

Introduced: 3/7/79
Referred: Judiciary and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 354

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making miscellaneous amendments to the revenue
7 statutes; and providing for an effective date."

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

9 * Section 1. AS 43.05.220 is amended to read:

10 Sec. 43.05.220. CIVIL PENALTIES [PENALTY]. (a) Five per cent
11 shall be added to a tax for each 30-day period or fraction of the
12 period during which the taxpayer fails to file at the time or times
13 required by law or regulation a return or report, or pay the full
14 amount of the tax, or a portion or a deficiency of the tax, as finally
15 determined by the department and required by this title, unless it is
16 shown that the failure is due to a reasonable cause and not to wilful
17 neglect. The penalty shall not exceed 25 per cent in the aggregate.
18 [THE PENALTY SHALL BE COLLECTED AT THE SAME TIME, IN THE SAME MANNER
19 AND AS A PART OF THE ORIGINAL TAX; BUT IF THE ORIGINAL TAX IS PAID
20 BEFORE THE NEGLECT IS DISCOVERED, THE PENALTY SHALL BE COLLECTED IN
21 THE SAME MANNER AS THE ORIGINAL TAX.] The department shall prescribe
22 by regulation circumstances which constitute reasonable cause for
23 purposes of this section.

24 (b) If any part of a deficiency due under this title is due to
25 negligence or intentional disregard of law or regulations, but without
26 intent to defraud, five per cent of the total amount of the deficiency,
27 in addition to the deficiency, shall be assessed, collected, and paid
28 in the same manner as if it were a deficiency.

29 (c) If any part of a deficiency due under this title is due to

1 fraud, there shall be added to the tax a civil fraud penalty in an
2 amount equal to 50 per cent of the tax due and in no event less than
3 \$500. This penalty is in addition to any amount determined under (a)
4 or (b) of this section.

5 (d) A penalty imposed by this section shall be collected at the
6 same time, in the same manner and as a part of the original tax; but
7 if the original tax is paid before the neglect or fraud is discovered,
8 the penalty shall be collected in the same manner as the original tax.
9 No interest may be collected upon the amount of a penalty imposed by
10 this section.

11 * Sec. 2. AS 43.05.230(a) is amended to read:

12 (a) Except in connection with official investigations or proceed-
13 ings of the department, whether judicial or administrative, involving
14 taxes due under this title, except in connection with official investi-
15 gations or proceedings of the child support enforcement agency, whether
16 judicial or administrative, involving child support obligations imposed
17 or imposable under AS 25 or AS 47, and except as otherwise provided in
18 this section, it is unlawful for a current or former [AN] officer,
19 employee or agent of the state to divulge the amount of income or the
20 particulars set out or disclosed in a report or return made under this
21 title.

22 * Sec. 3. AS 43.05.230 is amended by adding a new subsection to read:

23 (g) The information contained in any license issued in accordance
24 with AS 43.50, 43.60, 43.65, 43.70, and 43.75 by the commissioner of
25 revenue is public information. The licenses issued under these chapters
26 must contain (1) the name and address of the licensee; (2) the type of
27 business to be conducted; (3) the year of the license; and (4) any
28 other information specifically required by statute.

29 * Sec. 4. AS 43.05 is amended by adding new sections to read:

1 Sec. 43.05.245. ASSESSMENT OF TAX, PENALTIES AND INTEREST. If
2 a taxpayer fails to file a return or report required by this title in
3 the time required by law or by regulation adopted under authority of
4 law, or makes an erroneous or fraudulent return, the department shall
5 proceed to assess the license fees, tax, penalties, or interest and
6 make a return from information which it obtains. A return made and
7 subscribed by the department is prima facie good and sufficient for
8 all legal purposes. The assessment of license fees, tax, penalties,
9 or interest occurs at the time the department issues a notice and
10 demand for payment of the license fees, tax, penalties, or interest.
11 The notice and demand for payment are issued when the notice is
12 delivered in person to the taxpayer or placed in the United States
13 mail, addressed to his last known address. Penalties and interest
14 assessed under this title must be collected in the same manner and
15 using the same procedures as provided in this title for the collection
16 of tax or license fees.

