

Amendments to HB 115

Attached is the amendment packet for HB 115.

Separately you will find a document labeled HB 115 Explanation for amendments by Representative Seaton. This includes a detailed description of each of the amendments submitted by Representative Seaton. Many are technical language amendments.

AMENDMENT # 1

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

1	Page 8, lines 6 - 17:	
2	Delete all material and insert:	
3	"If the taxable income is	Then the tax is
4	Less than \$20,600	\$0
5	\$20,600 but less than \$100,000	2.5 percent of the amount in
6		excess of \$20,600
7	\$100,000 but less than \$200,000	\$1,985 plus 4 percent of the amount in
8		excess of \$100,000
9	\$200,000 but less than \$400,000	\$5,985 plus 5 percent of the amount in
10		excess of \$200,000
11	\$400,000 but less than \$500,000	\$15,985 plus 6 percent of the amount
12		in excess of \$400,000
13	\$500,000 or more	\$21,985 plus 7 percent of the amount
14		in excess of \$500,000."

AMENDMENT #2

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

1 Page 21, lines 22 - 24:

2 Delete "Regulations adopted under this section shall require a person paying an
3 independent contractor to withhold a portion of the amount paid to the independent
4 contractor."

AMENDMENT #3

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

1 Page 23, following line 28:

2 Insert a new section to read:

3 "Sec. 43.22.100. Information released to a banking institution.

4 Notwithstanding AS 43.05.230, information on an individual income tax return may
5 be released to a banking institution to verify the direct deposit of an income tax refund
6 or correct an error in that deposit."

AMENDMENT #4

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

- 1 Page 7, line 6:
2 Delete "**AS 43.22.070(h)**"
3 Insert "**AS 43.22.075(h)**"
4
5 Page 9, line 26:
6 Delete "until"
7 Insert "even if"
8
9 Page 12, line 27:
10 Delete "or shareholder's distributive"
11 Insert "distributive or shareholder's pro rata"
12
13 Page 12, line 28:
14 Delete "distributive"
15
16 Page 18, line 10, following "**state.**":
17 Insert "(a)"
18
19 Page 18, line 16, following "**AS 43.22.030.**":
20 Insert "(b) The department shall adopt regulations governing the amount of income or
21 a gain, loss, or deduction that is derived from or connected with a source in the state and is
22 included in a nonresident
23 (1) partner's distributive share for purposes of taxation under this chapter;

(2) shareholder's pro-rata share of an S corporation for purposes of taxation under this chapter.

(c)"

Page 19, following line 16:

Insert a new section to read:

"Sec. 43.22.065. Personal service and S corporations formed or used to avoid or evade income tax. (a) The department may allocate all income, deductions, credits, exclusions, and other allowances between a personal service or S corporation and its employee-owners if the

(1) personal service or S corporation performs substantially all of its services for or on behalf of another corporation, partnership, or other entity and the effect is the avoidance or evasion of income tax; and

(2) allocation is necessary to reflect the source and amount of the income, regardless of whether the corporation is otherwise taxable.

(b) For purposes of this section, avoidance or evasion of income tax occurs when a personal service or S corporation is used to

(1) reduce the taxable income of a resident or the taxable income of a nonresident derived from or connected with a source in the state; or

(2) secure the benefit of an expense, deduction, credit, exclusion, or other allowance for any employee-owner that would not otherwise apply under this chapter.

(c) The constructive ownership of stock rules under 26 U.S.C. 318 (Internal Revenue Code) apply to this section, except that "5 percent" shall be substituted for "50 percent" in 26 U.S.C. 318(a)(2)(C) (Internal Revenue Code).

(d) In this section, all persons specified in 26 U.S.C. 267(b) (Internal Revenue Code) shall be treated as one entity.

(e) In this section,

(1) "employee-owner" means any employee who owns, on any day during the taxable year, more than 10 percent of the outstanding stock of the personal service or S corporation;

(2) "personal service" means a corporation whose principal activity is the performance of personal services that are substantially performed by the employee-owners of the corporation."

Page 19, line 17:

Delete "43.22.065"

Insert "43.22.070"

Page 19, line 26:

Delete "43.22.070"

Insert "43.22.075"

Page 20, line 30:

Delete "43.22.075"

Insert "43.22.080"

Page 21, line 25:

Delete "43.22.080"

Insert "43.22.085"

Page 22, following line 4:

Insert a new subsection to read:

"(c) The department shall adopt regulations that allow a partnership subject to withholding under this section to file a composite return."

Page 22, line 5:

Delete "43.22.085"

Insert "43.22.090"

Page 22, line 15:

Delete "43.22.090"

1 Insert **"43.22.095"**

2

3 Page 23, line 18:

4 Delete **"43.22.095"**

5 Insert **"43.22.100"**

6

7 Page 29, line 8:

8 Delete **"AS 43.22.085"**

9 Insert **"AS 43.22.090"**

AMENDMENT #5

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

- 1 Page 7, line 6:
2 Delete "**AS 43.22.070(h)**"
3 Insert "**AS 43.22.070(i)**"
4
5 Page 19, lines 26 - 27:
6 Delete "A person required to pay tax under this chapter"
7 Insert "A taxpayer"
8
9 Page 19, following line 30:
10 Insert a new subsection to read:
11 "(b) The department shall determine and publish the federal adjusted gross
12 income below which an individual is not required to file a tax return under this
13 section."
14
15 Reletter the following subsections accordingly.

AMENDMENT #6

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

1 Page 11, following line 14:

2 Insert new subparagraphs to read:

3 "(B) a loss on the sale or exchange of an obligation issued by or
4 on behalf of

5 (i) the state;

6 (ii) a municipality of the state; or

7 (iii) a public instrumentality, public authority, or public
8 corporation created under state law;

9 (C) a loss from the sale or exchange of shares in a unit
10 investment trust if the loss is attributable to an obligation issued by or on
11 behalf of

12 (i) the state;

13 (ii) a municipality of the state; or

14 (iii) a public instrumentality, public authority, or public
15 corporation created under state law;"

16

17 Reletter the following subparagraphs accordingly.

18

19 Page 12, following line 6:

20 Insert a new subparagraph to read:

21 "(G) a gain from the sale or exchange of an obligation issued
22 by or on behalf of

23 (i) the state;

- 1 (ii) a municipality of the state; or
- 2 (iii) a public instrumentality, public authority, or public
- 3 corporation created under state law;"
- 4

