

Introduced: 2/26/75
Referred: Commerce, Judiciary
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 CS HOUSE BILL NO. 211 (Fin) am 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST 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 section
14 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 ARTICLE 3. MISCELLANEOUS PROVISIONS.

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

29 Sec. 43.05.225. INTEREST ON TAXES. Unless otherwise provided

1 when a tax levied in this title becomes delinquent, it bears interest
2 at the rate of eight 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 of
5 the department, whether judicial or administrative, involving taxes
6 due under this title, and except as otherwise provided in this section,
7 it is unlawful for an officer, employee or agent of the state to divulge
8 the amount of income or the particulars set out or disclosed in a report
9 or return made under 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 party
14 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 page.

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

29 (e) The commissioner of revenue at his discretion may furnish

1 to the Multistate Tax Commission or other authorized agent, information
2 contained in the tax returns, reports, related schedules and documents
3 filed under an audit or investigation made by the department. This
4 information may be furnished for tax purposes only. The Multistate
5 Tax Commission or other authorized agent may make the information avail-
6 able to the tax officials of other states, the District of Columbia,
7 the United States and its territories for tax purposes only.

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

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

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

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

1 (1) in place of the informal conference provided for in
2 (a) of this section, within 60 days from the date of mailing the notice
3 required to be given to him by the department; or

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

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

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

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

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

29 (c) The department may prescribe other methods of payment in-

1 cluding the use of bank depositories, bank and wire transfers, stamps
2 or other methods necessary or helpful in securing a complete and timely
3 collection of the tax.

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

6 * Sec. 3. The following laws are repealed: AS 43.20.190; 43.20.210;
7 43.20.280; 43.31.081; 43.31.161; 43.31.171(a); 43.40.010(d); 43.45.050; 43.-
8 50.100(a) and (b); 43.50.110; 43.60.030; 43.65.050(a) and (d); 43.70.040(b),
9 (c) and (d); 43.70.050; 43.70.060(a); and 43.75.050(a), (b) and (d).

10 * Sec. 4. Repeals made by this Act do not affect tax liabilities accrued
11 before January 1, 1975.

12 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10-
13 .070(c).