

HOUSE BILL NO. 252

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES COSTELLO, Lynn, Keller, Feige, Pruitt, Thomas, Tuck, Holmes, Peggy Wilson, Stoltze, Herron, Foster, Johnson, Gara, Olson, Guttenberg

Introduced: 1/17/12

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act exempting certain small businesses from the corporate income tax; and
2 providing for an effective date."

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

4 * **Section 1.** AS 43.20.012 is amended to read:

5 **Sec. 43.20.012. Limitation on application of chapter; credits.** (a) The tax
6 imposed by this chapter does not

7 (1) apply to an individual;

8 (2) apply to a fiduciary; or

9 (3) for a tax year beginning after December 31, 2012, apply to an

10 Alaska corporation that is a qualified small business that is actively engaged in a
11 qualified trade or business [APPLY TO INDIVIDUALS OR TO FIDUCIARIES].

12 (b) An [HOWEVER, AN] individual may file a return under this chapter in
13 order to receive a tax credit under AS 43.20.013.

14 * **Sec. 2.** AS 46.20.012 is amended by adding new subsections to read:

1 (c) For the purposes of (a)(3) of this section,

2 (1) whether a corporation qualifies under (a)(3) of this section shall be
3 determined on the first day of the tax year for which the corporation claims it qualifies
4 under (a)(3) of this section;

5 (2) a corporation qualifying under (a)(3) of this section shall file an
6 annual report with the department at the time a return would otherwise be required if
7 the corporation were subject to the tax imposed by this chapter; the report must state

8 (A) whether the corporation is an Alaska corporation;

9 (B) the aggregate gross assets of the corporation;

10 (C) whether the corporation is a member of a parent-subsidary
11 controlled group and, if the corporation is a member of a parent-subsidary
12 controlled group, the identity of each corporation that is in the parent-
13 subsidiary controlled group; and

14 (D) other information required by the department in a
15 regulation adopted by the department;

16 (3) all corporations that are members of the same parent-subsidary
17 controlled group shall be treated as one corporation.

18 (d) In this section,

19 (1) "aggregate gross assets," "parent-subsidary controlled group,"
20 "qualified small business," and "qualified trade or business" have the meanings given
21 in 26 U.S.C. 1202 as that section read on January 1, 2012;

22 (2) "Alaska corporation" means a corporation that

23 (A) has been incorporated in the state or is authorized to do
24 business in the state; and

25 (B) has its headquarters or principal place of business in the
26 state.

27 * **Sec. 3.** This Act takes effect July 1, 2012.