5 Reletter the following subparagraphs accordingly.

6

7 Page 23, line 14:

8 Delete "AS 43.22.030(a)(2)(H)"

9 Insert "AS 43.22.030(a)(2)(I)"

AMENDMENT #7

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

- 1 Page 7, line 18, following the second occurrence of "income":
2 Insert "of a"
3
4 Page 7, lines 19 - 21:
5 Delete all material and insert:
6 "(1) resident;
7 (2) nonresident that is derived from or connected with a source in the
8 state."
9
10 Page 8, line 31:
11 Delete "allocation under"
12 Insert "the calculation"
13
14 Page 9, line 1:
15 Delete "Allocation of individual income"
16 Insert "Calculation of tax on a nonresident individual"
17
18 Page 9, line 5:
19 Delete "taxable income"
20 Insert "income taxable under AS 43.22.045"
21
22 Page 9, line 9:
23 Delete "taxable income"

1 Insert "income taxable under AS 43.22.045"

2

3 Page 11, line 23, following the first occurrence of "is":

4 Insert "directly or indirectly"

5

6 Page 11, line 30, following "is":

7 Insert "directly or indirectly"

8

9 Page 11, line 31:

10 Delete "a"

11 Insert "the"

12

13 Page 12, line 10, following "individual":

14 Insert "; a trust may not claim an exemption under this section"

15

16 Page 15, line 22, through page 16, line 28:

17 Delete all material and insert:

18 "(7) compensation, salary, or wages for personal services rendered or
19 performed in the state that are derived from a business, trade, profession, occupation,
20 or employment carried on in the state; for purposes of this paragraph, personal
21 services

22 (A) except as otherwise provided in (B) of this paragraph,
23 include services performed

24 (i) in connection with presenting or receiving
25 employment-related training or education in the state;

26 (ii) in connection with a site inspection, review,
27 analysis, or management or any other supervision of a facility located
28 in the state;

29 (iii) in connection with research and development at a
30 facility located in the state or in connection with the installation of new
31 or upgraded equipment or systems at that facility;

(iv) as part of a project team working on the attraction or implementation of new investment in a facility located or planned to be located in the state;

(v) in connection with fishing, farming, or agriculture in the state; or

(vi) for the federal government;

(B) do not include services that are causal, isolated, inconsequential, or ancillary to out-of-state services;

(8) income derived from a business, trade, profession, occupation, or employment carried on in the state, including income

(A) received under a covenant not to compete, a severance agreement, a termination agreement, or unemployment compensation insurance attributable to a business, trade, profession, occupation, or employment previously carried on in the state, regardless of when received;

(B) derived from a business, trade, profession, occupation, or employment carried on in the state by an individual who maintains or operates an office, shop, store, warehouse, boat, plane, factory, agency, or other place where the individual's affairs are systematically and regularly carried on, regardless of other transactions carried on outside the state; this subparagraph does not include income from an activity of an individual whose presence in the state is casual, isolated, inconsequential, or ancillary to out-of-state activities, except that, if a business, trade, profession, occupation, or employment is carried on partly in and partly outside the state, other than for the rendering of purely personal services by the individual, the taxable income derived from or connected with a source in the state is determined under AS 43.19 (Multistate Tax Compact) and AS 43.22.030;"

Renumber the following paragraphs accordingly.

AMENDMENT #8

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

1 Page 22, following line 4:

2 Insert a new subsection to read:

3 "(c) Withholding under this section is not required by a partnership that

4 (1) is a publicly traded partnership, as defined in 26 U.S.C. 7704(b)

5 (Internal Revenue Code); and

6 (2) files with the department an annual information return reporting the

7 name, address, taxpayer identification number, and other information requested by the

8 department concerning each unitholder whose distributive share of partnership

9 income, regardless of source, is more than \$1,000."

AMENDMENT #9

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

1 Page 12, lines 24 - 27:

2 Delete "An individual that, during the taxable year, has income from a partnership or S
3 corporation or a gain, loss, or deduction from a partnership or S corporation shall make an
4 adjustment to taxable income described in AS 43.22.030 in proportion to the partner's or
5 shareholder's distributive share of the adjustment."

6 Insert "A partner or shareholder shall make an adjustment described in AS 43.22.030
7 to an item of income, gain, loss, or deduction from a partnership or S corporation in
8 proportion to a partner's distributive share of a partnership or a shareholder's pro rata share of
9 an S corporation."

10

11 Page 13, lines 1 - 2:

12 Delete "income from a partnership or S corporation or a"

13 Insert "an item of income,"

14

15 Page 13, line 4:

16 Delete "income from a partnership or S corporation or a"

17 Insert "an item of income,"

18

19 Page 13, line 6:

20 Delete "income or"

21 Insert "item of income,"

22

23 Page 13, lines 10 - 11:

- 1 Delete "partnership income or a partnership"
2 Insert "an item of partnership income,"
3
4 Page 13, line 14:
5 Delete "partnership income or a partnership"
6 Insert "an item of partnership income,"
7
8 Page 13, line 28:
9 Delete "income or a gain or loss"
10 Insert "an item of income, gain, loss, or deduction"
11
12 Page 14, line 5:
13 Delete "partnership income or a"
14 Insert "an item of income,"
15
16 Page 14, line 7:
17 Delete "net"
18
19 Page 14, line 15:
20 Delete "income or a"
21 Insert "an item of income,"
22
23 Page 14, line 18:
24 Delete "income or"
25 Insert "item of income,"
26
27 Page 14, line 20:
28 Delete "income or"
29 Insert "item of income,"
30
31 Page 14, line 22:

1 Delete "income or"

2 Insert "item of income,"

3

4 Page 14, line 24:

5 Delete "income or"

6 Insert "item of income,"

7

8 Page 14, line 26:

9 Delete "income or a"

10 Insert "an item of income,"

11

12 Page 15, line 1:

13 Delete "income or a"

14 Insert "an item of income,"

15

16 Page 15, line 2:

17 Delete "income or a"

18 Insert "an item of income,"

19

20 Page 15, line 13:

21 Delete "income or a"

22 Insert "an item of income,"

23

24 Page 18, line 11:

25 Delete "income or a"

26 Insert "an item of income,"

27

28 Page 18, line 17:

29 Delete "income or a"

30 Insert "an item of income,"

31

1 Page 18, line 20:

2 Delete "the income or a gain"

3 Insert "an item of income, gain,"

4

5 Page 18, line 21, following "is":

6 Insert "included in"

7

8 Page 18, line 26, following the first occurrence of "the":

9 Insert "item of"

10

11 Page 18, lines 28 - 29:

12 Delete "the income or a gain or loss"

13 Insert "whether an item of income, gain, or loss is"

14

15 Page 21, line 29:

16 Delete the first occurrence of "or"

17 Insert ", "

18

19 Page 22, line 2:

20 Delete the first occurrence of "or"

21 Insert ", "

AMENDMENT #10

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

1 Page 19, line 31, following "(b)":

2 Insert "A person required to file a return under this chapter shall file the return on a
3 form or in a format prescribed by the department. The return is due to the department at the
4 same time and in the same manner, including extensions, as the taxpayer's federal income tax
5 return to the United States Internal Revenue Service."
6

