

State of Alaska

Vehicle Rental Tax Quarterly Tax Return Instructions

WHO MUST FILE A VEHICLE RENTAL TAX QUARTERLY TAX RETURN AND DUE DATES

A person required to collect from the renter and remit to the department a vehicle rental tax imposed by AS 43.52 is required to file a Vehicle Rental Tax Quarterly Tax Return. The quarterly tax return is due to the State of Alaska Department of Revenue according to the schedule listed below:

<u>Calendar Quarter Ended</u>	<u>Due Date</u>
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

TAX RATES

AS 43.52.020 levies a tax of **10 percent** of the total fees and costs charged for the lease or rental of a **passenger vehicle**. AS 43.52.030 levies a tax of **3 percent** of the total fees and costs charged for the lease or rental of a **recreational vehicle**.

EXEMPTIONS

1. A lease or rental contract that contains a term **exceeding 90 consecutive days** is exempt from the vehicle rental tax. Lease extensions, renewals, and new or supplemental contracts may not be combined with previous contracts in determining whether a lease or rental contains a term exceeding 90 consecutive days.
2. The vehicle rental tax does not apply to leases or rentals for **official use to federal, state, or local government agencies** (AS 43.52.090). The rental agency must obtain a completed **Government Use Exemption Certificate** from the renter that specifies the nature of the exemption and contains a signed certification by the renter that the lease or rental is authorized by the government agency for official use. The rental agency has the option of using the State of Alaska's Government Use Exemption Certificate form or providing all of the information contained on the State's form as part of the rental agreement contract or as an addendum to the contract.
3. (a) Rental trucks with a gross vehicle weight rating greater than 8,500 pounds and used primarily for the transportation of personal property.
(b) A vehicle provided by an automobile dealer to a customer as replacement transportation during warranty, recall, or service contract repairs if the dealer does not receive compensation from the customer. The rental agency must obtain a completed **Other Usage Exemption Certificate** from the renter that specifies the nature of the exemption and contains a signed certification by the renter/customer.

WHERE TO FILE

DEPARTMENT OF REVENUE
TAX DIVISION
PO BOX 110420
JUNEAU AK 99811-0420

PAYMENT OF TAX

Tax payments can be made by Electronic Funds Transfer (EFT), wire transfer or check.

When a return payment is \$150,000 or greater, payment must be made by EFT or wire transfer, see 15 AAC 05.310.

ELECTRONIC FUNDS TRANSFER

Pay your taxes online electronically by using the Online Tax Information System (OTIS) Payment Center at www.tax.alaska.gov. OTIS accommodates Automated Clearing house (ACH) debit payments. OTIS does not accept ACH credit or credit card transactions. You must be registered in My Alaska to make your payment using OTIS.

You must be an existing taxpayer with the Tax Division to pay electronically using OTIS. If you are a first-time taxpayer, contact the Tax Division at 907-465-2320 or visit www.tax.alaska.gov for information.

If your bank account has a debit block, your online payment request will be rejected by your bank. Rejected payments may result in late payment penalties and/or interest. If you think your bank account has a debit block, contact your bank before making an online payment to register the State of Alaska as an authorized ACH debit originator. The company ID for the Alaska Department of Revenue is 0000902050.

WIRE TRANSFER

If you are paying by wire transfer, you are required to notify the State of Alaska, Treasury Division by 2:00 p.m. the business day prior of the wire transfer settlement date. Use fax number 907-465-4019 or email to cashmgmt@alaska.gov. The notice must include the taxpayer name, Employer Identification Number (EIN), tax type, tax year, total payment amount, settlement date and the state agency the funds are for. If the payment covers multiple tax types or tax years, specify the amount applicable to each.

PAYMENT BY CHECK

Make checks payable to the **State of Alaska**. Note that if your total payment exceeds \$150,000, you are required to pay by EFT or wire transfer.

Checks must be submitted with the appropriate return or payment voucher. Payment vouchers can be found on the OTIS Payment Center which must show name, address, tax year and EIN.

Mail check with return or payment voucher to:

ALASKA DEPARTMENT OF REVENUE
TAX DIVISION
PO BOX 110420
JUNEAU AK 99811-0420

PENALTIES

1. Late filing of a return. A person that does not file their return by the due date is subject to a failure to file penalty of 5% of the unpaid tax for each 30 day period or portion of a period the return is late, up to a maximum of 25%.
2. Late payment of tax. A person that does not pay the full amount of tax when due is subject to a failure to pay penalty of 5% of the unpaid tax for each 30 day period or portion of a period the payment is late, up to a maximum of 25%. If during any period or portion of a period, both the failure to file and failure to pay penalties are applicable, only the failure to file penalty is imposed.

