

Original sponsor: Rules/Governor

Offered: 2/25/80
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 354

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to taxes and making miscellaneous
7 amendments to the revenue and tax laws; and providing
8 for an effective date."

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

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

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

24 (b) If a tax deficiency or part of a tax deficiency is due to
25 negligence or intentional disregard of law or regulation without intent
26 to defraud, five percent of the total amount of the tax deficiency
27 shall be assessed, collected, and paid in the same manner as a tax
28 deficiency.

29 (c) If a tax deficiency or part of a tax deficiency is due to

1 fraud, a civil fraud penalty equal to 50 percent of the tax due or \$500,
2 whichever is greater shall be added to the tax. This penalty is in
3 addition to penalties determined under (a) or (b) of this section.

4 (d) A person required to collect or account for a tax imposed by
5 this title who wilfully fails to collect the tax or to truthfully
6 account for and pay over the tax, or wilfully attempts to evade payment
7 of the tax is, in addition to other penalties provided by law, liable
8 for a civil penalty equal to the total amount of the tax not collected,
9 not accounted for, not paid over or evaded. The penalty imposed by this
10 subsection is in place of the tax not paid to the state. This penalty
11 shall be paid upon demand by the commissioner or his designee, and shall
12 be assessed and collected in the same manner as taxes are assessed and
13 collected under this title.

14 (e) A penalty imposed by this section shall be collected at the
15 same time, in the same manner, and as a part of the original tax.
16 However, if the original tax is paid before neglect or fraud is
17 discovered, the penalty shall be collected in the same manner as the
18 original tax. Interest may not be collected on a penalty imposed by
19 this section.

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

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

1 title.

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

3 (g) The information contained in a license issued by the com-
4 missioner of revenue under AS 43.50, AS 43.60, AS 43.65, AS 43.70, and
5 AS 43.75 is public information.

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

7 Sec. 43.05.245. ASSESSMENT AND COLLECTION OF TAX, PENALTIES AND
8 INTEREST. If a taxpayer fails to file a return or report required by
9 this title in the time required by law or regulation, or makes an erro-
10 neous or fraudulent return, the department shall proceed to assess the
11 license fees, tax, penalties, or interest and make a return from informa-
12 tion which it obtains. A return made and subscribed by the department
13 in accordance with this section is prima facie sufficient for all legal
14 purposes. The assessment of license fees, tax, penalties, or interest
15 under this section occurs when the department issues a notice and demand
16 for payment of the license fees, tax, penalties, or interest. The
17 notice and demand for payment is issued when the notice and demand is
18 delivered to the taxpayer in person or placed in the United States mail,
19 addressed to his last known address. Penalties and interest assessed
20 under this title shall be collected in the same manner as provided in
21 this title for the collection of tax or license fees.

22 Sec. 43.05.275. CREDIT AND REFUND CLAIMS. (a) Except as provided
23 in AS 43.20.021, a claim for credit or refund of a tax in this title for
24 which a taxpayer is required to file a return or pay a tax may be filed
25 by the taxpayer

26 (1) before the later of

27 (A) three years from the time the return was filed; or

28 (B) two years from the time the tax was paid; or

29 (2) within two years from the time the tax was paid, if no

1 return was filed.

2 (b) If the department and the taxpayer have consented to extend
3 the period for assessment of tax as provided in AS 43.05.260(c)(3), a
4 tax refund claim may be filed at any time before the expiration of the
5 period agreed upon.

6 * Sec. 5. AS 43.05 is amended by adding a new section to read:

7 Sec. 43.05.290. CRIMINAL PENALTIES. (a) A person who wilfully
8 attempts to evade a tax imposed by this title is, in addition to other
9 penalties provided by this title, guilty of a class C felony.

10 (b) A person required under this title to collect, account for,
11 and pay over a tax imposed by this title who wilfully fails to collect
12 or truthfully account for and pay over the tax at the time or times
13 required by law or regulation is, in addition to other penalties pro-
14 vided by this title, guilty of a class C felony.

