



LAWS OF ALASKA

1978

Source

Chapter No.

FCCS CSSB 7

144

AN ACT

Relating to individual tax credits, the gross receipts tax, and the corporate income tax; and providing for an effective date.

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

* Section 1. AS 43.20 is amended by adding a new section to read:

Sec. 43.20.015. INDIVIDUAL TAX CREDIT. (a) For tax years beginning after December 31, 1977, each individual filing an Alaska net income tax return is entitled to the credit provided for in this section. For married taxpayers filing a joint return, the return may claim the credit for each spouse.

(b) The amount of the annual individual tax credit shall be as follows, but not exceeding the net tax liability of the taxpayer after deduction of all other applicable credits:

(1) for the first tax year beginning after December 31, 1977 that a taxpayer files an income tax return -- \$100;

(2) for the second tax year beginning after December 31, 1977 that a taxpayer files an income tax return -- \$200;

(3) for the third tax year beginning after December 31, 1977 that a taxpayer files an income tax return and each tax year thereafter -- \$300.

(c) For part-year residents and nonresident individual taxpayers the credit provided in this section shall be prorated according to the number of months of residency in the state.

Chapter 144

(d) The space for claiming the individual income tax credit shall be given a prominent location on the form furnished by the department for the filing of the individual income tax return.

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

Sec. 43.20.016. SHARING OF CORPORATE INCOME TAX REVENUE WITH MUNICIPALITIES. (a) There is established within the Department of Revenue the municipal assistance fund. The legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 10 per cent of the income tax revenue received by the state under sec. 11(e) of this chapter and ch. 21 of this title for the previous fiscal year. The Department of Revenue shall distribute money from the fund to each organized borough and each city of any class on an annual basis as provided in (b) and (c) of this section.

(b) The base amount to be distributed from the fund to each borough and city for the fiscal year shall be the amount received by the borough or city during fiscal year 1978 under AS 43.70.080; however, if the amount appropriated to the fund by the legislature under (a) of this section is insufficient for distribution of the full base amount, the Department of Revenue shall prorate the amount available for distribution on the basis of amounts received during fiscal year 1978 under AS 43.70.080. A city incorporated within an organized borough after June 30, 1977 shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside an organized borough after June 30, 1977 shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977 shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

(c) If the amount in the fund at the time of distribution exceeds the base amount to be distributed under (b) of this section, the excess amount shall be distributed to each borough and city on the basis of population. For the purpose of this subsection, the population of a city within an organized borough shall be deducted from the population of the borough. Population, for the purpose of this section, shall be as certified by the commissioner of community and regional affairs.

(d) The intent of (c) of this section is that local governments which levy property taxes reduce those levies in reasonable proportion to the amount of increased state aid received by a local government. The governing body of each local government shall furnish a notice with the tax statement describing its use of this increased state aid.

* Sec. 3. AS 43.70.030 is amended to read:

Sec. 43.70.030. LEVY AND COMPUTATION OF LICENSE FEE.
(a) The license fee for each business is \$25.

(b) The license fee for each national bank and state bank, trust company and savings and loan association is seven per cent of its net income. Net income means the taxable income of each taxpayer before net operating loss deduction and special deductions, computed as required under the Internal Revenue Code of the United States and includes all other income including income from federal, state or municipal obligations. Each of these taxpayers required to make a return under the provisions of the Internal Revenue Code shall at the same time file with the department a return setting out the amount of tax due under this chapter, and other information for the purpose of carrying out the provisions of this chapter which the department requires. Each of these taxpayers shall also at the same time file a true and correct copy of the tax return which he has filed with the Internal Revenue Service. A taxpayer filing under this subsection shall use the same tax year as the taxpayer uses for federal income tax purposes. Any approved extension of time to file the taxpayer's federal income tax return automatically extends the time for filing under this chapter. Any agreement which a taxpayer enters into with the Internal Revenue Service which extends the statute of limitations for any federal income tax return will apply to returns filed under this chapter. The department may, in its discretion, grant an extension of time to file or an extension of the statute of limitations independent of federal action. Every taxpayer shall notify the department in writing, within 90 days, of any alteration in, or modification of his federal income tax return and of a recomputation of tax or determination of deficiency. For purposes of applying the statute of limitations, this notification constitutes a separate return, and failure to file this notification will have the same effect as the failure to file a return under this title.

(c) The license for the privilege of taking orders through use of catalogs and by mail order offices in the state is the same as set out in this chapter for business generally.

(d) The fee of \$25 applies to all of the provisions of this section, and shall accompany the application. The balance is due and payable on the last day of the taxpayer's tax year and shall be paid before the 15th day of the third month following the end of the tax year, except that the time for filing the return may be extended as provided in (b) of this section. To enable accurate determination of the balance of the tax due at the end of each year, each person to whom this chapter applies shall keep records, give statements under oath, and make returns which the department requires. Returns are made under penalty of perjury.

* Sec. 4. AS 43.70.080 is amended to read:

Sec. 43.70.080. DISPOSAL OF MONEY. All money collected by the department under this chapter shall be deposited in the general fund.

* Sec. 5. AS 43.70.010 and 43.70.070(b) are repealed.

Chapter 144

* Sec. 6. TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 which relates to the 1978 calendar year (including the \$25 license fee due March 1, 1978 and the fees on the total gross receipts for 1978 which accompany returns filed in 1979 under AS 43.70.030(d)) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time.

* Sec. 7. Section 1 of this Act is retroactive to January 1, 1978.

* Sec. 8. Sections 1 and 7 of this Act take effect immediately in accordance with AS 01.10.070(c). Sections 2, 3, 5, and 6 of this Act take effect January 1, 1979. Section 4 of this Act takes effect January 1, 1980.

Approved by the Governor: July 8, 1978
Actual Effective Date: Section 1, July 9, 1978, retroactive to January 1, 1978; secs. 2, 3, 5, and 6, January 1, 1979, sec. 4, January 1, 1980; sec. 7, July 9, 1978