ALASKA INTEREST RATES ON TAX DUE

Refer to interest rates posted at www.tax.alaska.gov.

LINE BY LINE INSTRUCTIONS

Line 1 - Enter gross fees and costs charged for lease or rental of passenger vehicles during the calendar quarter. See definitions of "fees and costs", "calendar quarter" and "passenger vehicle" found in the Definitions section of instructions.

Line 2 - Enter tax exempt fees and costs charged for the rental or lease of passenger vehicles during the calendar quarter. See Exemptions section of instructions for charges that should be included on this line.

Line 3 - Subtract Line 2 from Line 1 and enter results.

Line 4 - Multiply Line 3 by 10% or .10 and enter results.

Line 5 - Enter gross fees and costs charged for lease or rental of recreational vehicles during the calendar quarter. See definitions of "fees and costs", "calendar quarter" and "recreational vehicle" found in the Definitions section of the instructions.

Line 6 - Enter tax exempt fees and cost charged for the rental or lease of recreational vehicles during the calendar quarter. See Exemptions section of instructions for charges that should be included on this line.

Line 7 - Subtract Line 6 from Line 5 and enter results.

Line 8 - Multiply Line 7 by 3% or .03 and enter results.

Line 9 - Add Line 4 and Line 8 together and enter results.

Line 10 - If you are filing an amended return, enter the Vehicle Rental Tax paid when you filed the original return for the same calendar quarter. If you are not filing an amended return, enter zero on this line.

Line 11 - Subtract Line 10 from Line 9 and enter the results. If the results are positive, taxes are due to the Department. If the results are negative, you will receive a refund from the Department.

DEFINITIONS

Calendar Quarter means the period of three calendar months of the calendar year each beginning January 1, April 1, July 1, and October 1.

Commercial Vehicle means a motor vehicle or a combination of a motor vehicle and one or more other vehicles that are used to transport property or more than 14 passengers (including the driver), used on a land highway or vehicular way, weighs more than 26,000 pounds or transports hazardous materials.

Department means the Department of Revenue.

Emergency or Fire Equipment means equipment that is necessary to the preservation of life or property.

Farm Vehicle means a vehicle that is controlled and operated by a farmer, used to transport agricultural products, farm machinery, or farm supplies to or from that farmer's farm, not used in the operations of a common or contract motor carrier, and used within 150 miles of the farmer's farm.

Federal, State or Local Government Agency means domestic federal, state and local agencies, as well as foreign agencies exempt by federal law from the tax and which possess a tax exemption card issued by the United States Department of State.

Fees and Costs means all charges incurred by the renter for the lease or rental of a passenger or recreational vehicle without regard to billing practices, credit procedures, or bad debt and includes amounts paid to, or retained by, travel and other agents as a commission or fee for services related to the leasing or rental of a passenger or recreational vehicle. All charges incurred **do not include:**

- fees from the sales of automobile liability insurance, loss damage waiver insurance or personal accident insurance
- parking tickets
- sales or excise taxes
- payment for damages to the vehicle during the rental period
- concession fees paid to an airport
- separately itemized charges for pots, pans, linens, cellular telephones, child car seats, global positioning systems and other personal property
- cancellation fees
- certain adjustments made at the end of a contract for fuel, damage, towing fees and overdue penalties

Passenger Vehicle means a motor vehicle (self-propelled, but not by animal or human power) that is driven or moved on a highway or other public right-of-way in the state. Passenger vehicles do not include commercial vehicles, emergency or fire equipment, farm vehicles or recreational vehicles.

Recreational Vehicle means a motor vehicle or trailer for recreational dwelling purposes, a motor home or other vehicle with a motor home body style, a one-piece camper vehicle or any other self-propelled vehicle with living quarters.

Vehicle means a device in, upon, or by which a person or property may be transported or drawn upon or immediately over a highway or vehicular way or area. Vehicle does not include devices used exclusively upon stationary rails or tracks, mobile homes or watercraft.

NEED HELP?

These instructions are not regulations and are offered only for the convenience of the taxpayer in completing the form. The applicable regulation may be found at 15 AAC 52.010 - .990. If you have any questions regarding these filing requirements, please contact:

Department of Revenue, Tax Division
550 West 7th Ave Suite 500
Anchorage AK 99501
Phone: 907-269-6620
Fax: 907-269-6644