

Original sponsor: Rules Committee by  
request of the Governor

Offered: 4/16/75  
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 211

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 date."

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

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

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

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

15 ARTICLE 3. MISCELLANEOUS PROVISIONS.

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

28 Sec. 43.05.225. INTEREST ON TAXES. Unless otherwise provided,  
29 when a tax levied in this title becomes delinquent it bears interest at

1 the rate of eight per cent a year.

2 Sec. 43.05.230. DISCLOSURE OF TAX RETURNS AND REPORTS. (a)

3 Except in connection with official investigations or proceedings of the  
4 department, whether judicial or administrative, involving taxes due  
5 under this title, and except as otherwise provided in this section, it  
6 is unlawful for an officer, employee or agent of the state to divulge  
7 the amount of income or the particulars set out or disclosed in a report  
8 or return made under this title.

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

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

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

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

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

17 (d) The department may permit the proper officer of the United  
18 States or of a state, territory or possession of the United States or  
19 of the Dominion of Canada or of a province or territory of Canada, or  
20 his authorized representative, to inspect tax returns or reports filed  
21 with the department, or may furnish to the officer or representative  
22 a copy of the tax return, if the other jurisdiction grants substantially  
23 similar privileges to the department or its representative or to counsel  
24 for the state; and if the department determines that the other juris-  
25 diction provides adequate safeguards for the confidentiality of the  
26 returns and reports, and that the returns and reports will be used for  
27 tax purposes only. The department may also permit the employment  
28 security division of the Alaska Department of Labor to inspect tax  
29 returns or reports filed with the department or may furnish a copy of

1 the tax returns for tax purposes only.

2 (e) The commissioner of revenue at his discretion may furnish to  
3 the Multistate Tax Commission or other authorized agent information  
4 contained in the tax returns, reports, related schedules and documents  
5 filed under an audit or investigation of a multistate business made by  
6 the department. This information may be furnished for tax purposes only.  
7 The Multistate Tax Commission or other authorized agent may make the  
8 information available to the tax officials of other states, the District  
9 of Columbia, the United States and its territories for tax purposes only.

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

17 (g) A wilful violation of the provisions of this section is punish-  
18 able by a fine of not more than \$5,000, or by imprisonment for not more  
19 than two years, or by both.

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

29 (b) A person aggrieved by the action of the department in fixing

1 the amount of a tax or in imposing a penalty may apply to the department  
2 and request a formal hearing

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

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

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

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

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

28 (b) In addition to money, the department may receive bank drafts,  
29 checks, cashiers checks or money orders for the payment of taxes under

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regulations prescribed by the department.

(c) The department may prescribe other methods of payment including the use of bank depositories, bank and wire transfers, stamps or other methods necessary or helpful in securing a complete and timely collection of the tax.

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

\* Sec. 3. The following laws are repealed: AS 43.20.190; 43.20.210; 43.20.280; 43.31.081; 43.31.161; 43.31.171(a); 43.40.010(d); 43.45.050; 43.50.100(a) and (b); 43.50.110; 43.60.030; 43.65.050(a) and (d); 43.70.040(b), (c) and (d); 43.70.050; 43.70.060(a); and 43.75.050(a), (b) and (d).

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

\* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-070(c).