17 Sec. 43.05.275. LIMITATION ON PROCESSING REFUND CLAIMS. (a)
18 Except as provided in AS 43.20.021, a claim for credit or refund of
19 any tax in this title, for which the taxpayer is required to file a
20 return, may be filed by the taxpayer within three years from the time
21 the return was filed or two years from the time the tax was paid
22 whichever of those periods expires later, or if no return was filed,
23 within two years from the time the tax was paid.

24 (b) Where the department and the taxpayer have consented to
25 extend the period for assessment of tax as provided in AS 43.05.260(c)-
26 (3), the tax may be refunded at any time before the expiration of the
27 period agreed upon.

28 Sec. 43.05.290. PENALTIES. (a) A person who wilfully attempts
29 to evade the tax imposed by this title is, in addition to other penal-

1 ties provided by this title, guilty of a felony and, upon conviction,
2 shall be fined not more than \$50,000, or imprisoned for not more than
3 five years, or both.

4 (b) A person required under this title to collect, account for,
5 and pay over the tax imposed by this title who wilfully fails to
6 collect or truthfully account for and pay over the tax at the time or
7 times required by law or regulation is, in addition to other penalties
8 provided by this title, guilty of a felony and, upon conviction, shall
9 be fined not more than \$50,000, or imprisoned for not more than five
10 years, or both.

11 (c) A person required under this title to pay a tax, make a
12 return, keep records, or supply information, who wilfully fails to pay
13 the tax or estimated tax, make the return, keep the records, or supply
14 the information at the time or times required by law or regulation is,
15 in addition to other penalties provided by this title, guilty of a
16 misdemeanor and, upon conviction, shall be fined not more than \$5,000,
17 or imprisoned for not more than one year, or both.

18 (d) A person who wilfully makes and subscribes a return, state-
19 ment, or other document required under this title which contains or is
20 verified by a written declaration that it is made under the penalties
21 of perjury which he does not believe to be true and correct as to
22 every material matter is, in addition to other penalties provided by
23 this title, guilty of a felony and, upon conviction, shall be fined
24 not more than \$25,000, or imprisoned for not more than three years, or
25 both.

26 (e) A person who wilfully and knowingly aids or assists in, or
27 procures, or counsels the preparation or presentation in connection
28 with any matter arising under this title of a return, affidavit,
29 claim, or other document, which is fraudulent or is false as to any

1 material matter is guilty of a felony whether or not the falsity or
2 fraud is with the knowledge or consent of the person required to
3 present the return, affidavit, claim, or document, and, upon conviction,
4 shall be fined not more than \$25,000, or imprisoned for not more than
5 three years, or both.

6 (f) A person who wilfully delivers or discloses to the commis-
7 sioner or the department under this title any list, return, account,
8 statement, or other document, known by him to be fraudulent or to be
9 false as to any material matter is guilty of a misdemeanor and, upon
10 conviction, shall be fined not more than \$5,000, or imprisoned for not
11 more than one year, or both.

12 (g) A person required to collect or truthfully account for a tax
13 imposed by this title who wilfully fails to collect the tax or to
14 truthfully account for and pay over the tax, or wilfully attempts in
15 any manner to evade the tax or the payment of it is, in addition to
16 other penalties provided by law, liable for a civil penalty equal to
17 the total amount of the tax evaded, not collected, not accounted for,
18 or not paid over. This penalty is in place of the tax not otherwise
19 paid to the state. The civil penalty shall be paid upon demand by the
20 commissioner or his designee, and shall be assessed and collected in
21 the same manner as taxes are assessed and collected under this title.
22 Any reference in (a) - (f) of this section to "tax" imposed refers
23 also to the civil penalty provided under this subsection.

24 (h) The penalties and liabilities provided in (g) of this section
25 shall be paid upon notice and demand by the commissioner of revenue or
26 his designee or agent and shall be assessed and collected in the same
27 manner as taxes. A reference to "tax" imposed also refers to the
28 penalties and liabilities provided by this section.

29 (i) A person required to supply information to his employer under

1 this title who wilfully supplies false information or who wilfully
2 fails to supply information under that section which would require an
3 increase in the tax to be withheld under that section is, in addition
4 to other penalties specified in this chapter, guilty of a misdemeanor
5 and, upon conviction, is punishable by a fine of not more than \$5,000,
6 or imprisonment for not more than one year, or both.