15 (c) A person required under this title to pay a tax, make a re-
16 turn, keep records, or supply information, who wilfully fails to pay the
17 tax or estimated tax, make the return, keep the records, or supply the
18 information at the time or times required by law or regulation is, in
19 addition to other penalties provided by this title, guilty of a class A
20 misdemeanor.

21 (d) A person who wilfully makes and subscribes a return or other
22 document required under this title which contains or is verified by a
23 written declaration that it is made under the penalties of perjury which
24 he does not believe to be true and correct as to every material matter
25 is, in addition to other penalties provided by this title, guilty of a
26 felony and, upon conviction, punishable by a fine of not more than
27 \$25,000, or by imprisonment for not more than three years, or by both.

28 (e) A person who wilfully and knowingly aids or assists in, or
29 procures, or counsels the preparation or presentation in connection with

1 a matter arising under this title of a return, affidavit, claim, or
2 other document which is fraudulent or is false as to a material matter
3 is guilty of a felony whether or not the falsity or fraud is with the
4 knowledge or consent of the person required to present the return,
5 affidavit, claim, or document. Upon conviction, the person is punish-
6 able by a fine of not more than \$25,000, or by imprisonment for not more
7 than three years, or by both.

8 (f) A person who wilfully delivers or discloses to the commis-
9 sioner or the department a list, return, account, statement, or other
10 document known by him to be fraudulent or to be false as to a material
11 matter is guilty of a class A misdemeanor.

12 (g) When required to provide information under AS 43.20.170 or
13 AS 43.45, a person who wilfully supplies false information or who wil-
14 fully fails to supply information which would require an increase in a
15 tax to be withheld under this title is, in addition to other penalties
16 specified in this chapter, guilty of a class A misdemeanor.

17 (h) A person engaging in or attempting to engage in a business,
18 trade, profession or occupation for which a license is required under
19 this title, who wilfully fails to obtain the license, is guilty of a
20 misdemeanor, and, upon conviction, is punishable by a fine of not more
21 than \$2,000, or by imprisonment for not more than six months, or by
22 both.

23 (i) In this section "person" includes, but is not limited to, an
24 officer or employee of a corporation or a member or employee of a part-
25 nership, who, as officer, employee, or member, is under a duty to perform
26 the act in respect to which the violation occurs.

27 * Sec. 6. AS 43.10 is amended by adding new sections to read:

28 Sec. 43.10.032. ENFORCEMENT. (a) Each of the following is a debt
29 to the state:

- 1 (1) a tax levied by this title which is due and unpaid;
- 2 (2) the interest, penalty, additional amount, or addition to
- 3 the tax under (1) of this subsection;
- 4 (3) a tax levied by this title which has been erroneously
- 5 refunded; and
- 6 (4) the interest, penalty, additional amount or addition to
- 7 the tax which has been erroneously refunded.

8 (b) A debt under (a) of this section may be

- 9 (1) collected by lien foreclosure; or
- 10 (2) recovered in a civil action brought by the state.

11 Sec. 43.10.042. RECORDING LIEN AND CERTIFICATE OF DISCHARGE. (a)

12 A lien imposed under this title is not valid as against a mortgagee or
13 other lien holder, pledgee, purchaser, or judgment creditor until notice
14 of it is filed in the office of the recorder of the recording district
15 where the property subject to the lien is situated. However regardless
16 of the date the liens are recorded, a lien arising out of a tax due
17 under AS 43.56 and AS 43.75, including the penalties and interest on the
18 tax is a lien prior, paramount, and superior to all other liens, mort-
19 gages, hypothecations, conveyances, and assignments, upon all the real
20 and personal property of the person liable for the tax, and upon all the
21 real and personal property used with the permission of the owner to
22 carry on the business which is subject to the tax.

