

Original Sponsors: Messrs.
Boardman and Strandberg

Offered: 3/24/65
Referred: Rules

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 69

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska net income
7 tax; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 43.20.010(a) is repealed and re-enacted to
10 read:

11 (a) There is levied and there shall be collected and
12 paid for each taxable year upon the net income of every
13 resident and nonresident individual, fiduciary and bank that
14 is required to make a return and pay a tax under the federal
15 income tax law a tax equal to 16 per cent of the total
16 income tax that would be payable for the same taxable year
17 to the United States at the federal tax rates in effect on
18 December 31, 1963, under the provisions of chapter 1 of sub-
19 title A of the 1954 Internal Revenue Code, Public Law 591,
20 83rd Congress, 2nd Session, as amended, upon all income
21 derived from sources within the state.

22 * Sec. 2. AS 43.20.010(b) is repealed and re-enacted to read:

23 (b) There is levied and there shall be collected and
24 paid for each taxable year upon the net income of every
25 resident and nonresident corporation that is required to
26 make a return and pay a tax under the federal income tax law
27 a tax equal to 18 per cent of the total income tax that
28 would be payable for the same taxable year to the United
29 States at the federal tax rates in effect on December 31,

1 1963, under the provisions of chapter 1 of subtitle A of the
2 1954 Internal Revenue Code, Public Law 591, 83rd Congress,
3 2nd Session, as amended, upon all income derived from
4 sources within the state.

5 * Sec. 3. AS 43.20.010(c) is amended by adding new subsections
6 to read:

7 (5) The benefits allowed to taxpayers under
8 Internal Revenue Code sections 1301 - 1307, as amended, are
9 allowed only to taxpayers who have been residents of the
10 state for the full base period as well as for the computa-
11 tion year as defined in those sections. The commissioner
12 shall prescribe regulations covering benefits under these
13 sections allowable to spouses eligible to file a joint
14 Alaska return for the computation year when one spouse has
15 not been a resident of Alaska for the full base period.

16 (6) For purposes of calculating the federal tax
17 payable, Internal Revenue Code sections 1561 - 1563, as
18 amended, shall apply to those members of a controlled group
19 of corporations only if two or more members are subject to
20 the tax imposed by this section. The single surtax exemption
21 allowed under Internal Revenue Code sections 1561 - 1563,
22 as amended, shall be apportioned in its entirety only among
23 corporations subject to the tax imposed by this section.

24 (7) The federal penalty tax imposed by Internal
25 Revenue Code sections 1561 - 1563, as amended, shall apply
26 in calculating the federal tax payable for purposes of this
27 section.

28 (8) For purposes of calculating the federal tax
29 payable on personal holding companies, the tax shall be as

1 provided by Internal Revenue Code section 541, as amended.

2 * Sec. 4. This Act applies retroactively to January 1, 1964.

3 * Sec. 5. This Act takes effect on the day after its passage

4 and approval or on the day it becomes law without such approval.

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