7 (j) A person engaging in or carrying on or attempting to engage
8 in or carry on a business, trade, profession or occupation for which
9 a license is required as a condition precedent, without obtaining the
10 license, is guilty of a misdemeanor, and, upon conviction, is punish-
11 able by a fine of not more than \$2,000, or by imprisonment for not
12 more than six months, or both.

13 (k) In this section "person" includes, but is not limited to, an
14 officer or employee of a corporation or a member or employee of a
15 partnership, who, as officer, employee, or member, is under a duty to
16 perform the act in respect to which the violation occurs.

17 * Sec. 5. AS 43.10 is amended by adding a new section to read:

18 Sec. 43.10.031. ENFORCEMENT. A tax due and unpaid under this
19 title, the interest, penalty, additional amount, or addition to the
20 tax, and the tax (or interest, penalty, additional amount, or addition
21 to the tax) which has been erroneously refunded is a debt to the state
22 and may be collected by lien foreclosure or sued for and recovered in
23 an action by the state.

24 * Sec. 6. AS 43.10.040 is repealed and re-enacted to read:

25 Sec. 43.10.040. RECORDING LIEN AND CERTIFICATE OF DISCHARGE.

26 (a) The lien is not valid as against a mortgagee or other lien holder,
27 pledgee, purchaser, or judgment creditor until notice of it is filed
28 in the office of the recorder of the recording district where the
29 property subject to the lien is situated; except that a lien arising

1 out of a tax due under AS 43.56 and 43.75 and the penalties and interest
2 on the tax are a lien prior, paramount, and superior to all other
3 liens, mortgages, hypothecations, conveyances, and assignments, upon
4 all the real and personal property of the person liable for the tax,
5 and upon all the real and personal property used with the permission
6 of the owner to carry on the business, regardless of the date the
7 liens are recorded.

8 (b) When a notice of the lien is filed, the recorder shall
9 immediately enter the notice in an alphabetical state tax lien index,
10 showing on one line the name and residence of the taxpayer named in
11 the notice, the department's serial number of the notice, the date and
12 hour of filing, and the amount of tax, including interest, penalty,
13 additional amount, or addition to the tax, and costs. The recorder
14 shall file and keep all original notices so filed in numerical order
15 in a file or files, designated state tax lien notices.

16 (c) When a certificate of discharge of a tax lien issued by the
17 department is filed in the office of the recorder, where the original
18 notice of lien is filed, the recorder shall enter the certificate with
19 the date of filing in the state tax lien index on the line where
20 notice of the lien so discharged is entered, and permanently attach
21 the original certificate of discharge to the original notice of lien.

22 (d) The state tax lien index and file for state tax lien notices
23 shall be furnished to the recorder in this state in the manner provided
24 by law for the furnishing of books in which deeds are recorded.

25 * Sec. 7. AS 43.10 is amended by adding a new section to read:

26 Sec. 43.10.045. SUSPENSION OF LICENSES. In addition to the
27 other penalties imposed in this title, the license of a person who is
28 authorized to conduct a business by a license issued under the laws of
29 the state, whether he is a resident or not, is, if he fails to pay the

1 tax levied under this title, suspended until the tax imposed by this
2 chapter, together with interest and penalties, is paid in full.

3 * Sec. 8. AS 43.10.160(b) is amended to read:

4 (b) If the value of the taxpayer's interest in the real estate
5 is not equal to twice the amount of the estimated tax and license fees
6 for which the taxpayer will be liable to the state, the taxpayer shall
7 file with the Department of Revenue a bond or other security approved
8 by the commissioner [ATTORNEY GENERAL] in a sum equal to twice the
9 estimated amount of the taxes and license fees, but in no event less
10 than \$1,000. However, the bond requirement may be waived, in whole or
11 in part, if the taxpayer shows in writing to the satisfaction of the
12 commissioner [ATTORNEY GENERAL] that there is good cause for such a
13 waiver [THE AMOUNT OF THE BOND WOULD BE AN UNDUE HARDSHIP]. The
14 Department of Revenue shall adopt regulations defining good cause for
15 the purposes of this section.