23 (b) When a notice of a lien is filed, the recorder shall immedi-
24 ately enter the notice in an alphabetical state tax lien index, showing
25 on one line the name and residence of the taxpayer named in the notice,
26 the department's serial number of the notice, the date and hour of
27 filing, and the amount of tax, including interest, penalty, additional
28 amount, or addition to the tax, and costs. The recorder shall file and
29 keep all original notices in numerical order in a file designated as

1 state tax lien notices.

2 (c) When a certificate of discharge of a tax lien issued by the
3 department is filed in the office of the recorder where the notice of
4 lien is filed, the recorder shall enter the certificate of discharge and
5 the date of its filing in the state tax lien index on the line where
6 notice of the discharged lien is entered. The original certificate of
7 discharge shall be permanently attached to the original notice of lien.

8 (d) The state tax lien index and file of state tax lien notices
9 shall be furnished by the department to the recorder in the state in the
10 manner provided by law for the furnishing of books in which deeds are
11 recorded.

12 Sec. 43.10.045. SUSPENSION OF LICENSES. In addition to the other
13 penalties imposed in this title, if a person who is authorized to con-
14 duct a business by a license issued under the laws of the state fails to
15 pay a tax levied under this title, the license of the person is sus-
16 pended until the tax imposed by this title, together with interest and
17 penalties, is paid in full.

18 * Sec. 7. AS 43.10.160(b) is amended to read:

19 (b) If the value of the taxpayer's interest in the real estate is
20 not equal to twice the amount of the estimated tax and license fees for
21 which the taxpayer will be liable to the state, the taxpayer shall file
22 with the department [DEPARTMENT OF REVENUE] a bond or other security
23 approved by the commissioner of revenue [ATTORNEY GENERAL] in a sum
24 equal to twice the estimated amount of the taxes and license fees, but
25 in no event less than \$1,000. However, the bond requirement may be
26 waived, in whole or in part, if the taxpayer shows in writing to the
27 satisfaction of the commissioner of revenue [ATTORNEY GENERAL] that
28 there is good cause for the waiver [THE AMOUNT OF THE BOND WOULD BE AN
29 UNDUE HARDSHIP]. For purposes of this subsection, the department shall

1 adopt a regulation defining "good cause."

2 * Sec. 8. AS 43.20.011(c) is amended to read:

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

7 If the taxable income is:	Then the tax is:
8 Not over \$2,000	3 percent of the taxable 9 income
10 Over \$2,000 but not over \$4,000	\$60 plus 3.5 percent of 11 excess over \$2,000
12 Over \$4,000 but not over \$6,000	\$130 plus 4.0 percent of 13 excess over \$4,000
14 Over \$6,000 but not over \$8,000	\$210 plus <u>4.0</u> [4.5] percent 15 of excess over \$6,000
16 Over \$8,000 but not over \$10,000	<u>\$290</u> [\$300] plus 5.0 percent 17 of excess over \$8,000
18 Over \$10,000 but not over \$12,000	<u>\$390</u> [\$400] plus <u>5.0</u> [5.5] per- 19 cent of excess over \$10,000
20 Over \$12,000 but not over \$14,000	<u>\$490</u> [\$510] plus 6.0 percent 21 of excess over \$12,000
22 Over \$14,000 but not over \$16,000	<u>\$610</u> [\$630] plus <u>6.0</u> [6.5] per 23 cent of excess over \$14,000
24 Over \$16,000 but not over \$18,000	<u>\$730</u> [\$760] plus <u>6.5</u> [7.0] per 25 cent of excess over \$16,000
26 Over \$18,000 but not over \$20,000	<u>\$860</u> [\$900] plus 7.0 percent 27 of excess over \$18,000
28 Over \$20,000 but not over \$22,000	<u>\$1,000</u> [\$1,040] plus 7.5 per 29 cent of excess over \$20,000

