

Original sponsor: Rules Committee
by request of the Governor

Offered: 4/19/76
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 510

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 the Alaska Net Income Tax Act; and
7 providing for an effective date."

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

9 * Section 1. AS 43.20.031(a) is amended by adding a new paragraph to read:

10 (3) the exclusion from gross income of interest on certain
11 government obligations under sec. 103 of the Internal Revenue Code (26
12 U.S.C. sec. 103) shall be allowed except that the interest on obligations
13 of the District of Columbia, other states, territories, and possessions
14 of the United States, and the political subdivisions of those other
15 states, territories and possessions of the United States are not exempt
16 from the tax imposed by this chapter.

17 * Sec. 2. AS 43.20.021(a) is amended to read:

18 (a) Subtitle F and chapter 1 of subtitle A of the 1954 Internal
19 Revenue Code, Public Law 83-591, as amended, are adopted by reference as
20 a part of this chapter, except that those provisions of the Internal
21 Revenue Code adopted after December 31, 1975 which change or modify ex-
22 emptions from tax or credits against tax are not adopted by reference as
23 a part of this chapter until the second January 1 following the effec-
24 tive date of the federal law. These portions of the Internal Revenue
25 Code have full force and effect under this chapter unless excepted to
26 or modified by other provisions of this chapter.

27 * Sec. 3. AS 43.20.021 is amended by adding new subsections to read:

28 (e) For the purpose of calculating the maximum tax rate on earned
29 income as provided for in sec. 1348 of the Internal Revenue Code (26

1 U.S.C. sec. 1348), the rate is 9.5 per cent for individuals.

2 (f) For the purpose of calculating the minimum tax on tax prefer-
3 ences provided for in secs. 56-58 of the Internal Revenue Code (26
4 U.S.C. secs. 56-58), the rate is 16 per cent for individuals and 18 per
5 cent for corporations of the applicable minimum federal tax rate.

6 * Sec. 4. AS 43.20.031(b)(2) is repealed and re-enacted to read:

7 (2) pensions and annuities received from qualified plans
8 approved under secs. 401-415 of the Internal Revenue Code (26 U.S.C.
9 secs. 401-415) as amended;

10 * Sec. 5. AS 43.20.031(c) is amended to read:

11 (c) In computing the tax under this chapter, the taxpayer is not
12 entitled to deduct any taxes based on or measured by net income [FROM
13 THE ADJUSTED GROSS INCOME STATE INCOME TAXES].

14 * Sec. 6. Sections 1, 2 and 4 of this Act are retroactive to January 1,
15 1976.

16 * Sec. 7. Sections 3 and 5 of this Act are retroactive to January 1, 1975
17 and apply to income earned or received after December 31, 1974.

18 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
19 070(c).