16 * Sec. 9. AS 43.20.011(c) is amended to read:

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

21 If the taxable income is:	Then the tax is:
22 Not over \$2,000	3 per cent of the taxable 23 income
24 Over \$2,000 but not over \$4,000	\$60 plus 3.5 per cent of 25 excess over \$2,000
26 Over \$4,000 but not over \$6,000	\$130 plus 4.0 per cent of 27 excess over \$4,000
28 Over \$6,000 but not over \$8,000	\$210 plus <u>4.0</u> [4.5] per cent 29 of excess over \$6,000

1	Over \$8,000 but not over \$10,000	<u>\$290</u> [\$300] plus 5.0 per cent
2		of excess over \$8,000
3	Over \$10,000 but not over \$12,000	<u>\$390</u> [\$400] plus <u>5.0</u> [5.5] per
4		cent of excess over \$10,000
5	Over \$12,000 but not over \$14,000	<u>\$490</u> [\$510] plus 6.0 per cent
6		of excess over \$12,000
7	Over \$14,000 but not over \$16,000	<u>\$610</u> [\$630] plus <u>6.0</u> [6.5] per
8		cent of excess over \$14,000
9	Over \$16,000 but not over \$18,000	<u>\$730</u> [\$760] plus <u>6.5</u> [7.0] per
10		cent of excess over \$16,000
11	Over \$18,000 but not over \$20,000	<u>\$860</u> [\$900] plus 7.0 per cent
12		of excess over \$18,000
13	Over \$20,000 but not over \$22,000	<u>\$1,000</u> [\$1,040] plus 7.5 per
14		cent of excess over \$20,000
15	Over \$22,000 but not over \$24,000	<u>\$1,150</u> [\$1,190] plus 8.0 per
16		cent of excess over \$22,000
17	Over \$24,000 but not over \$28,000	<u>\$1,310</u> [\$1,350] plus 8.5 per
18		cent of excess over \$24,000
19	Over \$28,000 but not over \$32,000	<u>\$1,650</u> [\$1,690] plus <u>8.5</u> [9.0]
20		per cent of excess over \$28,000
21	Over \$32,000 but not over \$38,000	<u>\$1,990</u> [\$2,050] plus <u>9.0</u> [9.5]
22		per cent of excess over \$32,000
23	Over \$38,000 but not over \$44,000	<u>\$2,530</u> [\$2,430] plus 10.0 per
24		cent of excess over \$38,000
25	Over \$44,000 but not over \$50,000	<u>\$3,130</u> [\$3,030] plus 10.5 per
26		cent of excess over \$44,000
27	Over \$50,000 but not over \$60,000	<u>\$3,760</u> [\$3,660] plus 11.0 per
28		cent of excess over \$50,000
29	Over \$60,000 but not over \$70,000	<u>\$4,860</u> [\$4,760] plus 11.5 per

1		cent of excess over \$60,000
2	Over \$70,000 but not over \$80,000	<u>\$6,010</u> [\$5,910] plus <u>11.5</u> [12.0]
3		per cent of excess over \$70,000
4	Over \$80,000 but not over \$90,000	<u>\$7,160</u> [\$7,110] plus <u>12.0</u> [12.5]
5		per cent of excess over \$80,000
6	Over \$90,000 but not over \$100,000	\$8,360 plus 13.0 per cent of
7		excess over \$90,000
8	Over \$100,000 but not over \$150,000	\$9,660 plus <u>13.0</u> [13.5] per
9		cent of excess over \$100,000
10	Over \$150,000 but not over \$200,000	<u>\$16,160</u> [\$16,410] plus 14.0 per
11		cent of excess over \$150,000
12	Over \$200,000 but not over \$300,000	<u>\$23,160</u> [\$23,410] plus 14.5 per
13		cent of excess over \$200,000
14	Over \$300,000	<u>\$37,660</u> [\$37,910] plus 14.5 per
15		cent of excess over \$300,000

16 * Sec. 10. AS 43.20.011(d) is repealed and re-enacted to read:
17 (d) The department shall compute and publish Alaska income tax
18 liability tables for taxpayers.

19 * Sec. 11. AS 43.20.021(d) is amended to read:
20 (d) Where a credit allowed under the Internal Revenue Code is
21 also allowed in computing Alaska income tax, it is limited to 16 per
22 cent [OF THE AMOUNT OF THE CREDIT DETERMINED FOR FEDERAL INCOME TAX
23 PURPOSES] for individuals and fiduciaries and 18 per cent for corpora-
24 tions of the amount of credit determined for federal income tax pur-
25 poses, which is attributable to Alaska.

