

Introduced: 1/18/77
Referred: Judiciary and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 42

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to miscellaneous amendments to the
7 revenue statutes; 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. 43.05.290. PENALTIES. (a) A person who wilfully attempts
12 to evade the tax imposed by this title is, in addition to other penal-
13 ties provided by this title, guilty of a felony and, upon conviction,
14 shall be fined not more than \$5,000, or imprisoned for not more than
15 five years, or both.

16 (b) A person required under this title to collect, account for,
17 and pay over the tax imposed by this title who wilfully fails to
18 collect or truthfully account for and pay over the tax is, in addition
19 to other penalties provided by this title, guilty of a felony and,
20 upon conviction, shall be fined not more than \$5,000, or imprisoned
21 for not more than five years, or both.

22 (c) A person required under this title to pay a tax, make a
23 return, keep records, or supply information, who wilfully fails to pay
24 the tax or estimated tax, make the return, keep the records, or supply
25 the information, is, in addition to other penalties provided by this
26 title, guilty of a misdemeanor and, upon conviction, shall be fined
27 not more than \$5,000, or imprisoned for not more than one year, or
28 both.

29 (d) A person who wilfully makes and subscribes a return, state-

1 ment, or other document required under this title which contains or is
2 verified by a written declaration that it is made under the penalties
3 of perjury which he does not believe to be true and correct as to
4 every material matter is, in addition to other penalties provided by
5 this title, guilty of a felony and, upon conviction, shall be fined
6 not more than \$5,000, or imprisoned for not more than three years, or
7 both.

8 (e) A person who wilfully and knowingly aids or assists in, or
9 procures, or counsels the preparation or presentation in connection
10 with any matter arising under this title of a return, affidavit,
11 claim, or other document, which is fraudulent or is false as to any
12 material matter is guilty of a felony whether or not the falsity or
13 fraud is with the knowledge or consent of the person required to
14 present the return, affidavit, claim, or document, and, upon conviction,
15 shall be fined not more than \$5,000, or imprisoned for not more than
16 three years, or both.

17 (f) A person who wilfully delivers or discloses to the commis-
18 sioner or the department under this chapter any list, return, account,
19 statement, or other document, known by him to be fraudulent or to be
20 false as to any material matter shall be fined not more than \$1,000,
21 or imprisoned for not more than one year, or both.

22 (g) A person required to collect or truthfully account for a tax
23 imposed by this chapter who wilfully fails to collect the tax or to
24 truthfully account for any tax paid over to the person, or wilfully
25 attempts in any manner to evade the tax or the payment of it is, in
26 addition to other penalties provided by law, liable for a civil penalty
27 equal to the total amount of the tax evaded, not collected, not
28 accounted for, or not paid over. This penalty is in place of the tax
29 not otherwise paid to the state. The civil penalty shall be paid upon

1 demand by the commissioner or his designee, and shall be assessed and
2 collected in the same manner as taxes are assessed and collected under
3 this title. Any reference in (a) - (f) of this section to "tax"
4 imposed refers also to the civil penalty provided under this subsection.

5 (h) In this section "person" includes, but is not limited to, an
6 officer or employee of a corporation or a member or employee of a
7 partnership, who as officer, employee or member is under a duty to
8 perform the act in respect to which the violation occurs.

9 (i) A person required to supply information to his employees
10 under this title who wilfully supplies false information or who wil-
11 fully fails to supply information under that section which would
12 require an increase in the tax to be withheld under that section is,
13 in addition to other penalties specified in this chapter, guilty of a
14 misdemeanor and, upon conviction, is punishable by a fine of not more
15 than \$5,000, or imprisonment for not more than one year, or both.

16 (j) The penalties and liabilities provided in (g) of this
17 section shall be paid upon notice and demand by the commissioner of
18 revenue or his deputy or agent and shall be assessed and collected in
19 the same manner as taxes. A reference to "tax" imposed also refers to
20 the penalties and liabilities provided by this section.

21 * Sec. 2. AS 43.10.160(b) is amended to read:

22 (b) If the value of the taxpayer's interest in the real estate
23 is not equal to twice the amount of the estimated tax and license fees
24 for which the taxpayer will be liable to the state, the taxpayer shall
25 file with the Department of Revenue a bond or other security approved
26 by the Department of Revenue [ATTORNEY GENERAL] in a sum equal to
27 twice the estimated amount of the taxes and license fees, but in no
28 event less than \$1,000. However, the bond requirement may be waived,
29 in whole or in part, if the taxpayer shows in writing to the satisfac-

tion of the Department of Revenue [ATTORNEY GENERAL] that there is good cause for such a waiver [THE AMOUNT OF THE WAIVER WOULD BE AN UNDUE HARDSHIP]. The Department of Revenue shall adopt regulations setting out the base upon which the determination of good cause will be made.

* Sec. 3. AS 43.20.011(c) is amended to read:

(c) There is imposed for each taxable year upon the taxable income of every resident, nonresident and part-year resident head of a household (as defined in section 2(b) of the Internal Revenue Code), taxes computed according to the following table.

