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Bullard
4/19/14

HOUSE CS FOR CS FOR SENATE BILL NO. 71(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR MICCICHE

REPRESENTATIVES Tarr, Gara

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the fishery resource landing tax; and providing for an effective
2 date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 43.77.020(b) is amended to read:

5 (b) The return shall be made on the basis of the calendar year. The return
6 [AND] is due on the last day of the month following the month that the
7 department posts the statewide average fish price calculated by the Department
8 of Fish and Game for [BEFORE APRIL 1 AFTER THE CLOSE OF] the calendar
9 year for which the return is made, and any unpaid tax shall be paid with the return.

10 * **Sec. 2.** AS 43.77.020(d) is amended to read:

11 (d) A person subject to the tax under this chapter shall make quarterly
12 payments of the tax estimated to be due for the year, as required under (e) of this
13 section [REGULATIONS ADOPTED BY THE DEPARTMENT]. A taxpayer will be
14 subject to an estimated tax penalty, determined by applying the interest rate specified
15 in AS 43.05.225 to the underpayment for each quarter, unless the taxpayer makes

1 estimated tax payments as required under (e) of this section [IN EQUAL
2 INSTALLMENTS THAT TOTAL EITHER

3 (1) AT LEAST 90 PERCENT OF THE TAXPAYER'S TAX
4 LIABILITY UNDER THIS CHAPTER FOR THE TAX YEAR; OR

5 (2) AT LEAST 100 PERCENT OF THE TAXPAYER'S TAX
6 LIABILITY UNDER THIS CHAPTER FOR THE PRIOR TAX YEAR].

7 * **Sec. 3.** AS 43.77.020 is amended by adding new subsections to read:

8 (e) A person subject to tax under this chapter shall make estimated quarterly
9 tax payments on or before March 31, June 30, September 30, and December 31 of
10 each year using one of the following methods:

11 (1) four equal installments the sum of which is at least equal to the
12 taxpayer's tax liability under this chapter for the immediately preceding calendar year;

13 (2) four equal installments the sum of which equals at least 90 percent
14 of the taxpayer's tax liability under this chapter for the current calendar year; or

15 (3) four installments, calculated in each quarter, equal to 90 percent of
16 the sum of the number of pounds of unprocessed fish of each species landed in the
17 state during the quarter that are subject to tax under this chapter, multiplied by the
18 respective statewide average price for each species posted by the department in the
19 immediately preceding calendar year, multiplied by the applicable tax rate under this
20 chapter.

21 (f) By March 31 of each year, a taxpayer electing to use the method under
22 (e)(3) of this section shall notify the department of the election. Once the election is
23 made, the taxpayer may not change the estimated payment method until the following
24 calendar year. If a taxpayer does not notify the department of an election to use the
25 method under (e)(3) of this section, the department shall calculate the taxpayer's
26 estimated liability under (e)(1) and (2) of this section, and apply the estimated
27 payment method that results in the lowest tax liability to determine the taxpayer's
28 underpayment and estimated tax penalty.

29 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
30 read:

31 **TRANSITION AND IMPLEMENTATION.** For the 2014 calendar year, a taxpayer

1 may make estimated quarterly tax payments under AS 43.77.020, and the regulations adopted
2 to implement that section, as they read on December 31, 2013, or under AS 43.77.020, as
3 amended by secs. 1 - 3 of this Act. A taxpayer may not make estimated tax payments for the
4 2014 calendar year under AS 43.77.020(e)(3), added by sec. 3 of this Act, unless the taxpayer
5 notifies the department before January 1, 2015, of the taxpayer's intent to make payments
6 under that paragraph.

7 * **Sec. 5.** The uncoded law of the State of Alaska is amended by adding a new section to
8 read:

9 **RETROACTIVITY.** Sections 1 - 3 of this Act are retroactive to January 1, 2014.

10 * **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).