7 Page 20, line 27:

8 Delete "A taxpayer"
9 Insert "An individual"
10

11 Page 20, line 29:

12 Delete "taxpayers"
13 Insert "individuals"
14

15 Page 20, following line 29:

16 Insert a new subsection to read:

17 "(i) The department shall adopt regulations that set out requirements for a spouse,
18 upon request, to be partially or fully relieved from joint and several liability resulting from the
19 joint filing of a tax return."
20

21 Page 23, following line 22:

22 "(b) Sections 26 U.S.C. 6654, 6662, 6664, 6694, 6695, 6700 - 6702, 6707, 6713,
23 7201, 7202, 7206, 7207, 7216, 7407, and 7408 (Internal Revenue Code), as those sections

1 read on January 1, 2017, are adopted by reference as a part of this chapter."
2

3 Reletter the following subsection accordingly.
4

5 Page 23, line 24, following "(a)":

6 Insert "and (b)"

AMENDMENT # 11

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

1 Page 11, line 21:

2 Delete "and"

3

4 Page 11, line 24, following "chapter;":

5 Insert "and

6 (F) income of an incomplete gift nongrantor trust to which a
7 taxpayer transferred property, less deductions of the trust, if

8 (i) the income and deductions of the trust would be
9 taken into account in computing the taxpayer's federal taxable income
10 if the trust in its entirety was treated as a grantor trust under the Internal
11 Revenue Code;

12 (ii) the trust is a resident trust;

13 (iii) the trust does not qualify as a grantor trust under 26
14 U.S.C. 671 - 679 (Internal Revenue Code); and

15 (iv) the grantor's transfer of assets to the trust is treated
16 as an incomplete gift under 26 U.S.C. 2511 (Internal Revenue Code);"

AMENDMENT #12

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

- 1 Page 26, line 18, following "law;":
- 2 Insert "or"
- 3
- 4 Page 26, line 27, through page 27, line 4:
- 5 Delete all material.

AMENDMENT # 13

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

- 1 Page 9, following line 27:
- 2 Insert a new subsection to read:
- 3 "(d) A trust that is a qualified trust under 26 U.S.C. 401(a) (Internal Revenue
- 4 Code) and is exempt from taxation under 26 U.S.C. 501(a) (Internal Revenue Code) is
- 5 not subject to tax under this chapter."

AMENDMENT #14

OFFERED IN THE HOUSE

BY REPRESENTATIVE ORTIZ

TO: CSHB 115(FIN), Draft Version "L"

1 Page 12, line 7:

2 Delete "and"

3

4 Page 12, line 10, following the second occurrence of "individual":

5 Insert "; and

6 (I) 50 percent of municipal property taxes paid in the taxable
7 year on the residence in the state of an individual; the deduction under this
8 subparagraph may not be taken for more than one residence for each tax
9 return"

AMENDMENT #15

OFFERED IN THE HOUSE

BY REPRESENTATIVE ORTIZ

TO: CSHB 115(FIN), Draft Version "L"

1 Page 12, line 7:

2 Delete "and"

3

4 Page 12, line 10, following the second occurrence of "individual":

5 Insert "; and

6

7

8

9

(I) ³³~~50~~ percent of municipal property taxes paid in the taxable
year on the residence in the state of an individual; the deduction under this
subparagraph may not be taken for more than one residence for each tax
return"

AMENDMENT #16

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: CSHB 115(FIN), Draft Version "L"

1 Page 1, following line 12:

2 Insert a new bill section to read:

3 "* Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 LEGISLATIVE INTENT. It is the intent of the legislature that, under this Act,

6 (1) income up to \$14,300 for an individual will not be subject to income tax
7 under AS 43.22;

8 (2) income up to \$28,600 for two individuals filing jointly who do not have
9 dependents will not be subject to the income tax under AS 43.22;

10 (3) an individual, or two individuals filing jointly, will receive an additional
11 \$4,000 deduction for each dependent, resulting in an increase in the amounts stated in (1) and
12 (2) of this section of \$4,000 for each dependent;

13 (4) in addition to the deductions described in this section, the permanent fund
14 dividend will not be subject to the income tax under AS 43.22."

15

16 Renumber the following bill sections accordingly.

17

18 Page 4, line 27:

19 Delete "sec. 8"

20 Insert "sec. 9"

21

22 Page 6, line 13:

23 Delete "sec. 12"

1 Insert "sec. 13"

2

3 Page 29, line 27:

4 Delete "sec. 17"

5 Insert "sec. 18"

6

7 Page 29, line 28:

8 Delete "sec. 17"

9 Insert "sec. 18"

10

11 Page 30, line 10:

12 Delete "sec. 24" in both places

13 Insert "sec. 25" in both places

14

15 Page 30, line 12:

16 Delete "24, 26, and 27"

17 Insert "25, 27, and 28"

18

19 Page 30, line 14:

20 Delete "Sections 2 and 3"

21 Insert "Sections 3 and 4"

22

23 Page 30, line 15:

24 Delete "Sections 16, 17, 20, 22, and 25"

25 Insert "Sections 2, 17, 18, 21, 23, and 26"

26

27 Page 30, line 16:

28 Delete "Section 9"

29 Insert "Section 10"

30

31 Page 30, line 17:

- 1 Delete "Section 13"
- 2 Insert "Section 14"
- 3
- 4 Page 30, line 18:
- 5 Delete "secs. 28 - 32"
- 6 Insert "secs. 29 - 33"

AMENDMENT #17

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: CSHB 115(FIN), Draft Version "L"

- 1 Page 13, following line 26:
- 2 Insert a new subsection to read:
- 3 "(b) For purposes of this section, the department shall treat the undistributed
- 4 and distributed income of a trust as income."
- 5
- 6 Reletter the following subsection accordingly.

AMENDMENT

#18

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: CSHB 115(FIN), Draft Version "L"

1 Page 9, following line 27:

2 Insert a new subsection to read:

3 "(d) A special needs trust or other trust established to provide solely for the
4 housing, living expenses, or medical care of a disabled beneficiary is not subject to tax
5 under this chapter. In this subsection,

6 (1) "disabled beneficiary" means a person who has a physical or
7 mental disability or a physical or mental impairment, as defined in AS 18.80.300;

8 (2) "special needs trust" has the meaning given in AS 13.36.215(b)."

