



Alaska State Legislature

Representative Matt Claman

HB 146 School Tax Bill

Sectional Analysis

<u>Section</u>	<u>Statute</u>	<u>Change</u>	<u>Purpose or Effect</u>
1	AS 43.23.092 PFD school tax payment	Amends	Adds the option for a PFD applicant to hold all or some of PFD to pay the proposed school tax
2	AS 43.45.011 School tax imposed; payment by dividend	Adds new chapter	Chapter 45. School Tax.
		Adds new section AS 43.45.011	<ul style="list-style-type: none"> a) Tax imposed on adjusted gross income (AGI) of: (1) residents and (2) non-residents with income from in-state source b) Lists tax liability for individuals based on tiered AGI levels c) Stipulates that <ul style="list-style-type: none"> (1) the AGI of <ul style="list-style-type: none"> (A) a resident is the total AGI of the resident (B) a nonresident or part-year resident is the amount attributable to a source in the state (2) the DOR shall assess the tax due on the AGI of <ul style="list-style-type: none"> (A) individuals, for individual returns (B) 2+ individuals for joint filing (including dependents) (C) individual, if return is not filed d) Tasks the DOR with adopting procedures to allow use of PFD to pay the school tax, including refunding amounts exceeding the tax e) Defines regulations for the tax payer

			<ul style="list-style-type: none"> f) The department shall adopt regulations: <ul style="list-style-type: none"> (1) Delinquent payment annual interest rate is 18% (2) Establish fee of up to \$2,500 for the cost of collecting delinquent tax (3) Allow for a 90-day extension past due date (at the DOR’s discretion) (4) Determine AGI subject to tax for joint filers if one of the filers is not a resident of the state g) Tax penalties shall be deposited into the general fund h) “adjusted gross income” has the meaning given in 26 U.S.C. 62
3	Uncodified Law	Amended	REGULATIONS. DOR may adopt regulations to implement section 2
4	Effective Date		Section 3 – Immediately
5	Effective Date		All other sections – Jan 1 2018