1	Over \$22,000 but not over \$24,000	<u>\$1,150</u> [\$1,190] plus 8.0 per
2		cent of excess over \$22,000
3	Over \$24,000 but not over \$28,000	<u>\$1,310</u> [\$1,350] plus 8.5 per
4		cent of excess over \$24,000
5	Over \$28,000 but not over \$32,000	<u>\$1,650</u> [\$1,690] plus <u>8.5</u> [9.0]
6		percent of excess over \$28,000
7	Over \$32,000 but not over \$38,000	<u>\$1,990</u> [\$2,050] plus <u>9.0</u> [9.5]
8		percent of excess over \$32,000
9	Over \$38,000 but not over \$44,000	<u>\$2,530</u> [\$2,430] plus 10.0 per
10		cent of excess over \$38,000
11	Over \$44,000 but not over \$50,000	<u>\$3,130</u> [\$3,030] plus 10.5 per
12		cent of excess over \$44,000
13	Over \$50,000 but not over \$60,000	<u>\$3,760</u> [\$3,660] plus 11.0 per
14		cent of excess over \$50,000
15	Over \$60,000 but not over \$70,000	<u>\$4,860</u> [\$4,760] plus 11.5 per
16		cent of excess over \$60,000
17	Over \$70,000 but not over \$80,000	<u>\$6,010</u> [\$5,910] plus <u>11.5</u> [12.0]
18		percent of excess over \$70,000
19	Over \$80,000 but not over \$90,000	<u>\$7,160</u> [\$7,110] plus <u>12.0</u> [12.5]
20		percent of excess over \$80,000
21	Over \$90,000 but not over \$100,000	\$8,360 plus 13.0 percent of
22		excess over \$90,000
23	Over \$100,000 but not over \$150,000	\$9,660 plus <u>13.0</u> [13.5] percent
24		of excess over \$100,000
25	Over \$150,000 but not over \$200,000	<u>\$16,160</u> [\$16,410] plus 14.0 per-
26		cent of excess over \$150,000
27	Over \$200,000 but not over \$300,000	<u>\$23,160</u> [\$23,410] plus 14.5 per-
28		cent of excess over \$200,000
29	Over \$300,000	<u>\$37,660</u> [\$37,910] plus 14.5 per-

cent of excess over \$300,000

1
2 * Sec. 9. AS 43.20.011(d) is repealed and re-enacted to read:

3 (d) The department shall compute and publish Alaska income tax
4 liability tables for taxpayers.

5 * Sec. 10. AS 43.20.011(e) is repealed and re-enacted to read:

6 (e) There is imposed for each taxable year upon the entire taxable
7 income of every corporation derived from sources within the state a tax
8 consisting of a normal tax equal to 5.4 percent of taxable income, and a
9 surtax which is equal to 4.0 percent of taxable income, except that the
10 tax on a corporation engaged in the production or transportation of
11 crude oil or natural gas shall be determined and paid in accordance with
12 AS 43.21. For tax years beginning after December 31, 1979, the surtax
13 exemption is \$50,000. For controlled corporations described in secs.
14 1561 - 1563 of the Internal Revenue Code only one surtax exemption may
15 be allowed for the controlled group.

16 * Sec. 11. AS 43.20.021(d) is amended to read:

17 (d) Where a credit allowed under the Internal Revenue Code is also
18 allowed in computing Alaska income tax, it is limited to 16 percent [OF
19 THE AMOUNT OF THE CREDIT DETERMINED FOR FEDERAL INCOME TAX PURPOSES] for
20 individuals and fiduciaries and 18 percent for corporations of the
21 amount of credit determined for federal income tax purposes which is
22 attributable to Alaska.

23 * Sec. 12. AS 43.20.021 is amended by adding a new subsection to read:

24 (g) For purposes of calculating the accumulated earnings tax as
25 provided in the Internal Revenue Code, sec. 531, the rate is 4.95 per-
26 cent of the first \$100,000 of accumulated taxable income and 6.93 per-
27 cent of accumulated taxable income in excess of \$100,000.