AMENDMENT #18.5

OFFERED IN THE HOUSE

BY REPRESENTATIVE PRUITT

TO: CSHB 115(FIN), Draft Version "L"

1 Page 1, lines 4 - 8:

2 Delete "relating to the taxation of income of individuals, partners, shareholders in
3 S corporations, trusts, and estates; relating to a payment against the individual income
4 tax from the permanent fund dividend disbursement; repealing tax credits applied
5 against the tax on individuals under the Alaska Net Income Tax Act;"
6

7 Page 7, line 5, through page 27, line 14:

8 Delete all material.
9

10 Renumber the following bill sections accordingly.
11

12 Page 29, lines 6 - 11:

13 Delete all material.
14

15 Renumber the following bill sections accordingly.
16

17 Page 29, line 13:

18 Delete all material.
19

20 Renumber the following bill sections accordingly.
21

22 Page 29, lines 25 - 28:

23 Delete all material.

1

2 **Renumber the following bill sections accordingly.**

3

4 **Page 29, line 31, through page 30, line 3:**

5 **Delete all material.**

6

7 **Page 30, line 4:**

8 **Delete "(b)"**

9 **Insert "TRANSITION: REGULATIONS."**

10

11 **Page 30, line 10:**

12 **Delete "sec. 24" in both places**

13 **Insert "sec. 20" in both places**

14

15 **Page 30, line 12:**

16 **Delete "24, 26, and 27"**

17 **Insert "20, 21, and 22"**

18

19 **Page 30, line 15:**

20 **Delete all material.**

21

22 **Renumber the following bill sections accordingly.**

23

24 **Page 30, line 18:**

25 **Delete "secs. 28 - 32"**

26 **Insert "secs. 23 - 26"**

AMENDMENT #19

OFFERED IN THE HOUSE

THOMPSON

TO: CSHB 115(FIN), Draft Version "L"

Page 4, line 17:

Delete "a new subsection"

Insert "new subsections"

Page 4, following line 26:

Insert a new subsection to read:

"(c) In accordance with AS 37.13.145(b)(2), and subject to appropriation, 33 percent of the amount available for distribution under (b) of this section shall be reserved for dividends. The remainder of the amount calculated to be available for distribution under (b) of this section shall be reduced by the difference between the amount calculated under (1) of this subsection and the amount under (2) of this subsection if the amount calculated under (1) of this subsection exceeds the amount under (2) of this subsection:

(1) the total amount of oil and gas production taxes under AS 43.55.011 - 43.55.180, mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue sharing payments and bonuses received by the state from mineral leases that are deposited into the general fund in the current fiscal year;

(2) the sum of \$1,200,000,000."

AMENDMENT

20

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

1 Page 1, lines 2 - 3:

2 Delete "relating to the management of the budget reserve fund;"

3

4 Page 3, lines 10 - 18:

5 Delete all material.

6

7 Renumber the following bill sections accordingly.

8

9 Page 4, line 27:

10 Delete "sec. 8"

11 Insert "sec. 7"

12

13 Page 6, line 13:

14 Delete "sec. 12"

15 Insert "sec. 11"

16

17 Page 29, line 27:

18 Delete "sec. 17"

19 Insert "sec. 16"

20

21 Page 29, line 28:

22 Delete "sec. 17"

23 Insert "sec. 16"

1

2 Page 30, line 10:

3 Delete "sec. 24" in both places

4 Insert "sec. 23" in both places

5

6 Page 30, line 12:

7 Delete "24, 26, and 27"

8 Insert "23, 25, and 26"

9

10 Page 30, line 15:

11 Delete "Sections 16, 17, 20, 22, and 25"

12 Insert "Sections 15, 16, 19, 21, and 24"

13

14 Page 30, line 16:

15 Delete "Section 9"

16 Insert "Section 8"

17

18 Page 30, line 17:

19 Delete "Section 13"

20 Insert "Section 12"

21

22 Page 30, line 18:

23 Delete "secs. 28 - 32"

24 Insert "secs. 27 - 31"

AMENDMENT # 21

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 115(FIN), Draft Version "L"

1 Page 1, lines 1 - 2:

2 Delete "relating to the Alaska permanent fund; relating to the procurement by
3 the Alaska Permanent Fund Corporation;"

4

5 Page 2, line 1, through page 3, line 2:

6 Delete all material.

7

8 Renumber the following bill sections accordingly.

9

10 Page 4, line 27:

11 Delete "sec. 8"

12 Insert "sec. 6"

13

14 Page 6, line 13:

15 Delete "sec. 12"

16 Insert "sec. 10"

17

18 Page 29, line 27:

19 Delete "sec. 17"

20 Insert "sec. 15"

21

22 Page 29, line 28:

23 Delete "sec. 17"

1 Insert "sec. 15"

2

3 Page 29, line 31:

4 Delete "(a)"

5

6 Page 30, lines 4 - 7:

7 Delete all material.

8

9 Page 30, line 10:

10 Delete "sec. 24" in both places

11 Insert "sec. 22" in both places

12

13 Page 30, line 12:

14 Delete "24, 26, and 27"

15 Insert "22, 24, and 25"

16

17 Page 30, line 14:

18 Delete all material.

19

20 Renumber the following bill sections accordingly.

21

22 Page 30, line 15:

23 Delete "Sections 16, 17, 20, 22, and 25"

24 Insert "Sections 14, 15, 18, 20, and 23"

25

26 Page 30, line 16:

27 Delete "Section 9"

28 Insert "Section 7"

29

30 Page 30, line 17:

31 Delete "Section 13"

1 Insert "Section 11"

2

3 Page 30, line 18:

4 Delete "secs. 28 - 32"

5 Insert "secs. 26 - 29"

AMENDMENT # 21.5

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: CSHB 115(FIN), Draft Version "L"

1 Page 6, lines 9 - 12:

2 Delete all material and insert:

3 "(f) After the appropriations under (b) of this section, but before the
4 appropriation under (e) of this section, for

5 (1) fiscal years 2018 and 2019, the legislature may appropriate from
6 the earnings reserve account an additional amount, if necessary, to provide a dividend
7 of at least \$1,250 for each individual;

8 (2) a fiscal year after fiscal year 2019, if the state collects more than
9 \$3,670,000,000 in combined production taxes under AS 43.55 and royalties under
10 AS 38.05.180 during the previous calendar year, adjusted annually for inflation from
11 calendar year 2018 using the Consumer Price Index for all urban consumers for
12 Anchorage prepared by the Bureau of Labor Statistics, United States Department of
13 Labor, the legislature may appropriate an additional amount from the earnings reserve
14 account necessary to provide a dividend of at least \$1,750 for each individual."
15

