

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/26/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 211 (Finance)

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. However, nothing in this section
9 precludes access to the tax records for purposes of audit by the legis-
10 lative audit division of the Legislative Budget and Audit Committee.
11 The legislative audit division shall be bound by a "need to know"
12 policy, and the information derived from the tax records shall be used
13 for audit of the Department of Revenue only.

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

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

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

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

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

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

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

1 and request a formal hearing

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

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

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

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

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

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

1 (c) The department may prescribe other methods of payment includ-
2 ing the use of bank depositories, bank and wire transfers, stamps or
3 other methods necessary or helpful in securing a complete and timely
4 collection of the tax.

5 Sec. 43.05.255. DEFINITION. For purposes of this chapter "depart-
6 ment" means the Department of Revenue.

7 * Sec. 3. The following laws are repealed: AS 43.20.190; 43.20.210;
8 43.20.280; 43.31.081; 43.31.161; 43.31.171(a); 43.40.010(d); 43.45.050;
9 43.50.100(a) and (b); 43.50.110; 43.60.030; 43.65.050(a) and (d); 43.70.040(b),
10 (c) and (d); 43.70.050; 43.70.060(a); and 43.75.050(a), (b) and (d).

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

13 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
14 070(c).

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