

**CS FOR HOUSE BILL NO. 252(L&C)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 2/24/12

Referred: Finance

Sponsor(s): REPRESENTATIVES COSTELLO, Lynn, Keller, Feige, Pruitt, Thomas, Tuck, Holmes,  
Peggy Wilson, Stoltze, Herron, Foster, Johnson, Gara, Olson

**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 and that meets the active**

11 **business requirement in 26 U.S.C. 1202(e) as that subsection read on January 1,**

12 **2012 [APPLY TO INDIVIDUALS OR TO FIDUCIARIES].**

13 **(b) An** [HOWEVER, AN] individual may file a return under this chapter in

14 order to receive a tax credit under AS 43.20.013.

1 \* **Sec. 2.** AS 43.20.012 is amended by adding new subsections to read:

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

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

6 (2) all corporations that are members of the same parent-subsiary  
7 controlled group shall be treated as one corporation.

8 (d) In this section,

9 (1) "Alaska corporation" means a corporation that has been  
10 incorporated in the state or is authorized to do business in the state;

11 (2) "parent-subsiary controlled group" and "qualified small business"  
12 have the meanings given in 26 U.S.C. 1202 as that section read on January 1, 2012.

13 \* **Sec. 3.** AS 43.20.012 is repealed and reenacted to read:

14 **Sec. 43.20.012. Limitation on application of chapter; credits.** The tax  
15 imposed by this chapter does not apply to individuals or to fiduciaries. However, an  
16 individual may file a return under this chapter to receive a tax credit under  
17 AS 43.20.013.

18 \* **Sec. 4.** Sections 1 and 2 of this Act take effect July 1, 2012.

19 \* **Sec. 5.** Section 3 of this Act takes effect July 1, 2023.