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

29 (3) the benefits of nonrecognition of gain on the sale, [OR]

1 exchange, or other disposition of certain property under secs. 1031,
2 1033, and 1034 of the Internal Revenue Code (26 U.S.C. secs. 1031, 1033
3 and 1034) are allowed only to taxpayers who purchase or exchange the
4 property within the state, except that the benefits of sec. 1034 shall
5 be allowed regardless of the location of the property for taxpayers who
6 have attained the age of 65 on or before the time of the purchase or
7 exchange; for purposes of this paragraph,

8 (A) the gain that results is subject to the benefits of
9 secs. 1201, 1202, 1221, and 1231 of the Internal Revenue Code as
10 if the gain had been recognized for federal tax purposes; and

11 (B) the basis of the acquired property shall be adjusted
12 as provided in sec. 1016 of the Internal Revenue Code as if the
13 gain had been recognized for federal tax purposes;

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

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

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

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

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

28 (i) A corporation which is a member of a group of unitary cor-
29 porations which collectively has income from business activity taxable

1 both inside and outside the state, or income from other sources both
2 inside and outside the state, shall determine its income from sources in
3 this state by use of the combined method of accounting.

4 * Sec. 17. AS 43.20 is amended by adding a new section to read:

5 Sec. 43.20.033. TAXABLE INCOME OF FIDUCIARY. The taxable income
6 of a fiduciary is its taxable income as determined under AS 43.20.031
7 when attributable to sources in the state as provided in AS 43.20.040.

8 * Sec. 18. AS 43.20.035(a) is amended to read:

9 (a) The taxable income of nonresidents or part-year residents of
10 this state is taxable income as determined under AS 43.20.031 when
11 attributable to sources in the state as provided in AS 43.20.040 with
12 the following modifications:

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

26 (4) "ALASKA ITEMIZED DEDUCTIONS" AS USED IN THIS SECTION ARE
27 THOSE ITEMIZED DEDUCTIONS ALLOWED UNDER THE INTERNAL REVENUE CODE WHICH
28 ARISE FROM SOURCES IN THE STATE EXCEPT THOSE ITEMS DESCRIBED IN AS 43.-
29 20.031(c); "EXCESS ALASKA ITEMIZED DEDUCTIONS" MEANS THE EXCESS (IF ANY)

1 OF:

2 (A) ALASKA ITEMIZED DEDUCTIONS, OVER

3 (B) THE MINIMUM DEDUCTION AS DEFINED IN AS 43.20.031-

4 (a)(4)].

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

6 (a) An individual is allowed as a credit against the tax due under
7 this chapter five percent of his residential fuel expenses paid during
8 the year, but not less than a minimum credit of \$10. For married tax-
9 payers filing separate returns, the minimum credit is \$5 for each re-
10 turn. Part-year resident and nonresident individual taxpayers shall
11 prorate the credit allowed in this section as provided by AS 43.20.-
12 035(b) [ACCORDING TO THE NUMBER OF MONTHS RESIDED IN THE STATE].

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

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

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

19 Sec. 43.20.045. PRORATION OF PART-YEAR RESIDENT AND NONRESIDENT
20 INDIVIDUAL CREDITS. Unless otherwise provided by this chapter, a credit
21 allowable to a part-year resident and nonresident individual is limited
22 to the amount of the credit computed according to AS 43.20.021(d), if
23 that section applies, and shall be prorated as provided by AS 43.20.-
24 035(b).

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

26 Sec. 43.20.065. ALLOCATION AND APPORTIONMENT. A taxpayer who has
27 income from business activity which is taxable both inside and outside
28 the state or income from other sources both inside and outside the state
29 shall allocate and apportion his net income as provided in [ART. IV OF]

1 the Multistate Tax Compact (AS 43.19 [43.19.010]), or [AND] as provided
2 by this chapter [IN AS 43.20.071 FOR WATER TRANSPORTATION CARRIERS].