26 * Sec. 12. AS 43.20.021 is amended by adding a new subsection to read:
27 (g) For purposes of calculating the accumulated earnings tax as
28 provided for in the Internal Revenue Code, sec. 531, the rate is 4.95
29 per cent of the first \$100,000 of accumulated taxable income and 6.93

1 per cent of accumulated taxable income in excess of \$100,000.

2 * Sec. 13. AS 43.20.031(a)(3) is amended to read:

3 (3) the benefits of nonrecognition of gain on the sale,
4 [OR] exchange, or other disposition of certain property under secs.
5 1031, 1033, and 1034 of the Internal Revenue Code (26 U.S.C. secs. 1031,
6 1033, and 1034) are allowed only to taxpayers who purchase or exchange
7 the property within the state, except that the benefits of sec. 1034
8 shall be allowed regardless of the location of the property for
9 taxpayers who have attained the age of 65 on or before the time of the
10 purchase or exchange; for purposes of this paragraph, the gain that
11 results is subject to the benefits of the Internal Revenue Code, secs.
12 1201, 1202, 1221, and 1231 as if the gain had been recognized for
13 federal tax purposes; in addition, the basis of the acquired property
14 shall be adjusted as provided in the Internal Revenue Code, sec. 1016
15 as if the gain had been recognized for federal tax purposes;

16 * Sec. 14. AS 43.20.031(e) is amended to read:

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

22 * Sec. 15. AS 43.20.031(h) is amended to read:

23 (h) A taxpayer who purchases an entry permit under AS 16.43 in
24 carrying on a trade or business is entitled to a deduction of the
25 amount of the price paid during the tax year as if it were allowable
26 under sec. 162 of the Internal Revenue Code (26 U.S.C. sec. 162). The
27 basis of the entry permit shall be reduced by the amount of the deduc-
28 tion which the taxpayer is entitled to claim under this subsection.

29 * Sec. 16. AS 43.20.031 is amended by adding a new subsection to read:

1 (i) A corporation which is a member of a group of unitary cor-
2 porations which collectively has income from business activity which
3 is taxable both inside and outside the state or income from other
4 sources both inside and outside the state shall determine its income
5 from sources in this state by use of the combined method of accounting.

6 * Sec. 17. AS 43.20.035(a) is amended to read:

7 (a) The taxable income of nonresidents or part-year residents of
8 this state is taxable income as determined under AS 43.20.031 [SEC.
9 31 OF THIS CHAPTER] when attributable to sources in the state as
10 provided in AS 43.20.040 [SEC. 40 OF THIS CHAPTER] with the following
11 modifications:

12 (1) a nonresident or part-year resident of this state shall
13 be allowed a deduction, in place of the deductions [WHO HAS NO EXCESS
14 ALASKA ITEMIZED DEDUCTIONS AS DEFINED IN (4) OF THIS SUBSECTION IS
15 ALLOWED THE MINIMUM DEDUCTION] provided by AS 43.20.031(a)(4) and
16 excess itemized deductions provided under the Internal Revenue Code,
17 in the amount of the minimum deduction and excess itemized deductions
18 [SEC. 31(a)(4) OF THIS CHAPTER] in the proportion provided in (b) of
19 this section;

20 (2) a nonresident or part-year resident is allowed a deduc-
21 tion equal to the personal exemption deduction as defined in sec. 151
22 of the Internal Revenue Code in the proportion provided in (b) of this
23 section. [;]

24 [(3) A NONRESIDENT OR PART-YEAR RESIDENT WHO HAS EXCESS
25 ALASKA ITEMIZED DEDUCTIONS IS ALLOWED HIS ENTIRE ALASKA ITEMIZED
26 DEDUCTIONS;

27 (4) "ALASKA ITEMIZED DEDUCTIONS" AS USED IN THIS SECTION
28 ARE THOSE ITEMIZED DEDUCTIONS ALLOWED UNDER THE INTERNAL REVENUE CODE
29 WHICH ARISE FROM SOURCES IN THE STATE EXCEPT THOSE ITEMS DESCRIBED IN

1 SEC. 31(c) OF THIS CHAPTER; "EXCESS ALASKA ITEMIZED DEDUCTIONS" MEANS
2 THE EXCESS (IF ANY) OF:

3 (A) ALASKA ITEMIZED DEDUCTIONS, OVER

4 (B) THE MINIMUM DEDUCTION AS DEFINED IN SEC. 31(a)(4)
5 OF THIS CHAPTER.]

