

**CS FOR HOUSE BILL NO. 252(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES COSTELLO, Lynn, Keller, Feige, Pruitt, Thomas, Tuck, Holmes, Peggy Wilson, Stoltze, Herron, Foster, Johnson, Gara, Olson

**A BILL****FOR AN ACT ENTITLED**1 "An Act exempting certain small businesses from the corporate income tax; and  
2 providing for an effective date."3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**4 \* **Section 1.** AS 43.20.012 is amended to read:5 **Sec. 43.20.012. Limitation on application of chapter; credits.** (a) The tax  
6 imposed by this chapter does not7 (1) apply to an individual;8 (2) apply to a fiduciary; or9 (3) for a tax year beginning after December 31, 2012, apply to an  
10 Alaska corporation that is a qualified small business and that meets the active  
11 business requirement in 26 U.S.C. 1202(e) as that subsection read on January 1,  
12 2012 [APPLY TO INDIVIDUALS OR TO FIDUCIARIES].13 (b) An [HOWEVER, AN] individual may file a return under this chapter in  
14 order to receive a tax credit under AS 43.20.013.

1       \* **Sec. 2.** AS 43.20.012 is amended by adding new subsections to read:

2               (c) For the purposes of (a)(3) of this section,

3                       (1) whether a corporation qualifies under (a)(3) of this section shall be  
4                       determined on the first day of the tax year for which the corporation claims it qualifies  
5                       under (a)(3) of this section;

6                       (2) all corporations that are members of the same parent-subsidiary  
7                       controlled group shall be treated as one corporation.

8               (d) In this section,

9                       (1) "Alaska corporation" means a corporation that has been  
10                       incorporated in the state or is authorized to do business in the state;

11                       (2) "parent-subsidiary controlled group" has the meaning given in 26  
12                       U.S.C. 1202 as that section read on January 1, 2012;

13                       (3) "qualified small business" has the meaning given in 26 U.S.C. 1202  
14                       as that section read on January 1, 2012, and does not include a construction,  
15                       transportation, utility, or fisheries business.

16       \* **Sec. 3.** AS 43.20.012 is repealed and reenacted to read:

17               **Sec. 43.20.012. Limitation on application of chapter; credits.** The tax  
18                       imposed by this chapter does not apply to individuals or to fiduciaries. However, an  
19                       individual may file a return under this chapter to receive a tax credit under  
20                       AS 43.20.013.

21       \* **Sec. 4.** Sections 1 and 2 of this Act take effect July 1, 2012.

22       \* **Sec. 5.** Section 3 of this Act takes effect July 1, 2023.