

1 IN THE HOUSE

BY ORBECK

2 HOUSE BILL NO. 20

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Business License Act; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 43.70.010(a)(8) is amended to read:

10 (8) gross receipts subject to the gross production tax im-  
11 posed by ch. 55 of this title, except that a person subject to the  
12 gross production tax shall obtain a business license and pay the in-  
13 itial \$100 [\$25] license fee;

14 \* Sec. 2. AS 43.70.010(c) is amended to read:

15 (c) The exemption from taxation of certain gross receipts as  
16 provided in this chapter does not exempt a person from the \$100 [\$25]  
17 initial license fee.

18 \* Sec. 3. AS 43.70.020(d) is amended to read:

19 (d) A person engaging in a business subject to licensing pro-  
20 visions of a regulatory nature (for example, the requirement of posting  
21 a bond before beginning business as a collection agency) including the  
22 registration by professional people with boards such as may be re-  
23 quired by statute must, in addition to filing the regular application  
24 required by this section, first comply with those regulatory provisions  
25 before being entitled to a license under this chapter.

26 \* Sec. 4. AS 43.70.030(a) is repealed and re-enacted to read:

27 (a) The license fee for each business license issued for

28 (1) 1971 is \$100 plus a sum equal to two-tenths of one per  
29 cent of that portion of a business' 1971 gross receipts between

1 \$20,000 and \$100,000 and one-tenth of one per cent of that portion  
2 above \$100,000;

3 (2) each year after 1971 is \$100.

4 \* Sec. 5. AS 43.70.030(d) is amended to read:

5 (d) The initial fee of \$100 [\$25] applies to all of the pro-  
6 visions of this section, and shall accompany the application. The  
7 balance is due and payable on December 31 of each year and shall be  
8 paid before the first day of March following, except that the depart-  
9 ment may extend the time until the 30th of the following April upon  
10 application showing that the extension is necessary to enable the  
11 applicant to ascertain the amount of license money due. To enable  
12 accurate determination of the balance of the tax due at the end of  
13 each year and of the penalty under sec. 60 of this chapter, each person  
14 to whom this chapter applies shall keep records, give statements  
15 under oath, and make returns which the department requires. Returns  
16 are made under penalty of perjury.

17 \* Sec. 6. AS 43.70.030 is amended by adding a new subsection to read:

18 (e) The annual license fee paid by a professional person to his  
19 professional board shall be credited against the initial fee of \$100  
20 required under this chapter.

21 \* Sec. 7. AS 43.70.060(a) is amended to read:

22 (a) If a person fails to file a business license return or pay  
23 the fee, as finally determined by the department, unless it is shown  
24 that the failure is due to reasonable cause and not to wilful neglect,  
25 five per cent is added to the fee for each additional 30 days, or  
26 fraction of 30 days, during which the failure continues, but not ex-  
27 ceeding 25 per cent in the aggregate; these percentages shall be based  
28 on the amount of the fee under the 1971 formula in sec. 30(a) of this  
29 chapter, except that in the case of banks, trust companies, and

1 savings and loan associations, they shall be based on the formula in  
2 sec. 30(b) of this chapter. The amount added to the fee shall be col-  
3 lected at the same time and in the same manner and as a part of the  
4 fee. If the fee is paid before the discovery of the neglect, the  
5 amount added shall be collected in the same manner as the fee. In  
6 case of delinquency the legal rate of interest shall be assessed. If  
7 payment is made by check, bill of exchange, or note which is later  
8 returned by the drawee as uncollectible because of insufficient funds  
9 or is dishonored by the drawee for any reason, the dishonor is prima  
10 facie evidence of nonpayment of the license fee.

11 \* Sec. 8. AS 43.70.110(1) is amended to read:

12 (1) "Business" includes all activities or acts, personal,  
13 professional, or corporate, engaged in or caused to be engaged in, or  
14 following or engaging in a trade, profession, or business, including  
15 receipts from advertising services, rental of personal or real property,  
16 construction, processing, or manufacturing, but excluding fisheries  
17 businesses licensed under AS 43.75, fishermen, liquor licenses, in-  
18 surance businesses, mining, and coin-operated amusement and gaming  
19 machines, calling or vocation, with the object of financial or pecuni-  
20 ary gain, profit or benefit, either direct or indirect, and not  
21 exempting subactivities producing marketable commodities or services  
22 used or consumed in the main business activity, each of which sub-  
23 activities shall be considered business. The giving or supplying of  
24 services as an employee and the furnishing of property, services,  
25 substances, or things, by a person who does not hold himself out  
26 anywhere as regularly engaging in those transactions, does not consti-  
27 tute business under the meaning of this chapter.

28 \* Sec. 9. This Act takes effect on the day after its passage and  
29 approval or on the day it becomes law without approval.