6 * Sec. 18. AS 43.20 is amended by adding a new section to read:

7 Sec. 43.20.037. TAXABLE INCOME OF FIDUCIARY. The taxable income
8 of a fiduciary is its taxable income as determined under AS 43.20.031
9 when attributable to sources in the state as provided in AS 43.20.040.

10 * Sec. 19. AS 43.20.038(a) is amended to read:

11 (a) An individual is allowed as a credit against the tax due
12 under this chapter five per cent of his residential fuel expenses paid
13 during the year, but not less than a minimum credit of \$10. For
14 married taxpayers filing separate returns, the minimum credit is \$5
15 for each return. Part-year resident and nonresident individual tax-
16 payers shall prorate the credit allowed in this section as provided by
17 AS 43.20.035(b) [ACCORDING TO THE NUMBER OF MONTHS RESIDED IN THE
18 STATE].

19 * Sec. 20. AS 43.20.039(c) is amended to read:

20 (c) Part-year resident and nonresident individuals shall prorate
21 the credits provided in this section as provided by AS 43.20.035(b)
22 [ACCORDING TO THE NUMBER OF MONTHS DURING WHICH THE TAXPAYER RESIDED
23 IN THE STATE].

24 * Sec. 21. AS 43.20 is amended by adding a new section to read:

25 Sec. 43.20.045. PRORATION OF PART-YEAR RESIDENT AND NONRESIDENT
26 INDIVIDUAL CREDITS. Unless otherwise provided, credits allowable to a
27 part-year resident and nonresident individuals are limited to the
28 amount of the credit computed according to AS 43.20.021(d), if appli-
29 cable, and prorated as provided by AS 43.20.035(b).

1 * Sec. 22. AS 43.20.065 is amended to read:

2 Sec. 43.20.065. ALLOCATION AND APPORTIONMENT. A taxpayer who
3 has income from business activity which is taxable both inside and
4 outside the state or income from other sources both inside and outside
5 the state shall allocate and apportion his net income as provided in
6 [ART. IV OF] the Multistate Tax Compact (AS 43.19[.010]), and as pro-
7 vided in AS 43.20.071 [SEC. 71 OF THIS CHAPTER FOR WATER TRANSPORTA-
8 TION CARRIERS].

9 * Sec. 23. AS 43.20.071 is repealed and re-enacted to read:

10 Sec. 43.20.071. TRANSPORTATION CARRIERS. (a) All business
11 income of water transportation carriers shall be apportioned to this
12 state in accordance with the Multistate Tax Compact (AS 43.19) as
13 modified by the following:

14 (1) the numerator of the property factor shall be the sum
15 of the value for property in a fixed location such as buildings and
16 land used in the business and intrastate equipment and personal
17 property determined according to the Multistate Tax Compact (AS 43.19)
18 and the value of interstate mobile property be determined on a days-
19 spent-in-ports basis as provided in (4) of this subsection; the
20 denominator of the property factor shall be determined according to
21 the Multistate Tax Compact;

22 (2) the numerator of the payroll factor shall be the sum of
23 the wages and salaries of employees assigned to fixed locations deter-
24 mined according to the Multistate Tax Compact (AS 43.19) and the wages
25 and salaries of employees assigned to interstate mobile property
26 determined on a days-spent-in-ports basis as provided in (4) of this
27 subsection; the denominator of the payroll factor shall be determined
28 in accordance with the Multistate Tax Compact;

29 (3) the numerator of the sales factor shall be the sum of

1 all revenues from intrastate activities and revenues from interstate
2 activities determined on a days-spent-in-ports basis as provided in
3 (4) of this subsection; the denominator shall be determined in accord-
4 ance with the Multistate Tax Compact;

5 (4) the portions of the numerator of the property, payroll,
6 and sales factors which are directly related to interstate mobile
7 property operations shall be determined by a ratio which the number of
8 days spent in ports inside the state bears to the total number of days
9 spent in ports inside and outside the state; the term "days spent in
10 ports" does not include periods when ships are tied up because of
11 strikes or withheld from Alaska service for repairs, or because of
12 seasonal reduction of service; days in port are computed by dividing
13 the total number of hours in all ports by 24.

