

Original sponsor: Randolph

Offered: 3/12/79
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 105

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing recovery of expenses from the state
7 on hearing of disputed tax payments."

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

9 * Section 1. AS 43.05.240 is amended by adding a new subsection to read:

10 (e) A taxpayer may recover from the department the expenses of
11 preparing and presenting his arguments and evidence at a hearing under
12 (a) - (c) of this section if the disputed tax liability does not exceed
13 \$10,000 and if the taxpayer ultimately prevails on the question of tax
14 liability. The taxpayer who ultimately prevails on a question of tax
15 liability shall present a statement of expenses to the hearing officer
16 who shall promptly determine the expenses to be allowed. The hearing
17 officer shall determine which party prevails on each contested issue.
18 Recovery of expenses under this subsection shall be generally propor-
19 tional to the percentage of contested issues on which the taxpayer
20 prevails, but no recovery by a taxpayer under this subsection may exceed
21 \$5,000. For purposes of calculating the income tax payable under
22 AS 43.20 a taxpayer recovering expenses under this subsection may not
23 deduct the recovered expenses in the determination or refund of the tax
24 under Internal Revenue Code section 212 (26 U.S.C. 212). In this sub-
25 section, allowable expenses include professional fees and incidental
26 costs incurred in preparing and presenting arguments relating to the tax
27 or penalty in dispute, travel expenses incurred in attending a hearing
28 under this section, and the loss of wages by the taxpayer for the time
29 he is required to be in attendance at a hearing.