

# Fund Source Report

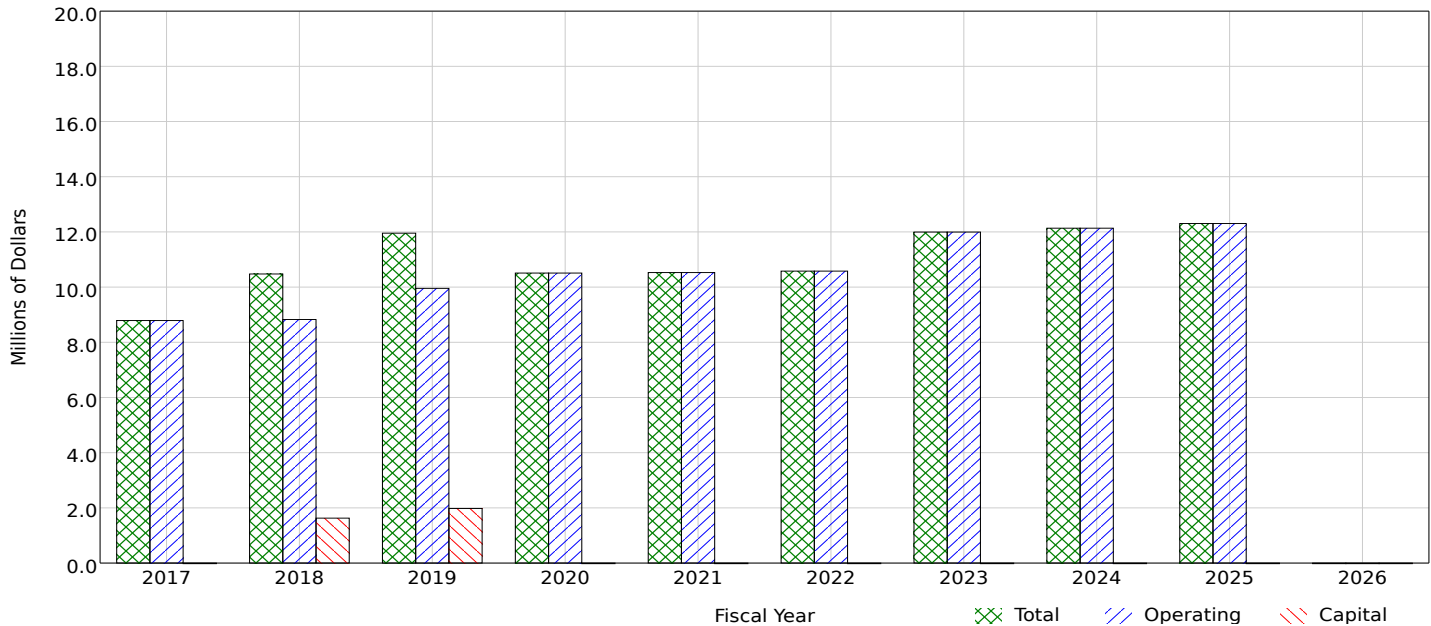
1200

VehRntlTax

Vehicle Rental Tax Receipts

Year Authorized 2006    Year Repealed    Active? Yes    Mental Health? No    Duplicated? No    Fund Group Designated General

## Operating and Capital Appropriations



### Legal Authority

AS 43.52.080

### Source of Revenue

Ten percent of the total fees and costs charged for the lease or rental of passenger vehicles, if the period does not exceed 90 days. The tax does not apply to governmental rentals. Authorized in Sec. 2, ch. 105, SLA 2003. Fund code created during FY07 budget cycle.

### Restrictions on Use

The proceeds of the tax shall be deposited in a subaccount of the general fund. The balance of the fund may be appropriated for tourism marketing and development.

### Description and History

Ch. 105, SLA 2003 established a 10% tax on charges for renting passenger vehicles for a period of less than 90 days. Proceeds were to be deposited in the Vehicle Rental Tax account and used for tourism development and marketing.

Appropriations are based on actual collections so are lagged two years. Until FY11, most appropriations went to the Qualified Trade Association contract (also known as the tourism marketing contract). After FY11, much of the money has been appropriated to DNR and DOT&PF.

July 2023

Since the Vehicle Rental Tax Account is not a fund, a fund balance is not maintained from year to year, whether it be positive or negative. The legislature may follow the statutory lag in spending, but the actual receipts are not retained from year to year.