

1 IN THE HOUSE

BY MCKINNON

2 HOUSE BILL NO. 821

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a renter credit granted under the  
7 Alaska net income tax."

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

9 \* Section 1. AS 43.20 is amended by adding a new section to read:

10 Sec. 43.20.032. RENTER CREDIT. (a) For the purpose of calculat-  
11 ing the tax payable under this chapter, a qualified renter shall be  
12 allowed a credit against the tax, in the amount indicated on the follow-  
13 ing table:

| 14 If adjusted gross income is: | The credit is: |
|---------------------------------|----------------|
| 15 less than \$5,000            | \$25           |
| 16 \$5,000 - 5,999              | 30             |
| 17 6,000 - 6,999                | 35             |
| 18 7,000 - 7,999                | 40             |
| 19 8,000 and up                 | 45             |

20 (b) Except as provided in (c) of this section a husband and wife  
21 shall receive but one credit under this section. If the husband and  
22 wife file separate returns, the credit may be taken by either or equal-  
23 ly divided between them, except that

24 (1) if one spouse was a resident for the entire taxable year  
25 and the other spouse was a nonresident for part or all of the taxable  
26 year, the resident spouse shall be allowed the full credit;

27 (2) if both spouses were nonresidents for part of the taxable  
28 year, the credit shall be divided equally between them subject to the  
29 proration provided in (e) of this section.

1 (c) If a husband and wife each maintained a separate place of  
2 residence and resided in this state during the entire taxable year, each  
3 spouse will be allowed the full credit provided in (a) and (b) of this  
4 section.

5 (d) For purposes of this section

6 (1) "qualified renter" means an individual who

7 (A) on March 1 of the taxable year was a resident of  
8 this state, as defined in sec. 340 of this chapter; renting and  
9 occupying premises in this state which constituted his principal  
10 place of residence; and

11 (B) did not purchase and move into property purchased  
12 for the use as principal residence during the taxable year;

13 (2) "qualified renter" does not include

14 (A) an individual who on March 1 of the taxable year  
15 rented and occupied premises which were exempt from property taxes;

16 (B) an individual whose principal place of residence is  
17 with any other person who claimed the individual as a dependent  
18 for income tax purposes;

19 (C) an individual who has been granted or whose spouse  
20 has been granted a senior citizen property tax exemption during  
21 the taxable year; this paragraph does not apply to an individual  
22 whose spouse has been granted this exemption if each spouse main-  
23 tained a separate residence for the entire taxable year;

24 (D) an individual or the spouse of an individual who,  
25 for the entire taxable year, received public assistance grants  
26 which took into account housing or shelter needs; if the grants  
27 were received for a part of the taxable year, the credit provided  
28 by this section shall be claimed at the rate of one-twelfth for  
29 each full month such grants were not received during the income

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year.

(e) An individual who is a nonresident for any portion of the taxable year may claim the credits set out in (a) and (b) of this section at the rate of one-twelfth of the credits for each full month the individual resided in this state during the taxable year.

(f) Every person claiming the credit provided in this section shall, as part of the claim, and under the penalty of perjury, furnish all the information the Department of Revenue prescribes on a form supplied by the department.

(g) The credit provided in this section shall be claimed on returns as defined in sec. 30 of this chapter.

(h) For the purpose of this section, "premises" means as it is defined in sec. 34.03.370(10).

(i) If a credit provided to the qualified renter in this section exceeds his tax liability computed under this chapter, minus all other credits provided for in this chapter, except for the credit allowed under sec. 180 of this chapter, he shall be allowed a credit to the extent of his tax liability plus a refund in excess of the amount up to a combined credit and refund equal to the credit otherwise provided in this section.

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