14 (b) Transportation carriers other than water carriers shall
15 apportion their income to this state by means of formulas prescribed
16 by regulations of the department which are to ensure that the total
17 income subject to apportionment has been apportioned only to those
18 states having jurisdiction to tax.

19 * Sec. 24. AS 43.20.170(b) is amended to read:

20 (b) The rules with respect to withholding of tax set out in
21 secs. 3402 (except that Internal Revenue Code subsecs. 3402(f)(1)(F),
22 3402(m) and 3402(n) are not incorporated and do not apply for Alaska
23 tax purposes); 3502(b); 6414 of the Internal Revenue Code of 1954
24 as amended, apply with respect to this section as though fully set out
25 in this section. Remittance of taxes withheld shall be accompanied by
26 returns on forms prescribed by the department.

27 * Sec. 25. AS 43.20.200(a) is amended to read:

28 (a) As soon as practicable after a return is filed, the depart-
29 ment may [SHALL] examine it and determine the correct amount of the

1 tax. If an error is disclosed by the examination, the department
2 shall so notify the taxpayer by first-class mail. The taxpayer may
3 petition for redetermination of deficiency as provided in AS 43.05.240
4 [SEC. 280 OF THIS CHAPTER].

5 * Sec. 26. AS 43.20.270(f) is amended to read:

6 (f) The property distrained shall be restored to the owner or
7 possessor if, before the sale, payment of the amount due is made to
8 the deputy or agent charged with the collection, together with the
9 fees and other charges; but in case of nonpayment, the said deputy or
10 agent shall proceed to sell the property at public auction. The owner
11 of real property sold under this section, his heir, executor, or
12 administrator, or a person in his behalf may redeem the property sold
13 or a particular tract of the property at any time within 120 days [TWO
14 YEARS] after the sale thereof. The property or tract may be redeemed
15 upon payment to the purchaser or, if he cannot be found in the state,
16 then to the commissioner of revenue for the use of the purchaser, his
17 heirs, or assigns, the amount paid by the purchaser and interest on it
18 at the rate of 12 [SIX] per cent a year. If land sold is redeemed
19 under this subsection, the commissioner shall cause entry of the fact
20 to be made upon the record mentioned in (g)(6) of this section and the
21 entry shall be evidence of such redemption.

22 * Sec. 27. AS 43.31.141 is amended to read:

23 Sec. 43.31.141. WHEN TAX DUE, EXTENSION AND INTEREST. The tax
24 imposed by this chapter is due and payable 15 months after the dece-
25 dent's death, and shall be paid by the executor to the department. If
26 the department finds that the payment on the due date of tax or any
27 part of the tax would impose undue hardship upon the estate, the
28 department may extend the time for payment of any part, but no extension
29 may be for more than one year and the aggregate of extensions with

1 respect to an estate may not exceed five years from the due date. In
2 that case the amount in respect of which the extension is granted
3 shall be paid on or before the date of the expiration of the period of
4 the extension unless a further extension is granted. If the time for
5 the payment is extended there shall be collected, as part of this
6 amount, interest on the tax at the rate provided in AS 43.05.225 [OF
7 SEVEN PER CENT A YEAR] from the due date of the tax to the date the
8 tax is paid.

9 * Sec. 28. AS 43.50.150 is amended to read:

10 Sec. 43.50.150. ADMINISTRATION. (a) The department shall (1)
11 administer [SECS. 10 - 180 OF] this chapter, and (2) collect, super-
12 vise, and enforce the collection of taxes [AND PENALTIES] due under
13 [SECS. 10 - 180 OF] this chapter and penalties as provided in AS 43.05.

14 (b) The department may adopt [PUBLISH] publish regulations
15 necessary for the administration of [SECS. 10 - 180 OF] this chapter
16 [(1) TO ENFORCE SECS. 10 - 180 OF THIS CHAPTER, AND (2) TO COLLECT THE
17 TAXES, FEES, AND PENALTIES IMPOSED BY SECS. 10 - 180 OF THIS CHAPTER].