If the taxable income is:

Then the tax is:

Not over \$2,000

3 per cent of the taxable income

Over \$2,000 but not over \$4,000

\$60 plus 3.5 per cent of excess over \$2,000

Over \$4,000 but not over \$6,000

\$130 plus 4.0 per cent of excess over \$4,000

Over \$6,000 but not over \$8,000

\$210 plus 4.5 per cent of excess over \$6,000

Over \$8,000 but not over \$10,000

\$300 plus 5.0 per cent of excess over \$8,000

Over \$10,000 but not over \$12,000

\$400 plus 5.5 per cent of excess over \$10,000

Over \$12,000 but not over \$14,000

\$510 plus 6.0 per cent of excess over \$12,000

Over \$14,000 but not over \$16,000

\$630 plus 6.5 per cent of excess over \$14,000

Over \$16,000 but not over \$18,000

\$760 plus 7.0 per cent of excess over \$16,000

1	Over \$18,000 but not over \$20,000	\$900 plus 7.0 per cent of
2		excess over \$18,000
3	Over \$20,000 but not over \$22,000	\$1,040 plus 7.5 per cent
4		of excess over \$20,000
5	Over \$22,000 but not over \$24,000	\$1,190 plus 8.0 per cent
6		of excess over \$22,000
7	Over \$24,000 but not over \$28,000	\$1,350 plus 8.5 per cent
8		of excess over \$24,000
9	Over \$28,000 but not over \$32,000	\$1,690 plus 9.0 per cent
10		of excess over \$28,000
11	Over \$32,000 but not over \$38,000	\$2,050 plus 9.5 per cent
12		of excess over \$32,000
13	Over \$38,000 but not over \$44,000	<u>\$2,620</u> [\$2,430] plus 10.0
14		per cent of excess over \$38,000
15	Over \$44,000 but not over \$50,000	<u>\$3,220</u> [\$3,030] plus 10.5
16		per cent of excess over \$44,000
17	Over \$50,000 but not over \$60,000	<u>\$3,850</u> [\$3,660] plus 11.0
18		per cent of excess over \$50,000
19	Over \$60,000 but not over \$70,000	<u>\$4,950</u> [\$4,760] plus 11.5
20		per cent of excess over \$60,000
21	Over \$70,000 but not over \$80,000	<u>\$6,100</u> [\$5,910] plus 12.0
22		per cent of excess over \$70,000
23	Over \$80,000 but not over \$90,000	<u>\$7,300</u> [\$7,110] plus 12.5
24		per cent of excess over \$80,000
25	Over \$90,000 but not over \$100,000	<u>\$8,500</u> [\$8,360] plus 13.0 per
26		cent of excess over \$90,000
27	Over \$100,000 but not over \$150,000	<u>\$9,850</u> [\$9,660] plus 13.5 per
28		cent of excess over \$100,000
29	Over \$150,000 but not over \$200,000	<u>\$16,600</u> [\$16,410] plus 14.0

	per cent of excess over
	\$150,000
Over \$200,000 but not over \$300,000	<u>\$23,600</u> [\$23,410] plus 14.5
	per cent of excess over \$200,000
Over \$300,000	<u>\$38,100</u> [\$37,910] plus 14.5
	per cent of excess over \$300,000

* Sec. 4. AS 43.20.031(e) is amended to read:

(e) An affiliated group of corporations may make or the commissioner may require them to make a consolidated [OR COMBINED] return for the taxable year in place of separate returns. For purposes of calculating the amount of tax payable by the group under a consolidated filing, Internal Revenue Code secs. 1501 - 1552, as amended, apply.

* Sec. 5. AS 43.20.031 is amended by adding a new subsection to read:

(h) A corporation which is a member of a group of unitary corporations which collectively has income from business activity which is taxable both inside and outside the state or income from other sources both inside and outside the state shall determine its income from sources in this state by use of the combined method of accounting.

* Sec. 6. AS 43.20.035(a)(3) is amended to read:

(3) a nonresident or part-year resident who itemizes deductions instead of using the deduction provided in Internal Revenue Code sec. 141 is allowed to make the deduction in the proportion provided in (b) of this section [IS ALLOWED A DEDUCTION FOR THOSE ITEMS DEDUCTIBLE UNDER THE INTERNAL REVENUE CODE WHICH ARISE FROM SOURCES IN THE STATE];

* Sec. 7. AS 43.20 is amended by adding a new section to read:

Sec. 43.20.037. TAXABLE INCOME OF FIDUCIARY. The taxable income of a fiduciary is its taxable income as determined under sec. 31 of this chapter when attributable to sources in the state as provided in sec. 40 of this chapter.

1 * Sec. 8. AS 43.20.071(d) is amended to read:

2 Sec. 43.20.071. [PASSENGER OR FREIGHT WATER] TRANSPORTATION CARRIERS.

3 (d) The sales factor for water transportation carriers shall be
4 determined on a days-spent-in-ports basis as provided in (e) of this
5 section.

6 * Sec. 9. AS 43.20.071 is amended by adding a new subsection to read:

7 (f) Transportation carriers other than water carriers shall
8 apportion their income to this state by means of formulas prescribed
9 by regulations of the department which insure that the total income
10 subject to apportionment has been apportioned only to those states
11 having jurisdiction to tax.

12 * Sec. 10. AS 43.20.200(a) is amended to read:

13 (a) As soon as practicable after a return is filed, the department
14 may [SHALL] examine it and determine the correct amount of tax. If an
15 error is disclosed by the examination, the department shall so notify
16 the taxpayer by first-class mail. The taxpayer may petition for
17 redetermination of deficiency as provided in sec. 280 of this chapter.

18 * Sec. 11. The following laws are repealed: AS 43.20.150; 43.20.335;
19 43.26.060; 43.31.360; 43.31.370; 43.31.380; 43.31.390; 43.40.020; 43.40.090;
20 43.45.060; 43.50.160; 43.55.120; 43.55.130; 43.56.190; 43.60.040(d) and
21 (e); 43.65.050(f) and (g); 43.70.100; 43.75.050(f) and (g); and 43.75.090.

22 * Sec. 12. This Act is retroactive to January 1, 1977.

23 * Sec. 13. This Act takes effect immediately in accordance with AS
24 01.10.070(c).