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1 IN THE HOUSE

2 HOUSE BILL NO. 1045

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act relating to taxes; repealing the Alaska net
7 income tax on individuals; and providing for an effec-
8 tive date."

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

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

11 Sec. 43.20.012. APPLICATION OF TAX TO INDIVIDUALS. The tax im-
12 posed by this chapter does not apply to individuals.

13 * Sec. 2. AS 43.20.021(c) is amended to read:

14 (c) For purposes of calculating the alternative tax on capital
15 gains provided for in the provisions of Internal Revenue Code sec. 1201,
16 the rate is 4.5 percent for corporations [AND 4 PERCENT FOR INDIVIDUALS
17 AND FIDUCIARIES].

18 * Sec. 3. AS 43.20.021(d) is amended to read:

19 (d) Where a credit allowed under the Internal Revenue Code is also
20 allowed in computing Alaska income tax, it is limited to [16 PERCENT FOR
21 INDIVIDUALS AND FIDUCIARIES AND] 18 percent for corporations of the
22 amount of credit determined for federal income tax purposes which is
23 attributable to Alaska.

24 * Sec. 4. AS 43.20.021(f) is amended to read:

25 (f) For the purpose of calculating the minimum tax on tax prefer-
26 ences provided for in secs. 56 - 58 of the Internal Revenue Code (26
27 U.S.C. secs. 56 - 58), the rate is [16 PERCENT FOR INDIVIDUALS AND] 18
28 percent for corporations of the applicable minimum federal tax rate.

29 * Sec. 5. AS 43.20.030(a) is amended to read:

1 (a) If a [EVERY INDIVIDUAL, FIDUCIARY,] partnership which has a
2 corporation as a partner or a [AND] corporation is required to make a
3 return under the provisions of the Internal Revenue Code, it shall at
4 the same time file with the department a return setting out

5 (1) the amount of tax due under this chapter, less credits
6 claimed against the tax; and

7 (2) other information for the purpose of carrying out the
8 provisions of this chapter which the department requires.

9 * Sec. 6. REFUND OF 1978, 1979, AND 1980 INCOME TAXES. (a) An individ-
10 ual is entitled to a refund of his Alaska net income taxes paid or withheld
11 after December 31, 1977, for all or part of a tax year occurring after
12 December 31, 1977. An individual is also entitled to a refund of his esti-
13 mated net income tax payments made under AS 43.20 after December 31, 1977,
14 for a tax year for which he has not filed a year-end return under AS 43.20.-
15 030.

16 (b) A refund under this section may be made only as provided in this
17 section. Refunds of Alaska net income taxes paid may not be made without an
18 appropriation for that purpose.

19 (c) The department shall establish procedures for determining the
20 amount of and for making the refunds described in (a) of this section.

21 (d) The commissioner may adopt regulations to implement this section,
22 and those regulations may be adopted as emergency regulations under AS 44.-
23 62.040 - 44.62.290.

24 (e) In this section,

25 (1) "commissioner" means the commissioner of revenue;

26 (2) "department" means the Department of Revenue.

27 * Sec. 7. The provisions of AS 43.05.280 do not apply to refunds made
28 under sec. 6 of this Act.

29 * Sec. 8. The following laws are repealed: AS 43.20.011(a) - (d) and

1 (f), 43.20.015, 43.20.017, 43.20.021(e), 43.20.030(f) and (g), 43.20.031(a) -
2 (c) and (f) - (h), 43.20.033, 43.20.035, 43.20.036(d) - (i), 43.20.038,
3 43.20.039, 43.20.045, 43.20.051, 43.20.061, 43.20.160(e), 43.20.170, 43.20.-
4 215, and secs. 6 - 11 of ch. 22 SLA 1980.

5 * Sec. 9. Sections 1 - 5 and 8 of this Act are retroactive to January 1,
6 1978.

7 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
8 10.070(c).

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