18 * Sec. 29. AS 43.50.190(b) is amended to read:

19 (b) The tax levied by this section is in addition to the tax
20 levied by AS 43.50.010 - 43.50.180 [SECS. 10 - 180 OF THIS CHAPTER].
21 The tax shall be administered and collected in the same manner as the
22 tax levied by AS 43.50.010 - 43.50.180 [SECS. 10 - 180 OF THIS CHAPTER],
23 except that receipts from the tax shall be deposited in the general
24 fund. The penalties provided in AS 43.05 [ESTABLISHED IN SECS. 10 -
25 180 OF THIS CHAPTER] apply to the tax levied in this section.

26 * Sec. 30. AS 43.75.100 is amended to read:

27 Sec. 43.75.100. TAX IMPOSED ON TAKING OF FISHERIES PRODUCTS. A
28 person taking, purchasing, or otherwise acquiring fisheries products
29 which have not been subject to the tax imposed by AS 43.75.010 - 43.75.-

1 090, [THE FISHERIES PRODUCTS ENUMERATED IN SECS. 10 - 50 OR 60 - 90 OF
2 THIS CHAPTER] who sells the products [TO FREEZERSHIPS, FLOATING COLD
3 STORAGES OR FLOATING CANNERIES] outside the taxing jurisdiction of the
4 state, is subject to the tax set out in AS 43.75 [SECS. 10 - 50 OF
5 THIS CHAPTER] for the fisheries products thus sold [ENUMERATED IN
6 SECS. 10 - 50 OF THIS CHAPTER, AND IS SUBJECT TO THE TAX SET OUT IN
7 SECS. 60 - 90 OF THIS CHAPTER FOR THE FISHERIES PRODUCTS ENUMERATED IN
8 SECS. 60 - 90 OF THIS CHAPTER].

9 * Sec. 31. AS 43.75.110 is amended to read:

10 Sec. 43.75.110. DUTY OF TAXPAYER AND PAYMENT OF TAX. A person
11 subject to taxes under AS 43.75.100 - 43.75.120 [SECS. 100 - 120 OF
12 THIS CHAPTER] shall make a return stating the value of raw fisheries
13 products taken, purchased or otherwise acquired during the license
14 year for sale [TO FREEZER SHIPS, FLOATING COLD STORAGES, OR FLOATING
15 CANNERIES] outside of the taxing jurisdiction of the state [COMPUTED
16 AS REQUIRED BY SECS. 100 - 120 OF THIS CHAPTER, AND OTHER INFORMATION
17 TO CARRY OUT THE PROVISIONS OF SECS. 100 - 200 OF THIS CHAPTER AS MAY
18 BE PRESCRIBED BY THE DEPARTMENT]. The value of the fisheries products
19 taxed under AS 43.75.100 is the taxpayer's selling price of the products
20 including indirect considerations such as fuel or supplies furnished
21 by the purchaser or offsets to the cash value for gear furnished. The
22 return shall contain the license number of, and shall be signed by,
23 the taxpayer or his authorized agent, under penalty of perjury. If a
24 receiver, trustee, or assign is operating the property or business, he
25 shall make the return for the person. A tax due on the basis of such
26 return shall be collected in the same manner as if collected from the
27 person of whose business he has custody and control. The requirements
28 for time and place of payment of tax, and the obligation to keep
29 records and make the records available to the commissioner of revenue

1 are the same as those prescribed in the business license tax law for
2 salmon canneries.

3 * Sec. 32. The following laws are repealed: AS 43.05.100(a); 43.10.-
4 050; 43.20.150; 43.20.160(b); 43.20.220; 43.20.240; 43.20.260; 43.20.335;
5 43.26.060; 43.31.171; 43.31.360; 43.31.370; 43.31.380; 43.31.390; 43.35.-
6 080(c); 43.40.020; 43.40.080(b); 43.40.090; 43.45.060; 43.50.100(a), (c),
7 and (e); 43.50.160; 43.55.120; 43.55.130; 43.56.190; 43.58.120; 43.58.130;
8 43.60.040(d), (e), and (f); 43.65.050; 43.70.060; 43.70.100; 43.75.050;
9 43.75.090; 43.75.120; 43.80.020; and 43.80.030.

10 * Sec. 33. This Act is retroactive to January 1, 1979.

11 * Sec. 34. This Act takes effect immediately in accordance with AS 01.-
12 10.070(c).

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29