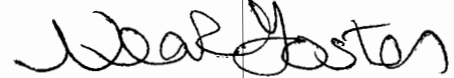


AMENDMENT #1

OFFERED IN THE HOUSE
TO: CSHB 115(FIN)

BY REPRESENTATIVE SEATON



1 Page 4, lines 4 - 14:

2 Delete all material and insert:

3 "Sec. 43.22.015. Calculation of tax on a nonresident individual. (a) Except
4 as otherwise provided in AS 43.22.010(f)(2) or (b) of this section, the tax on a
5 nonresident individual is the product of

6 (1) the tax determined under AS 43.22.010(b) on the nonresident
7 individual's taxable income computed as if the nonresident individual were a resident
8 individual but taking a reduction under AS 43.22.030(b)(2); and

9 (2) a fraction, the

10 (A) numerator of which is the nonresident individual's income
11 taxable under AS 43.22.045; and

12 (B) denominator of which is the nonresident individual's
13 taxable income computed as if the nonresident individual were a resident
14 individual.

15 (b) If a nonresident individual's taxable income computed under (a)(2)(B) is
16 less than the nonresident individual's income taxable under (a)(2)(A), the tax imposed
17 by this chapter is on the nonresident individual's taxable income as computed under
18 AS 43.22.045."

19

20 Page 9, lines 6 - 12:

21 Delete all material and insert:

22 "(b) In addition to the adjustments made to taxable income under (a) of this
23 section, a taxpayer may receive a reduction from federal adjusted gross income for

1 each exemption claimed on a taxpayer's federal income tax return for the individual,
2 an individual filing jointly with the individual, or a dependent of the individual. The
3 reduction under this subsection for a

4 (1) resident taxpayer is \$4,000 for each exemption claimed;

5 (2) nonresident is, for each exemption claimed, the product of \$4,000
6 and a fraction, the numerator of which is the nonresident individual's income taxable
7 under AS 43.22.045, computed without the reduction under this subsection, and the
8 denominator of which is the nonresident individual's taxable income computed as if
9 the nonresident individual were a resident individual and without the reduction under
10 this subsection; the reduction under this paragraph may not exceed \$4,000 for each
11 exemption claimed.

12 (c) The reduction under (b) of this section may not

13 (1) be claimed by a trust;

14 (2) reduce a taxpayer's tax liability under this chapter to below zero."
15

16 Reletter the following subsection accordingly.
17

18 Page 22, line 7:

19 Delete "AS 43.22.030(a)(2)(I)"

20 Insert "AS 43.22.030(b)"