

ALASKA STATE LEGISLATURE

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HB 115: Education Funding Act Summary of Changes Version E to Version K

Title – The title has been amended to reflect the change to the Education Funding Act and the removal of sections referring to the restructure of the permanent fund.

Section 1 – The short title has been amended to the “Education Funding Act”.

New Section 2 – Adds legislative intent language to uncodified law, stating the amount of income that will be exempt for an individual under this act.

DELETED Sections 2- 9 – Sections 2 – 9 of the original bill related to the restructuring of the permanent fund into a percent of market value payout and have been deleted from the bill.

Section 3 – This section, allowing an exemption from the requirement to file a tax return electronically, was previously included in the bill. It has been amended to reference AS 43.22.075(i), which is now the section of statute which exempts individuals from the electronic filing requirement.

Section 4 – Section 4 institutes an individual income tax based on adjusted gross income. The subsections of this chapter have been modified to reflect this change in tax base and have been expanded to include certain administrative authorities. More detail is available in the sectional analysis. This replaces section 11 of the original bill, which created an income tax based on federal tax liability.

Section 5 – AS 43.23 is amended by adding a new section which directs the Permanent Fund Division in the Department of Revenue to create a place on the PFD application where an applicant may apply some or all of their PFD to their upcoming state income tax due. This was previously section 12 of the original bill.

Section 6 – AS 37.13.145(c), inflation proofing of the permanent fund, is no longer being repealed by this bill.

The effective date sections of this bill have been renumbered accordingly. Effective dates related to change to the permanent fund have been deleted.

Section 10 – The effective date of this act has been changed to January 1, 2019 (from January 1, 2018).