16 Page 29, line 14:

17 Delete "AS 37.13.145(f)"

18 Insert "AS 37.13.145(f)(1)"

AMENDMENT # 22

OFFERED IN THE HOUSE

BY REPRESENTATIVE PRUITT

TO: CSHB 115(FIN), Draft Version "L"

1 Page 1, lines 1 - 8:

2 Delete all material and insert:

3 **""An Act relating to procurement by the Alaska Permanent Fund Corporation;**
4 **relating to an appropriation limit; relating to the budget responsibilities of the governor;**
5 **relating to the Alaska permanent fund, the earnings of the Alaska permanent fund, and**
6 **the earnings reserve account; relating to the mental health trust fund; relating to**
7 **deposits into the dividend fund; relating to the calculation and payment of permanent**
8 **fund dividends; and providing for an effective date.""**

9

10 Page 1, line 10, through page 30, line 18:

11 Delete all material and insert:

12 **"" Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
13 to read:

14 **LEGISLATIVE INTENT.** It is the intent of the legislature that the legislature

15 (1) reevaluate the use of earnings of the Alaska permanent fund, as prescribed
16 under this Act, in three years; and

17 (2) reduce the state operating budget by \$600,000,000 over the next four fiscal
18 years.

19 *** Sec. 2.** AS 36.30.015 is amended by adding a new subsection to read:

20 (I) The board of trustees of the Alaska Permanent Fund Corporation shall
21 adopt regulations to govern the procurement of supplies, services, and professional
22 services. The regulations must be similar to the procedures described in this chapter
23 and in regulations adopted under this chapter. Notwithstanding any other provisions of

1 this subsection, the Alaska Permanent Fund Corporation shall comply with the five
 2 percent preference under AS 36.30.321(a) and the requirement that contracts for legal
 3 services be approved by the attorney general under (d) of this section.

4 * Sec. 3. AS 36.30.990(1) is amended to read:

5 (1) "agency"

6 (A) means a department, institution, board, commission,
 7 division, authority, public corporation, the Alaska Pioneers' Home, the Alaska
 8 Veterans' Home, or other administrative unit of the executive branch of state
 9 government;

10 (B) does not include

- 11 (i) the University of Alaska;
- 12 (ii) the Alaska Railroad Corporation;
- 13 (iii) the Alaska Housing Finance Corporation;
- 14 (iv) a regional Native housing authority created under
 15 AS 18.55.996 or a regional electrical authority created under
 16 AS 18.57.020;
- 17 (v) the Department of Transportation and Public
 18 Facilities, in regard to the repair, maintenance, and reconstruction of
 19 vessels, docking facilities, and passenger and vehicle transfer facilities
 20 of the Alaska marine highway system;
- 21 (vi) the Alaska Aerospace Corporation;
- 22 (vii) the Alaska Retirement Management Board;
- 23 (viii) the Alaska Seafood Marketing Institute;
- 24 (ix) the Alaska children's trust and the Alaska
 25 Children's Trust Board;
- 26 (x) the Alaska Industrial Development and Export
 27 Authority;

28 **(xi) the Alaska Permanent Fund Corporation;**

29 * Sec. 4. AS 37.05.540(a) is amended to read:

30 (a) There is established as a separate fund in the state treasury the budget
 31 reserve fund. The budget reserve fund consists of appropriations to the fund.

1 [MONEY RECEIVED BY THE STATE THAT IS SUBJECT TO THE
 2 APPROPRIATION LIMIT UNDER (b) OF THIS SECTION AND THAT EXCEEDS
 3 THAT LIMIT, MAY BE APPROPRIATED TO THE BUDGET RESERVE FUND.]

4 * **Sec. 5.** AS 37.05 is amended by adding a new section to read:

5 **Sec. 37.05.545. Appropriation limit.** (a) Unrestricted general fund
 6 appropriations made for a fiscal year may not exceed \$4,100,000,000 by more than the
 7 cumulative change in inflation since July 1, 2016, derived from federal indices. The
 8 determination of the change in inflation for purposes of this subsection shall be based
 9 on the Consumer Price Index for all urban consumers for Anchorage prepared by the
 10 United States Bureau of Labor Statistics.

11 (b) The appropriation limit in (a) of this section does not apply to an
 12 appropriation

- 13 (1) to the Alaska permanent fund;
- 14 (2) for payment of permanent fund dividends;
- 15 (3) required to pay debt obligations of the state; or
- 16 (4) for a capital project.

17 (c) In this section,

- 18 (1) "capital project" has the meaning given in AS 37.06.090;
- 19 (2) "program receipts" has the meaning given in AS 37.05.146;
- 20 (3) "unrestricted general fund" does not include program receipts or
 21 reappropriations.

22 * **Sec. 6.** AS 37.07.020 is amended by adding a new subsection to read:

23 (f) In addition to the budget and bills submitted under (a) of this section and
 24 the fiscal plan submitted under (b) of this section, the governor shall submit a report
 25 with a calculation of appropriations in the budget prepared under (a) of this section as
 26 applied to the appropriation limit under AS 37.05.545.

27 * **Sec. 7.** AS 37.13.140 is amended to read:

28 **Sec. 37.13.140. Income.** Net income of the fund includes income of the
 29 earnings reserve account established under AS 37.13.145. The corporation shall
 30 determine the net [NET] income of the fund [SHALL BE COMPUTED
 31 ANNUALLY AS OF THE LAST DAY OF THE FISCAL YEAR] in accordance with

generally accepted accounting principles, excluding any unrealized gains or losses.
 [INCOME AVAILABLE FOR DISTRIBUTION EQUALS 21 PERCENT OF THE
 NET INCOME OF THE FUND FOR THE LAST FIVE FISCAL YEARS,
 INCLUDING THE FISCAL YEAR JUST ENDED, BUT MAY NOT EXCEED NET
 INCOME OF THE FUND FOR THE FISCAL YEAR JUST ENDED PLUS THE
 BALANCE IN THE EARNINGS RESERVE ACCOUNT DESCRIBED IN
 AS 37.13.145.]

* **Sec. 8.** AS 37.13.140 is amended by adding new subsections to read:

(b) The corporation shall determine the amount available for distribution each year. The amount available for distribution equals five and one-quarter percent of the average market value of the fund for the first five of the preceding six fiscal years, including the fiscal year just ended, computed annually for each fiscal year in accordance with generally accepted accounting principles. In this subsection, "the average market value of the fund" includes the balance of the earnings reserve account established under AS 37.13.145, but does not include that portion of the principal attributed to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District).

