

HOUSE BILL NO. 326

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE FATE

Introduced: 5/16/03

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act related to tax credits for taxes related to certain business losses."**

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

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

4 **Sec. 43.20.019. Tax credit for taxes paid on certain business losses.** (a) A
5 taxpayer is allowed as a credit against the tax due under this chapter the amount of a
6 sales tax that the taxpayer has paid to purchase goods that the taxpayer has sold in the
7 course of the taxpayer's business if the taxpayer has not been paid for the goods.

8 (b) In order to qualify for a tax credit under (a) of this section,

9 (1) the debt for which the taxpayer is claiming the credit must be at
10 least six months overdue; and

11 (2) if the debt is based on a dishonored check, the taxpayer must have
12 attempted to recover the debt by following the procedures of AS 09.68.115 and must
13 have started the attempt by making the written demand for payment required by
14 AS 09.68.115(a)(1) not later than 30 days after the check is dishonored.

15 (c) In (b)(1) of this section, the six months shall be calculated from the later of

1 the date the purchase was made from the taxpayer, or the date a check for the purchase
2 is dishonored by the purchaser's bank.

3 (d) If a taxpayer receives a tax credit under this section and if the taxpayer
4 subsequently recovers at least two times the dollar amount of the tax credit, whether
5 through normal payment or legal action, from or on behalf of the purchaser, the
6 taxpayer shall reimburse the state the amount of the credit within 30 days after the
7 recovery.

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

10 **APPLICABILITY.** AS 43.20.019, enacted by sec. 1 of this Act, applies to sales taxes
11 for which a credit may be obtained under that section that are paid by the taxpayer on or after
12 January 1, 2004.