its local levy for commercial passenger vessels mooring at a city or privately owned facility and for the lightering of passengers to those facilities, effective April 1, 2021. In light of this local levy increase, the Department determined that it was necessary to clarify through its proposed regulation that the state tax imposed under AS 43.52.200 – 43.52.295 may be reduced only by the total amount of a tax or fee on a passenger traveling on a commercial passenger vessel that is imposed and collected by a home rule or general law municipality under the tax or fee rates enacted before December 17, 2007. Thus, the passenger subject to the state tax imposed under AS 43.52.200 – 43.52.295 is liable for paying (1) the state tax of \$34.50 less the total amount of applicable local levies calculated using the pre-December 17, 2007 rates; and (2) the applicable local levies calculated using the current applicable local rates. What local levies apply to each passenger is based on whether the passenger visits the City and Borough of Juneau, the City of Ketchikan, both, or neither. The proposed regulation will not change how the tax imposed under AS 43.52.200 – 43.52.295 is collected and distributed to port communities and it will not reduce the amount of tax or fees port communities can collect.

The public comment period has been extended. You may comment on the proposed regulation changes, including the costs to private persons of complying with the proposed changes, by submitting written comments to: Susan Jakonis, Income & Excise Tax Specialist, Alaska Department of Revenue, 550 W. 7th Ave., Ste. 500, Anchorage, AK 99501. Additionally, the Department of Revenue will accept comments by electronic mail to susan.jakonis@alaska.gov, or by facsimile at (907) 269-6644. **Comments must be received no later than 4:00 p.m. on Thursday, November 12, 2020.**

ADDITIONAL REGULATION NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Department of Revenue
2. General subject of regulation: The tax reduction for local levies for commercial passenger vessels.
3. Citation of regulation (may be grouped): 15 AAC 52 section to be added: 255
4. Department of Law file number, if any: 2020200550
5. Reason for the proposed action:

☐ Compliance with federal law or action (identify): _____
☐ Compliance with new or changed state statute
☐ Compliance with federal or state court decision (identify): _____
☐ Development of program standards
☒ Other (identify): The proposed regulations add rates for the Juneau and Ketchikan tax reductions for local levies effective on December 17, 2007.
6. Appropriation/Allocation: Tax Division, Revenue Operations
7. Estimated annual cost to comply with the proposed action to:

A private person: \$0. The department does not expect additional costs to a private person.
Another state agency: \$0. The department does not expect additional costs to any other state agency.
A municipality: \$0. The department does not expect additional costs to a municipality.
8. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY <u>2021</u>	Subsequent Years
Operating Cost	\$ <u>0</u>	\$ <u>0</u>
Capital Cost	\$ <u>0</u>	\$ <u>0</u>
1002 Federal receipts	\$ <u>0</u>	\$ <u>0</u>
1003 General fund match	\$ <u>0</u>	\$ <u>0</u>
1004 General fund	\$ <u>0</u>	\$ <u>0</u>
1005 General fund/ program	\$ <u>0</u>	\$ <u>0</u>

Other (identify) \$ 0 \$ 0

9. The name of the contact person for the regulation:

Name: Susan Jakonis
Title: Income & Excise Tax Specialist
Address: 550 W. 7th Ave., Ste. 500, Anchorage, AK 99501
Telephone: (907) 269-0082
E-mail address: susan.jakonis@alaska.gov

10. The origin of the proposed action:

☒ Staff of state agency
☐ Federal government
☐ General public
☐ Petition for regulation change
☐ Other (identify): _____

DocuSigned by:

11. Date: 9/22/2020

Prepared by:



1AEDF76D835247F...

Susan M. Jakonis
Income & Excise Tax Specialist
Telephone: (907) 269-0082

ANCHORAGE DAILY NEWS

AFFIDAVIT OF PUBLICATION

Account #: 270235 ST OF AK/DEPT OF REVENUE/TAX IDIV
PO BOX 110420, JUNEAU, AK 99811

RECEIVED

OCT 01 2020

Tax Division
Department of Revenue
Juneau, Alaska

Order #: W0018034

Cost: \$413.38

STATE OF ALASKA
THIRD JUDICIAL DISTRICT

Lisi Misa being first duly sworn on oath deposes and says that she is a representative of the Anchorage Daily News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on

09/24/2020

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed

Subscribed and sworn to before me
this 28th day of September 2020.

