

**SENATE BILL NO. 2**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY SENATOR TAYLOR

Introduced: 1/13/97

Referred: L&C, Judiciary, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act amending the Alaska Net Income Tax Act to provide that the net  
2 proceeds of a qualified nonprofit organization's unrelated business taxable income  
3 obtained from permitted gaming activities are not subject to tax; and providing  
4 for an effective date."

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

6 \* **Section 1.** AS 43.20.021 is amended by adding a new subsection to read:

7 (h) For purposes of determining tax liability under this chapter, a nonprofit  
8 organization that is exempt from payment of tax under 26 U.S.C. 501(c) is not liable  
9 for payment of tax on the net proceeds of the organization's unrelated business taxable  
10 income as defined by 26 U.S.C. 512(a) that are obtained from activities for which a  
11 permit has been issued to the nonprofit corporation under AS 05.15.100.

12 \* **Sec. 2.** This Act takes effect January 1, 1998, and applies to the unrelated business  
13 taxable income of a qualified nonprofit organization that is received after December 31, 1997.