(c) In accordance with AS 37.13.146(a), 50 percent of the amount available for distribution under (b) of this section shall be reserved for dividends. The remainder of the amount available for distribution under (b) of this section shall be reduced by the difference between the amount calculated under (1) of this subsection and the amount under (2) of this subsection if the amount calculated under (1) of this subsection exceeds the amount under (2) of this subsection:

(1) the total amount of oil and gas production taxes under AS 43.55.011 - 43.55.180, mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue sharing payments and bonuses received by the state from mineral leases that are deposited into the general fund in the current fiscal year;

(2) the sum of \$1,200,000,000.

* **Sec. 9.** AS 37.13.145(d) is amended to read:

(d) Income [NOTWITHSTANDING (b) OF THIS SECTION, INCOME]

1 earned on money awarded in or received as a result of State v. Amerada Hess, et al.,
 2 1JU-77-847 Civ. (Superior Court, First Judicial District), including settlement,
 3 summary judgment, or adjustment to a royalty-in-kind contract that is tied to the
 4 outcome of this case, or interest earned on the money, or on the earnings of the money
 5 shall be treated in the same manner as other income of the Alaska permanent fund,
 6 except that it is not available for distribution [TO THE DIVIDEND FUND OR FOR
 7 TRANSFERS TO THE PRINCIPAL] under AS 37.13.140(b) and (c) [OF THIS
 8 SECTION], and shall be annually deposited into the Alaska capital income fund
 9 (AS 37.05.565).

10 * **Sec. 10.** AS 37.13.145 is amended by adding new subsections to read:

11 (e) Each year the legislature may appropriate from the earnings reserve
 12 account to the general fund an amount that does not exceed the amount available for
 13 distribution under AS 37.13.140(b) and (c).

14 (f) Each year the legislature may appropriate from the earnings reserve
 15 account to the principal of the fund an amount by which the balance of the earnings
 16 reserve account exceeds the amount available for distribution under AS 37.13.140(b)
 17 multiplied by four, less the amount appropriated under (e) of this section.

18 * **Sec. 11.** AS 37.13 is amended by adding a new section to read:

19 **Sec. 37.13.146. Appropriations to the dividend fund.** (a) Each year, the
 20 legislature may appropriate 50 percent of the amount calculated under
 21 AS 37.13.140(b) from the general fund to the dividend fund established in
 22 AS 43.23.045.

23 (b) Nothing in this section creates a dedicated fund.

24 * **Sec. 12.** AS 37.13.300(c) is amended to read:

25 (c) Net income from the mental health trust fund may not be included in the
 26 computation of [NET] income available for distribution under AS 37.13.140(b)
 27 [AS 37.13.140].

28 * **Sec. 13.** AS 43.23.025(a) is amended to read:

29 (a) By October 1 of each year, the commissioner shall determine the value of
 30 each permanent fund dividend for that year by

31 (1) determining the total amount available for dividend payments,

1 which equals

2 (A) the amount **appropriated** [OF INCOME OF THE
3 ALASKA PERMANENT FUND TRANSFERRED] to the dividend fund
4 under **AS 37.13.146** [AS 37.13.145(b)] during the current year;

5 (B) plus the unexpended and unobligated balances of prior
6 fiscal year appropriations that lapse into the dividend fund under
7 AS 43.23.045(d);

8 (C) less the amount necessary to pay prior year dividends from
9 the dividend fund in the current year under AS 43.23.005(h), 43.23.021, and
10 43.23.055(3) and (7);

11 (D) less the amount necessary to pay dividends from the
12 dividend fund due to eligible applicants who, as determined by the department,
13 filed for a previous year's dividend by the filing deadline but who were not
14 included in a previous year's dividend computation;

15 (E) less appropriations from the dividend fund during the
16 current year, including amounts to pay costs of administering the dividend
17 program and the hold harmless provisions of AS 43.23.075;

18 (2) determining the number of individuals eligible to receive a
19 dividend payment for the current year and the number of estates and successors
20 eligible to receive a dividend payment for the current year under AS 43.23.005(h); and

21 (3) dividing the amount determined under (1) of this subsection by the
22 amount determined under (2) of this subsection.

23 * Sec. 14. AS 43.23.045(a) is amended to read:

24 (a) The dividend fund is established as a separate fund in the state treasury.
25 **The fund consists of money appropriated to it under AS 37.13.146.** The dividend
26 fund shall be administered by the commissioner and shall be invested by the
27 commissioner in the same manner as provided in AS 37.10.070.

28 * Sec. 15. AS 43.23.055 is amended to read:

29 **Sec. 43.23.055. Duties of the department.** The department shall

30 (1) annually pay permanent fund dividends from the dividend fund,
31 **without further appropriation;**

1 (2) subject to AS 43.23.011 and paragraph (8) of this section, adopt
2 regulations under AS 44.62 (Administrative Procedure Act) that establish procedures
3 and time limits for claiming a permanent fund dividend; the department shall
4 determine the number of eligible applicants by October 1 of the year for which the
5 dividend is declared and pay the dividends by December 31 of that year;

6 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)
7 that establish procedures and time limits for an individual upon emancipation or upon
8 reaching majority to apply for permanent fund dividends not received during minority
9 because the parent, guardian, or other authorized representative did not apply on
10 behalf of the individual;

11 (4) assist residents of the state, particularly in rural areas, who because
12 of language, disability, or inaccessibility to public transportation need assistance to
13 establish eligibility and to apply for permanent fund dividends;

14 (5) use a list of individuals ineligible for a dividend under
15 AS 43.23.005(d) provided annually by the Department of Corrections and the
16 Department of Public Safety to determine the number and identity of those
17 individuals;

18 (6) adopt regulations that are necessary to implement AS 43.23.005(d);

19 (7) adopt regulations that establish procedures for the parent, guardian,
20 or other authorized representative of a disabled individual to apply for prior year
21 permanent fund dividends not received by the disabled individual because no
22 application was submitted on behalf of the individual;

23 (8) adopt regulations that establish procedures for an individual to
24 apply to have a dividend disbursement under AS 37.25.050(a)(2) reissued if it is not
25 collected within two years after the date of its issuance; however, the department may
26 not establish a time limit within which an application to have a disbursement reissued
27 must be filed;

28 (9) provide any information, upon request, contained in permanent
29 fund dividend records to the child support services agency created in AS 25.27.010, or
30 the child support enforcement agency of another state, for child support purposes
31 authorized under law; if the information is contained in an electronic data base, the

1 department shall provide the requesting agency with either

2 (A) access to the data base; or

3 (B) a copy of the information in the data base and a statement
4 certifying its contents;

5 (10) establish a fraud investigation unit for the purpose of assisting the

6 (A) Department of Law in the prosecution of individuals who
7 apply for or obtain a permanent fund dividend in violation of a provision in
8 AS 11, by detecting and investigating those crimes; and

9 (B) commissioner to detect and investigate the claiming or
10 paying of permanent fund dividends that should not have been claimed by or
11 paid to an individual and to impose the penalties and enforcement provisions
12 under AS 43.23.035.