Notary Public in and for
The State of Alaska.
Third Division
Anchorage, Alaska

NOTARY PUBLIC
JADA L. NOWLING
STATE OF ALASKA
MY COMMISSION EXPIRES JULY 14, 2024

MY COMMISSION EXPIRES

7/14/2024

NOTICE OF PROPOSED CHANGES TO EXCISE TAX ON TRAVEL ABOARD COMMERCIAL PASSENGER VESSELS IN THE REGULATIONS OF THE DEPARTMENT OF REVENUE

The Alaska Department of Revenue (department) proposes to add regulations in Chapter 52 of Title 15 of the Alaska Administrative Code: 15 AAC 52, Transportation Taxes. The proposed regulations add language for the tax rates used in the tax reduction for local levies in effect as of December 17, 2007. Other minor changes or additions proposed by the public may also be considered by the department.

The Department of Revenue proposes to add regulations under 15 AAC 52, Transportation Taxes of the Alaska Administrative Code as follows:

The following is necessary:

15 AAC 52.255, Tax reduction for local levies, establishes tax rates and law in effect on December 17, 2007.

You may comment on the proposed regulation changes, including the costs to private persons of complying with the proposed changes, by submitting written comments to: Susan Jakonis, Income & Excise Tax Specialist, Alaska Department of Revenue, 550 W. 7th Ave., Ste. 500, Anchorage, AK 99501. Additionally, the Department of Revenue will accept comments by electronic mail to susan.jakonis@alaska.gov, or by facsimile at (907) 269-6644. Comments must be received no later than 4:00 p.m., on Monday, October 26, 2020.

You may submit written questions relevant to the proposed action to Susan Jakonis. The questions must be received at least 10 days before the end of the public comment period. The department will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and Tax Division website at (<http://www.tax.alaska.gov>).

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System, the Tax Division website, and by contacting Susan Jakonis.

After the public comment period ends on Monday, October 26, 2020, the department will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. You should comment during the time allowed if your interests could be affected. Written comments received are public records and are subject to public inspection.

Statutory Authority: AS 43.05.080.

Statutes Being Implemented, Interpreted, or Made Specific: AS 43.52.255.

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

The department keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the department's notices of proposed regulation changes. If you would like to be added or removed from the department's "Interested Parties" list server to receive email notification of any proposed action you may do so at <http://list.state.ak.us>. Simply scroll down to the links beginning with "tax-".

The department reserves the right to waive technical defects in this publication. Individuals with disabilities who may need auxiliary aides, services, or special modifications to participate in this process must contact the above address, email, or the TDD number (907) 269-8411 by 4:00 pm, Monday, October 19, 2020.

September 22, 2020
Anchorage, Alaska

By: /s/ Colleen M. Glover
Director, Tax Division
(907) 269-1033

Published: September 24, 2020

AFFIDAVIT OF NOTICE OF PROPOSED REGULATION
AND FURNISHING OF ADDITIONAL INFORMATION

I, Susan Jakonis, Income and Excise Tax Specialist, of the Department of Revenue, under penalty of perjury, certify the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to Transportation Taxes has been given by being

- (1) published in a newspaper or trade publication;
- (2) furnished to every person who has filed a request for notice of proposed action with the state agency;
- (3) furnished to appropriate state officials;
- (4) furnished to interested persons;
- (5) furnished to the Department of Law, along with a copy of the proposed regulation;
- (6) furnished electronically to incumbent State of Alaska legislators;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1).

As required by AS 44.62.190, additional regulation notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (2), (4), and (6) of the list above. The additional regulation notice information also has been posted on the Alaska Online Public Notice System.

There is no notary public or other official empowered to administer oaths available to notarize this document as a result of social distancing requirements implemented statewide.

I certify under penalty of perjury that the foregoing is true.

Date: 11/13/2020

DocuSigned by:



1AEDF76D835247F...

Susan Jakonis, Income and Excise Tax Specialist

State of Alaska
Anchorage

AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

I, Susan Jakonis, Income and Excise Tax Specialist for the Department of Revenue, under penalty of perjury, state the following:

In compliance with AS 44.62.215, the Department of Revenue has kept a record of its use or rejection of factual or other substantive information that was submitted in writing as public comment and that was relevant to the accuracy, coverage, or other aspect of the Department of Revenue regulations on Transportation Taxes.

There is no notary public or other official empowered to administer oaths available to notarize this document as a result of social distancing requirements implemented statewide.

I certify under penalty of perjury that the foregoing is true.

Date: 11/13/2020

DocuSigned by:



1AEDF76D835247F...

Susan Jakonis, Income and Excise Tax Specialist

State of Alaska
Anchorage