

AMENDMENT #1

OFFERED IN THE HOUSE

BY REPRESENTATIVE

Schrage
Stapp

TO: CSHB 280(FIN), Draft Version "I"

1 Page 1, line 2, following "state":

2 Insert ", including the apportionment of income of financial institutions"

3

4 Page 20, following line 26:

5 Insert a new bill section to read:

6 "* Sec. 2. AS 43.20 is amended by adding a new section to article 2 to read:

7 **Sec. 43.20.147. Financial institutions.** The department shall adopt regulations
8 that require a taxpayer that is a financial institution to allocate and apportion income in
9 accordance with, and that define "financial institution" in accordance with, the
10 Formula for the Apportionment and Allocation of Net Income of Financial
11 Institutions, as adopted by the Multistate Tax Commission on November 17, 1994,
12 and as amended July 29, 2015."

13

14 Renumber the following bill sections accordingly.

15

16 Page 20, line 29:

17 Delete "AS 43.19.010, as amended by sec. 1 of this Act,"

18 Insert "This Act"

AMENDMENT #2

OFFERED IN THE HOUSE

BY REPRESENTATIVE

Schrage
Stapp

TO: CSHB 280(FIN), Draft Version "I"

1 Page 1, line 2, following "state":

2 Insert ", including the apportionment of income of telecommunications service
3 providers"

4

5 Page 20, following line 26:

6 Insert a new bill section to read:

7 **** Sec. 2.** AS 43.20 is amended by adding a new section to article 2 to read:

8 **Sec. 43.20.147. Telecommunications service providers.** (a) All business
9 income of a taxpayer that is a telecommunications service provider shall be
10 apportioned to this state in accordance with AS 43.19 (Multistate Tax Compact) as
11 modified by this section.

12 (b) For the purposes of calculating the sales factor for a telecommunications
13 service provider, sales of the telecommunications service provider, other than sales of
14 tangible personal property described in art. IV, sec. 16 of AS 43.19 (Multistate Tax
15 Compact), are in this state if

16 (1) the income-producing activity is performed in this state; or

17 (2) the income-producing activity is performed both in and outside of
18 this state and a greater portion of the income-producing activity is performed in this
19 state than in any other state based on costs of performance.

20 (c) In this section, "telecommunications service provider" includes a mobile
21 telecommunications service provider."

22

23 Renumber the following bill sections accordingly.

1

2 Page 20, line 29:

3 Delete "AS 43.19.010, as amended by sec. 1 of this Act,"

4 Insert "This Act"

#3

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE

HANNAN

TO: CSHB 280(FIN), Draft Version "I"

1 Page 1, line 2, following "state":

2 Insert ", **including the apportionment of income of broadcasters**"

3

4 Page 20, following line 26:

5 Insert a new bill section to read:

6 **** Sec. 2.** AS 43.20 is amended by adding a new section to article 2 to read:

7 **Sec. 43.20.147. Broadcasters.** (a) All business income of a taxpayer that is a
8 broadcaster shall be apportioned to this state in accordance with AS 43.19 (Multistate
9 Tax Compact) as modified by this section.

10 (b) For the purposes of calculating the sales factor for a broadcaster, income
11 from the sale of advertising or licensing fees that arises from the broadcast or
12 distribution of film programming are in this state if the domicile of the broadcast
13 customer is in the state. The domicile of a commercial broadcast customer is the
14 principal place from which the trade or business of the customer is directed or
15 managed. The domicile of a noncommercial broadcast customer is the address of the
16 customer listed in the records of the broadcaster.

17 (c) In this section,

18 (1) "broadcaster" means a taxpayer that is a television broadcast
19 network, a cable program network, or a platform distribution company;

20 (2) "income from the sale of advertising" means income resulting from
21 the sale of advertising content in the film programming of the broadcaster."
22

23 Renumber the following bill sections accordingly.

1

2 Page 20, line 29:

3 Delete "AS 43.19.010, as amended by sec. 1 of this Act,"

4 Insert "This Act"