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Offered: 3/30/73
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 49

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to interest rates charged in the
7 state and the tax rate on interest income to financial
8 institutions; and providing for an effective date."

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

10 * Section 1. AS 45.45.010(b) is repealed and re-enacted to read:

11 (b) No interest may be charged by express agreement of the
12 parties in a contract or loan commitment which is more than eight per
13 cent a year, except that the eight per cent a year rate may be exceeded
14 under the following circumstances:

15 (1) in a contract or loan commitment not involving real es-
16 tate or in a contract or loan commitment covering a one- to four-family
17 dwelling, dated after the effective date of this Act and before April
18 15, 1975, the interest rate may not exceed four percentage points above
19 the annual rate charged member banks for advances by the 12th Federal
20 Reserve District that prevailed on the first day of the month preceding
21 the commencement of the calendar quarter during which the contract or
22 loan commitment is made;

23 (2) in a contract or loan commitment involving real estate
24 or secured by a real estate mortgage or trust deed, not covered in (1)
25 of this subsection, and dated after the effective date of this Act and
26 before April 15, 1975, the interest rate may not exceed four and one-
27 half percentage points above the annual rate charged member banks for
28 advances by the 12th Federal Reserve District that prevailed on the
29 first day of the month preceding the commencement of the calendar quar-
ter during which the contract or loan commitment is made.

1 * Sec. 2. AS 45.45.010 is amended by adding new subsections to read:

2 (d) Notice of the annual rate charged member banks for advances
3 by the 12th Federal Reserve District prevailing on the first day of
4 the month preceding the commencement of each calendar quarter required
5 for the maximum interest rate computation under (b) of this section
6 shall be provided by the Department of Commerce.

7 (e) Interest at a rate not to exceed eight per cent may be
8 charged by express agreement of the parties in a loan, contract or
9 commitment dated on or after April 15, 1975.

0 (f) No bank, savings and loan institution, pension fund, insur-
1 ance company or mortgage company may require or accept any per cent of
2 ownership or profits above its interest rate.

3 (g) Loan contracts and commitments covering one- to four-family
4 dwellings entered into under (b) of this section may be prepaid without
5 penalty, except federally insured loans that require a prepayment penalty.

6 (h) If the limitations on interest rates provided for in this
7 section are inconsistent with the provisions of any other statute
8 covering maximum service charges or discount rates, then the provisions
9 of such other statute shall prevail.

0 * Sec. 3. AS 45.45.010(c) is repealed.

1 * Sec. 4. AS 43.70.030(b) is amended to read:

2 (b) The license fee for each national bank and state bank, trust
3 company and savings and loan association is six [TWO] per cent of its
4 net income, except that net income in excess of \$500,000 is taxed at
5 the rate of eight per cent, and net income in excess of \$1,250,000 is
6 taxed at the rate of ten per cent. Net income means the taxable income
7 of each such taxpayer before net operating loss deduction and special
8 deductions, computed as required under the Internal Revenue Code of
9 the United States and includes all other income including income from

1 federal, state or municipal obligation, except that income from
2 municipal obligations of communities in the state with a population
3 of less than 7,500 may be excluded. Each of these taxpayers shall
4 submit a copy of the income tax return which it files with the United
5 States Collector of Internal Revenue and shall notify the commissioner
6 of revenue in writing of any alteration or modification of the federal
7 income tax return and of a recomputation of tax or determination of
8 deficiency. The taxpayer who files his federal return on a fiscal year
9 basis shall in addition submit a statement setting out all information
10 which would be required and reported in a federal income tax return
11 prepared for the calendar year. This statement shall be in the same
12 form as a federal income tax return and the net income shall be com-
13 puted as required under the Internal Revenue Code. The statement shall
14 be submitted to the commissioner of revenue before the sixteenth day
15 of April after the close of the calendar year.

16 * Sec. 5. This Act takes effect on the day after its passage and approval
17 or on the day it becomes law without approval.
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