

AMENDMENT #12

Senator French

OFFERED IN THE SENATE

TO: SCS CSHB 2001(FIN)

1 Page 1, line 12:

2 Delete "sec. 47"

3 Insert "sec. 48"

4

5 Page 2, line 3.:

6 Delete "sec. 68"

7 Insert "sec. 69"

8

9 Page 33, following line 27:

10 Insert a new bill section to read:

11 **** Sec. 47.** AS 43.55 is amended by adding a new section to read:

12 **Sec. 43.55.055. Penalty for understatement of tax.** (a) In addition to other
13 penalties prescribed by law, if there is a substantial understatement of tax required to
14 be shown on a statement required under AS 43.55.030(a), there shall be added to the
15 tax an amount equal to 10 percent of the substantial understatement of tax.

16 (b) In addition to other penalties prescribed by law, if there is a gross
17 understatement of tax required to be shown on a statement required under
18 AS 43.55.030(a), there shall be added to the tax an amount equal to 20 percent of the
19 gross understatement of tax.

20 (c) In addition to the penalties imposed under (a) or (b) of this section, a
21 person who has made a substantial or gross understatement of tax is liable to the state
22 for the reasonable costs of the state's enforcement action, including auditing costs.

23 (d) For purposes of this section,

1 (1) a substantial understatement of tax for any calendar year exists if
2 the amount of the understatement for the calendar year exceeds 10 percent of the tax
3 required to be shown on the statement for the calendar year;

4 (2) a gross understatement of tax for any calendar year exists if the
5 amount of the understatement for the calendar year exceeds 20 percent of the tax
6 required to be shown on the statement for the calendar year;

7 (3) "understatement" means the amount by which the tax required to
8 be shown on the statement for the calendar year exceeds the amount of the tax
9 reported as due by the taxpayer as shown on the statement."
10

11 Renumber the following bill sections accordingly.
12

13 Page 47, line 29:

14 Delete "sec. 55"

15 Insert "sec. 56"
16

17 Page 47, line 30:

18 Delete "49 - 60"

19 Insert "50 - 61"
20

21 Page 48, following line 4:

22 Insert a new subsection to read:

23 "(d) AS 43.55.055, enacted by sec. 47 of this Act, applies to understatements made
24 after the effective date of sec. 47 of this Act."
25

26 Reletter the following subsections accordingly.
27

28 Page 48, line 8:

29 Delete "sec. 47"

30 Insert "sec. 48"
31

- 1 Page 48, line 10:
- 2 Delete "47"
- 3 Insert "48"
- 4
- 5 Page 49, line 15:
- 6 Delete "sec. 55"
- 7 Insert "sec. 56"
- 8
- 9 Page 49, line 16:
- 10 Delete "sec. 68"
- 11 Insert "sec. 69"
- 12
- 13 Page 49, line 17:
- 14 Delete "49 - 54, 56 - 60"
- 15 Insert "50 - 55, 57 - 61"
- 16 Delete "sec. 55"
- 17 Insert "sec. 56"
- 18
- 19 Page 49, line 18:
- 20 Delete "sec. 68"
- 21 Insert "sec. 69"
- 22
- 23 Page 49, line 27:
- 24 Delete "49 - 60"
- 25 Insert "50 - 61"
- 26
- 27 Page 49, line 29:
- 28 Delete "sec. 55"
- 29 Insert "sec. 56"
- 30
- 31 Page 50, line 17:

- 1 Delete "sec. 55"
- 2 Insert "sec. 56"
- 3
- 4 Page 50, line 19:
 - 5 Delete "49 - 60"
 - 6 Insert "50 - 61"
 - 7
- 8 Page 50, line 22:
 - 9 Delete "sec. 69"
 - 10 Insert "sec. 70"