

1 IN THE SENATE

BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 397

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the administration of state tax
7 and revenue laws; and providing for an effective
8 date."

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

10 * Section 1. AS 43.05 is amended by adding a new section to read:

11 Sec. 43.05.025. AUDIT AGENTS. The commissioner of revenue may
12 employ agents outside the state to assist in the audit of books and
13 records located outside the state. Agents employed under this
14 section are subject to the restrictions of sec. 230 of this chapter.

15 * Sec. 2. AS 43.05 is amended by adding new sections to read:

16 Sec. 43.05.220. CIVIL PENALTY. Five per cent shall be added to
17 a tax for each 30-day period or fraction of the period during which
18 the taxpayer fails to file a return or report, or pay the full amount
19 of the tax, or a portion or a deficiency of the tax, as finally
20 determined by the department and required by this title, unless it is
21 shown that the failure is due to a reasonable cause and not to wilful
22 neglect. The penalty shall not exceed 25 per cent in the aggregate.
23 The penalty shall be collected at the same time, in the same manner and
24 as a part of the original tax; but if the original tax is paid before
25 the neglect is discovered, the penalty shall be collected in the
26 same manner as the original tax. The department shall prescribe by
27 regulation circumstances which constitute reasonable cause for
28 purposes of this section.

29 Sec. 43.05.225. INTEREST ON TAXES. When a tax levied in this

1 title becomes delinquent, it bears interest at the rate of six
2 per cent a year.

3 Sec. 43.05.230. DISCLOSURE OF TAX RETURNS AND REPORTS. (a)
4 Except in connection with official investigations or proceedings in
5 court, involving taxes due under this title and except as otherwise
6 provided in this section, it is unlawful for an officer, employee or
7 agent of the state to make known the amount of income or the
8 particulars set out or disclosed in a report or return made under
9 this title.

10 (b) Neither an original tax return nor a copy of it is admissible
11 in evidence in a court unless offered

12 (1) by the taxpayer who filed the return;

13 (2) by the state in an action to which the state is a
14 party for the purpose of enforcing a tax imposed by this title; or

15 (3) as otherwise authorized by the Internal Revenue Code.

16 (c) The department upon written request, shall furnish to the
17 taxpayer a copy of his tax return upon payment of a fee of \$1 per
18 page.

19 (d) The department may permit the proper officer of the United
20 States or of a state, territory or possession of the United States
21 or of the Dominion of Canada or of a province or territory of Canada,
22 or his authorized representative, to inspect tax returns or reports
23 filed with the department, or may furnish to the officer or
24 representative a copy of the tax return, if the other jurisdiction
25 grants substantially similar privileges to the department or its
26 representative or to counsel for the state.

27 (e) The commissioner of revenue at his discretion may furnish
28 to the Multistate Tax Commission or other authorized agent, information
29 contained in the tax returns, reports, related schedules and documents

1 filed under an audit or investigation made by the department. This
2 information may be furnished for tax purposes only. The Multistate
3 Tax Commission or other authorized agent may make the information
4 available to the tax officials of other states, the District of
5 Columbia, the United States and its territories for tax purposes
6 only.

7 (f) Nothing in this section may be construed to prohibit the
8 publication of statistics so classified as to prevent the identifica-
9 tion of particular returns or reports or the publication of delinquent
10 lists showing the names of taxpayers who have failed to pay their
11 taxes at the time and in the manner provided by law, together with
12 other relevant information which in the opinion of the department
13 may assist in the collection of delinquent taxes.

14 (g) A violation of the provisions of this section is a mis-
15 demeanor and is punishable by a fine of not more than \$1,000 or by
16 imprisonment for not more than six months, or by both.

17 Sec. 43.05.240. TAXPAYER REMEDIES. (a) A person aggrieved by
18 the action of the department in fixing the amount of a tax or in
19 imposing a penalty may apply to the department within 60 days from
20 the date of the notice required to be given to him by the
21 department, giving notice of the grievance, and requesting an informal
22 conference. At the conference the person aggrieved may present
23 arguments and evidence relevant to the amount of tax or penalty due
24 the state. If the department determines that a correction is
25 warranted, the department shall make the correction.

26 (b) A person aggrieved by the action of the department in fixing
27 the amount of a tax or in imposing a penalty may apply to the
28 department and request a formal hearing

29 (1) within 60 days from the date of the notice required to

1 be given to him by the department; or

2 (2) within 30 days after decision resulting from an informal
3 conference.

4 (c) At the formal hearing the department may subpoena witnesses
5 and may administer oaths and make inquiries necessary to determine the
6 amount of the tax or penalty due the state. The person aggrieved
7 may present arguments and evidence relevant to the amount of the tax
8 or penalty due the state. If the department determines that a
9 correction is warranted, the department shall make the correction.

10 (d) Within 30 days after the formal hearing and decision by the
11 department, a person aggrieved by the decision of the department may
12 appeal to the superior court in the judicial district in which he
13 resides. The taxpayer shall have access to the file of the department
14 in the matter for preparation of his appeal. If after the appeal
15 is heard, it appears that the tax was correct, the court shall confirm
16 the tax. If incorrect, the court shall determine the amount of the
17 tax and if the person aggrieved is entitled to recover the tax or
18 part of it, the court shall order the repayment and the department
19 shall immediately pay the amount due and attach a certified copy of
20 the judgment to the payment.

21 Sec. 43.05.250. PAYMENT OF TAXES. (a) If a tax is required
22 under this title to be paid on or before a certain date, the date
23 fixed is the last day for the payment.

24 (b) In addition to money, the department may receive bank drafts,
25 checks, cashiers checks or money orders for the payment of taxes
26 under regulations prescribed by the department.

27 (c) The department may prescribe other methods of payment in-
28 cluding the use of bank depositories, bank and wire transfers, stamps
29 or other methods necessary or helpful in securing a complete and timely

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collection of the tax.

Sec. 43.05.255. DEFINITION. For purposes of this chapter, "department" means the Department of Revenue.

* Sec. 3. The following are repealed: AS 43.20.190, 43.20.210, 43.20.280; AS 43.31.081, 43.31.171(a); AS 43.35.080(b); AS 43.40.010(d); AS 43.45.050; AS 43.50.100(a), 43.50.110; 43.56.160; AS 43.60.030; AS 43.65.050(a) and (d); AS 43.70.040(b) and (c), 43.70.050, 43.70.060(a); and AS 43.75.050(a) - (d).

* Sec. 4. Repeals made by this Act do not affect tax liability accrued before January 1, 1974.

* Sec. 5. This Act is retroactive to January 1, 1974, and relates only to income earned and received after December 31, 1973.

* Sec. 6. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.