

AMENDMENT # 2

Rep. Sumner

OFFERED IN THE HOUSE
TO: HB 144

1 Page 1, line 1, following "Act": *(little amendment)*

2 Insert "relating to the tax on corporations; relating to a tax exemption for
3 qualified small businesses;"

4
5 Page 1, following line 3:

6 Insert new bill sections to read:

7 "* Section 1. AS 43.20.012(a) is amended to read:

8 (a) The tax imposed by this chapter does not [APPLY TO]

9 (1) apply to an individual;

10 (2) apply to a fiduciary;

11 (3) apply to the income received by a regional association qualified
12 under AS 16.10.380 or nonprofit corporation holding a hatchery permit under
13 AS 16.10.400 from the sale of salmon or salmon eggs under AS 16.10.450 or from a
14 cost recovery fishery under AS 16.10.455; [OR]

15 (4) apply to the income received by a nonprofit corporation holding a
16 permit under AS 16.12.010 from the sale of shellfish under AS 16.12.080 or from a
17 cost recovery fishery under AS 16.12.090; or

18 (5) for a tax year beginning after June 30, 2024, apply to an Alaska
19 corporation that is a qualified small business and that meets the active business
20 requirements in 26 U.S.C. 1202(e), as that subsection read on January 1, 2012.

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

22 (e) For the purposes of (a)(5) of this section,

23 (1) whether a corporation qualifies under (a)(5) of this section shall be

1 determined on the first day of the tax year for which the corporation claims it qualifies
2 under (a)(5) of this section;

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

5 (f) In this section,

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

8 (2) "parent-subsiary controlled group" has the meaning given in 26
9 U.S.C. 1202, as that section read on January 1, 2012;

10 (3) "qualified small business" has the meaning given in 26 U.S.C.
11 1202, as that section read on January 1, 2012, and does not include a construction,
12 transportation, utility, or fisheries business."
13

14 Page 1, line 4:

15 Delete "**Section 1**"

16 Insert "**Sec. 3**"

17
18 Renumber the following bill section accordingly.