13 * **Sec. 16.** AS 37.05.540(b), 37.05.540(c), 37.05.540(e); AS 37.13.145(b), and 37.13.145(c)
14 are repealed.

15 * **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 **TRANSITION: REGULATIONS.** (a) The commissioner of revenue and the Alaska
18 Permanent Fund Corporation may adopt regulations, policies, and procedures necessary to
19 implement this Act. The regulations, policies, or procedures may not take effect before the
20 effective date of the law implemented by the regulation, policy, or procedure.

21 (b) The commissioner of revenue and the Alaska Permanent Fund Corporation may
22 adopt regulations, policies, and procedures necessary to implement this Act. The regulations,
23 policies, or procedures may not take effect before the effective date of the law implemented
24 by the regulation, policy, or procedure.

25 * **Sec. 18.** Section 17 of this Act takes effect immediately under AS 01.10.070(c).

26 * **Sec. 19.** Except as provided in sec. 18 of this Act, this Act takes effect July 1, 2017."

AMENDMENT #23

OFFERED IN THE HOUSE

BY REPRESENTATIVE WILSON

TO: CSHB 115(FIN), Draft Version "L"

1 Page 4, following line 4:

2 Insert a new bill section to read:

3 **"* Sec. 7.** AS 37.13.010(a), as amended by sec. 6 of this Act, is amended to read:

4 (a) Under art. IX, sec. 15, of the state constitution, there is established as a
5 separate fund the Alaska permanent fund. The Alaska permanent fund consists of

6 (1) 25 percent of all mineral lease rentals, royalties, royalty sale
7 proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue
8 sharing payments received by the state from mineral leases issued on or before
9 December 1, 1979, and 25 percent of all bonuses received by the state from mineral
10 leases issued on or before February 15, 1980;

11 (2) 50 percent of all mineral lease rentals, royalties, royalty sale
12 proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral
13 revenue sharing payments received by the state from mineral leases issued after
14 December 1, 1979, and 50 percent of all bonuses received by the state from
15 mineral leases issued after February 15, 1980; and

16 (3) [(2)] any other money appropriated to or otherwise allocated by
17 law or former law to the Alaska permanent fund."

18
19 Renumber the following bill sections accordingly.

20
21 Page 4, following line 16:

22 Insert a new bill section to read:

23 **"* Sec. 9.** AS 37.13.140(a), as amended by sec. 8 of this Act, is amended to read:

(a) Net income of the fund includes income of the earnings reserve account established under AS 37.13.145. Net [THE CORPORATION SHALL DETERMINE THE NET] income of the fund shall be computed annually as of the last day of the fiscal year in accordance with generally accepted accounting principles, excluding any unrealized gains or losses. Income available for distribution equals 21 percent of the net income of the fund for the last five fiscal years, including the fiscal year just ended, but may not exceed net income of the fund for the fiscal year just ended plus the balance in the earnings reserve account described in AS 37.13.145."

Renumber the following bill sections accordingly.

Page 4, line 27:

Delete "sec. 8"

Insert "sec. 10"

Page 5, following line 18:

Insert a new bill section to read:

"* **Sec. 13.** AS 37.13.145(b), as amended by sec. 12 of this Act, is amended to read:

(b) At the end of each [EACH] fiscal year, the corporation shall transfer [LEGISLATURE MAY APPROPRIATE] from the earnings reserve account to the

[(1) PRINCIPAL OF THE FUND, 0.25 PERCENT OF THE AVERAGE MARKET VALUE OF THE FUND FOR THE FIRST FIVE OF THE PRECEDING SIX FISCAL YEARS, INCLUDING THE FISCAL YEAR JUST ENDED, COMPUTED ANNUALLY FOR EACH FISCAL YEAR IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; IN THIS PARAGRAPH, "AVERAGE MARKET VALUE OF THE FUND" HAS THE MEANING GIVEN IN AS 37.13.140(b);

(2)] dividend fund established under AS 43.23.045, 50 [33] percent of the income [AMOUNT] available for distribution under AS 37.13.140 [AS 37.13.140(b); AND

1 (3) GENERAL FUND, 67 PERCENT OF THE AMOUNT
2 AVAILABLE FOR DISTRIBUTION UNDER AS 37.13.140(b)]."
3

4 Renumber the following bill sections accordingly.
5

6 Page 5, following line 28:

7 Insert a new bill section to read:

8 **"* Sec. 15.** AS 37.13.145(d), as amended by sec. 14 of this Act, is amended to read:

9 (d) Notwithstanding (b) of this section, income [INCOME] earned on money
10 awarded in or received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ.
11 (Superior Court, First Judicial District), including settlement, summary judgment, or
12 adjustment to a royalty-in-kind contract that is tied to the outcome of this case, or
13 interest earned on the money, or on the earnings of the money shall be treated in the
14 same manner as other income of the Alaska permanent fund, except that it is not
15 available for distribution to the dividend fund or for transfers to the principal
16 under (g) [(b)] of this section, and shall be annually deposited into the Alaska capital
17 income fund (AS 37.05.565)."
18

19 Renumber the following bill sections accordingly.
20

21 Page 6, line 13:

22 Delete "sec. 12"

23 Insert "sec. 16"
24

25 Page 6, following line 24:

26 Insert a new bill section to read:

27 **"* Sec. 18.** AS 37.13.145 is amended by adding a new subsection to read:

28 (g) After the transfer under (b) of this section, the corporation shall transfer
29 from the earnings reserve account to the principal of the fund an amount sufficient to
30 offset the effect of inflation on the principal of the fund during that fiscal year.
31 However, none of the amount transferred shall be applied to increase the value of that

1 portion of the principal attributed to the settlement of State v. Amerada Hess, et al.,
 2 1JU-77-847 Civ. (Superior Court, First Judicial District) on July 1, 2004. The
 3 corporation shall calculate the amount to transfer to the principal under this subsection
 4 by

5 (1) computing the average of the monthly United States Consumer
 6 Price Index for all urban consumers for each of the two previous calendar years;

7 (2) computing the percentage change between the first and second
 8 calendar year average; and

9 (3) applying that rate to the value of the principal of the fund on the last
 10 day of the fiscal year just ended, including that portion of the principal attributed to
 11 the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First
 12 Judicial District)."

