

CS FOR HOUSE BILL NO. 252(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/14/12

Referred: Rules

Sponsor(s): REPRESENTATIVES COSTELLO, Lynn, Keller, Feige, Pruitt, Thomas, Tuck, Holmes, Peggy Wilson, Stoltze, Herron, Foster, Johnson, Gara, Olson, Guttenberg, Petersen, Kawasaki, Kerttula, Millett, Gardner, Johansen, Saddler

SENATORS Dyson, Davis, Ellis

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" has the meaning given in 26
12 U.S.C. 1202 as that section read on January 1, 2012;

13 (3) "qualified small business" has the meaning given in 26 U.S.C. 1202
14 as that section read on January 1, 2012, and does not include a construction,
15 transportation, utility, or fisheries business.

16 * **Sec. 3.** AS 43.20.012 is repealed and reenacted to read:

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

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

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