

Introduced: 4/7/71  
Referred: Local Government

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

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HOUSE BILL NO. 401

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to business license taxes; and providing for an effective date."

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

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\* Section 1. AS 07.15.040 is amended by adding a new subsection to read:

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(b) A refund under AS 43.70.005(b) is not an expenditure under this section.

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\* Sec. 2. AS 43.70 is amended by adding a new section to read:

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Sec. 43.70.005. APPLICATION OF CHAPTER; LOCAL TAX. (a) The business license tax provided for in this chapter applies only to a business conducted or engaged in within the area of the unorganized borough located outside a city school district, to the extent gross receipts are derived from business activities within that area.

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However, the requirements of this chapter governing license applications and payment of the initial fee of \$25 apply statewide.

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(b) An organized borough, city of any class within the borough, or a city in the unorganized borough which is a school district, may by ordinance levy and provide for the collection of a business license tax upon gross receipts derived from a business conducted or engaged in within the city or borough, subject to the same exemptions and limitations upon the amount of fee and tax as are provided for the state under this chapter. If an organized borough levies and collects the license tax authorized by this subsection on an areawide basis, no home rule or general law city within the borough may levy the tax; however, the borough shall refund to each city in the borough the

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1 money collected in that city.

2 (c) No home rule or general law city in the unorganized borough  
3 which is not a school district may levy the business license tax  
4 authorized in this section.

5 \* Sec. 3. AS 43.70.030(a) is amended to read:

6 (a) The license fee for each business is \$25 plus a sum equal to  
7 one-half of one per cent of [THE] gross receipts [IN EXCESS OF \$20,000]  
8 from the business, as provided in sec. 5 of this chapter, during the  
9 year for which the license is issued [, EXCEPT THAT ALL GROSS VOLUME  
10 IN EXCESS OF \$100,000 A YEAR IS TAXED AT THE RATE OF ONE-QUARTER OF  
11 ONE PER CENT]. The annual license fee paid by a professional person  
12 to his professional board shall be credited against the initial fee  
13 required under this chapter.

14 \* Sec. 4. AS 43.70.060(a) is amended to read:

15 (a) If a person fails to file a business license return or pay  
16 the fee, as finally determined by the department, unless it is shown  
17 that the failure is due to reasonable cause and not to wilful neglect,  
18 100 [FIVE] per cent is added to the fee [FOR EACH ADDITIONAL 30 DAYS,  
19 OR FRACTION OF 30 DAYS, DURING WHICH THE FAILURE CONTINUES, BUT NOT  
20 EXCEEDING 25 PER CENT IN THE AGGREGATE]. The amount added to the fee  
21 shall be collected at the same time and in the same manner and as a  
22 part of the fee. If the fee is paid before the discovery of the  
23 neglect, the amount added shall be collected in the same manner as the  
24 fee. In case of delinquency the legal rate of interest shall be  
25 assessed. If payment is made by a check, bill of exchange, or note  
26 which is later returned by the drawee as uncollectible because of  
27 insufficient funds or is dishonored by the drawee for any reason, the  
28 dishonor is prima facie evidence of nonpayment of the license fee.

29 \* Sec. 5. AS 43.70.080 is amended to read:

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Sec. 43.70.080. DISPOSAL OF MONEY. All money collected by the department under this chapter shall be deposited in the general fund. [THE DEPARTMENT OF REVENUE SHALL REFUND TO EACH ORGANIZED BOROUGH AND EACH CITY OF ANY CLASS 60 PER CENT OF THE MONEY COLLECTED IN THE LOCAL GOVERNMENT.]

\* Sec. 6. This Act takes effect January 1, 1972.