13
 14 Page 6, following line 31:

15 Insert a new bill section to read:

16 **"* Sec. 20.** AS 37.13.150, as amended by sec. 19 of this Act, is amended to read:

17 **Sec. 37.13.150. Corporation budget.** The revenue generated by the fund's
 18 investments must be identified as the source of the operating budget of the corporation
 19 in the state's operating budget under AS 37.07 (Executive Budget Act). The
 20 unexpended balance of the corporation's annual operating budget does not lapse at the
 21 end of the fiscal year but shall be treated as income [AND PART OF THE MARKET
 22 VALUE OF THE FUND] under AS 37.13.140."

23
 24 Renumber the following bill sections accordingly.

25
 26 Page 7, following line 4:

27 Insert a new bill section to read:

28 **"* Sec. 22.** AS 37.13.300(c), as amended by sec. 21 of this Act, is amended to read:

29 (c) Net income from the mental health trust fund may not be included in the
 30 computation of net income [OR MARKET VALUE] available for distribution under
 31 AS 37.13.140."

1
2 Renumber the following bill sections accordingly.

3
4 Page 7, following line 14:

5 Insert a new bill section to read:

6 **"* Sec. 24.** AS 43.05.045(a), as amended by sec. 23 of this Act, is amended to read:

7 (a) **Unless** [EXCEPT AS PROVIDED IN AS 43.22.070(h), OR UNLESS] an
8 exemption is granted under (b) of this section, a taxpayer required to submit a return
9 or report for a tax levied under this title or for any other tax administered by the
10 department shall submit the return or report electronically in a format prescribed by
11 the department. Failure to comply with this section may result in a civil penalty under
12 AS 43.05.220(f). If a law under this title requires a report or return or a portion of a
13 report or return to be in writing, an electronically filed report or return satisfies this
14 section. A taxpayer shall submit attachments to a report or return required under this
15 title electronically."
16

17 Renumber the following bill sections accordingly.

18
19 Page 29, following line 5:

20 Insert a new bill section to read:

21 **"* Sec. 28.** AS 43.23.055, as amended by sec. 27 of this Act, is amended to read:

22 **Sec. 43.23.055. Duties of the department.** The department shall

23 (1) annually pay permanent fund dividends from the dividend fund [,
24 WITHOUT FURTHER APPROPRIATION];

25 (2) subject to AS 43.23.011 and paragraph (8) of this section, adopt
26 regulations under AS 44.62 (Administrative Procedure Act) that establish procedures
27 and time limits for claiming a permanent fund dividend; the department shall
28 determine the number of eligible applicants by October 1 of the year for which the
29 dividend is declared and pay the dividends by December 31 of that year;

30 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)
31 that establish procedures and time limits for an individual upon emancipation or upon

1 reaching majority to apply for permanent fund dividends not received during minority
2 because the parent, guardian, or other authorized representative did not apply on
3 behalf of the individual;

4 (4) assist residents of the state, particularly in rural areas, who because
5 of language, disability, or inaccessibility to public transportation need assistance to
6 establish eligibility and to apply for permanent fund dividends;

7 (5) use a list of individuals ineligible for a dividend under
8 AS 43.23.005(d) provided annually by the Department of Corrections and the
9 Department of Public Safety to determine the number and identity of those
10 individuals;

11 (6) adopt regulations that are necessary to implement AS 43.23.005(d);

12 (7) adopt regulations that establish procedures for the parent, guardian,
13 or other authorized representative of a disabled individual to apply for prior year
14 permanent fund dividends not received by the disabled individual because no
15 application was submitted on behalf of the individual;

16 (8) adopt regulations that establish procedures for an individual to
17 apply to have a dividend disbursement under AS 37.25.050(a)(2) reissued if it is not
18 collected within two years after the date of its issuance; however, the department may
19 not establish a time limit within which an application to have a disbursement reissued
20 must be filed;

21 (9) provide any information, upon request, contained in permanent
22 fund dividend records to the child support services agency created in AS 25.27.010, or
23 the child support enforcement agency of another state, for child support purposes
24 authorized under law; if the information is contained in an electronic data base, the
25 department shall provide the requesting agency with either

26 (A) access to the data base; or

27 (B) a copy of the information in the data base and a statement
28 certifying its contents;

29 (10) establish a fraud investigation unit for the purpose of assisting the

30 (A) Department of Law in the prosecution of individuals who
31 apply for or obtain a permanent fund dividend in violation of a provision in

1 AS 11, by detecting and investigating those crimes; and
 2 (B) commissioner to detect and investigate the claiming or
 3 paying of permanent fund dividends that should not have been claimed by or
 4 paid to an individual and to impose the penalties and enforcement provisions
 5 under AS 43.23.035."
 6

7 Renumber the following bill sections accordingly.
 8

9 Page 29, following line 14:

10 Insert new bill sections to read:

11 "* Sec. 33. AS 37.13.140(b) and 37.13.145(e) are repealed July 1, 2020.

12 * Sec. 34. AS 43.22.010, 43.22.015, 43.22.020, 43.22.025, 43.22.030, 43.22.035,
 13 43.22.040, 43.22.045, 43.22.050, 43.22.055, 43.22.060, 43.22.065, 43.22.070, 43.22.075,
 14 43.22.080, 43.22.085, 43.22.090, 43.22.095, 43.22.150; and AS 43.23.092 are repealed
 15 January 1, 2022."
 16

17 Renumber the following bill sections accordingly.
 18

19 Page 29, line 27:

20 Delete "sec. 17"

21 Insert "sec. 25"
 22

23 Page 29, line 28:

24 Delete "sec. 17"

25 Insert "sec. 25"
 26

27 Page 30, line 10:

28 Delete "sec. 24" in both places

29 Insert "sec. 35" in both places
 30

31 Page 30, line 12:

1 Delete "24, 26, and 27"

2 Insert "35, 37, and 38"

3

4 Page 30, line 15:

5 Delete "Sections 16, 17, 20, 22, and 25"

6 Insert "Sections 23, 25, 29, 31, and 36"

7

8 Page 30, line 16:

9 Delete "Section 9"

10 Insert "Section 11"

11

12 Page 30, line 17:

13 Delete "Section 13"

14 Insert "Section 17"

15

16 Page 30, following line 17:

17 Insert new bill sections to read:

18 **"* Sec. 43.** Sections 7, 9, 13, 15, 18, 20, 22, 28, and 33 of this Act take effect July 1, 2020.

19 *** Sec. 44.** Sections 24 and 34 of this Act take effect January 1, 2022."

20

21 Renumber the following bill section accordingly.

22

23 Page 30, line 18:

24 Delete "secs. 28 - 32"

25 Insert "secs. 39 - 45"