



# ALASKA STATE LEGISLATURE HOUSE RULES COMMITTEE

## Explanation of Changes Corporate Income Tax Modernization House CS(HFIN) for House Bill 280 Version 34-LS1349\A to Version 34-LS1349\G

### Title Change (Page 1, Lines 1-3)

- Removes “highly digitized business” from the title, since this is no longer in the bill
- Adds apportionment for the income of broadcasters, financial institutions, and telecommunications providers.

Removed from version G is Section 2 through Section 7 of the bill found in version \A (Page 20, Line 28-Page 24, Line 21). This removes the highly digitized portion of the bill.

### New Section 2 is amended by adding new sections to article 2 (Page 20, Line 28 – Page 22, Line 1)

- Sec. 43.20.147 BROADCASTERS (Page 20, Line 28 – Page 21, Line 12) Modifies apportionment calculations and provides definitions for “broadcasters” in this section.
- Sec. 43.20.148 FINANCIAL INSTITUTIONS (Page 21, Lines 13-18) Allows the Department to adopt regulations for the allocation and apportionment of income and definitions for “financial institutions” in accordance with formulas as adopted by the Multistate Tax Compact.
- Sec. 43.20.149 TELECOMMUNICATIONS SERVICE PROVIDERS (Page 21, Line 19 - Page 22, Line 1) Modifies the Multistate Tax Compact for telecommunication service providers that defines when sales of services are in the state.

Section 3 APPLICABILITY (Page 22, Lines 2-5) changes applicability for when this for taxpayers from 2026, to returns filed for tax year 2027, and beyond.

Section 4 – EFFECTIVE DATE (Page 22, Line 6) Changes the effective date from 2026 to 2027.