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

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

8 (1) the numerator of the property factor is the sum of the
9 value for property in a fixed location, including buildings and land
10 used in the business, and intrastate equipment and personal property
11 determined according to the Multistate Tax Compact (AS 43.19), and the
12 value of interstate mobile property determined on a days-spent-in-ports
13 basis as provided in (4) of this subsection; the denominator of the
14 property factor is determined according to the Multistate Tax Compact
15 (AS 43.19);

16 (2) the numerator of the payroll factor is the sum of the
17 wages and salaries of employees assigned to fixed locations determined
18 according to the Multistate Tax Compact (AS 43.19) and the wages and
19 salaries of employees assigned to interstate mobile property determined
20 on a days-spent-in-ports basis as provided in (4) of this subsection;
21 the denominator of the payroll factor is determined in accordance with
22 the Multistate Tax Compact (AS 43.19);

23 (3) the numerator of the sales factor is the sum of all
24 revenues from intrastate activities and revenues from interstate activi-
25 ties determined on a days-spent-in-ports basis as provided in (4) of
26 this subsection; the denominator is determined in accordance with the
27 Multistate Tax Compact (AS 43.19);

28 (4) the portions of the numerator of the property, payroll,
29 and sales factors which are directly related to interstate mobile pro-

1 perty operations are determined by a ratio which the number of days
2 spent in ports inside the state bears to the total number of days spent
3 in ports inside and outside the state; the term "days spent in ports"
4 does not include periods when ships are tied up because of strikes or
5 withheld from Alaska service for repairs, or because of seasonal re-
6 duction of service; days in port are computed by dividing the total
7 number of hours in all ports by 24.

8 (b) The department shall, by regulation, adopt formulas to ensure
9 that the total income subject to apportionment under this chapter has
10 been apportioned only to those states having jurisdiction to the income
11 tax. Transportation carriers other than water carriers shall apportion
12 their income to the state by means of the formulas adopted by the depart-
13 ment.

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

15 (b) The rules with respect to withholding of tax set out in sec.
16 [SECS.] 3402(a) - (e), (f)(1)(A) - (E) and (G), (f)(2) - (7), (g) -
17 (1), and (o) - (r) [(i)]; sec. 3502(b); and sec. 6414 of the Internal
18 Revenue Code of 1954, as amended, apply with respect to this section as
19 though fully set out in this section. Remittance of taxes withheld
20 shall be accompanied by returns on forms prescribed by the department.

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

22 (a) As soon as practicable after a return is filed, the department
23 may [SHALL] examine it and determine the correct amount of the tax. If
24 an error is disclosed by the examination, the department shall so notify
25 the taxpayer by first-class mail. The taxpayer may petition for re-
26 determination of deficiency as provided in AS 43.05.240 [AS 43.20.280].

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

28 (f) The property distrained shall be restored to the owner or
29 possessor if, before the sale, payment of the amount due is made to the

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

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

16 Sec. 43.31.141. WHEN TAX DUE, EXTENSION AND INTEREST. The tax
17 imposed by this chapter is due and payable 15 months after the dece-
18 dent's death, and shall be paid by the executor to the department. If
19 the department finds that the payment on the due date of tax or any part
20 of the tax would impose undue hardship upon the estate, the department
21 may extend the time for payment of any part, but no extension may be for
22 more than one year and the aggregate of extensions with respect to an
23 estate may not exceed five years from the due date. In that case the
24 amount in respect of which the extension is granted shall be paid on or
25 before the date of the expiration of the period of the extension unless
26 a further extension is granted. If the time for the payment is extended
27 there shall be collected, as part of this amount, interest on the tax at
28 the rate provided in AS 43.05.225 [OF SEVEN PERCENT A YEAR] from the due
29 date of the tax to the date the tax is paid.

1 * Sec. 28. AS 43.40.030(b) is amended to read:

2 (b) The entire tax levied by this chapter [AS 43.40.010 - 43.40.-
3 100] shall be refunded to the purchaser on that part of the motor fuel
4 used in a foreign country on which duty is paid when the fuel is sold
5 and delivered in the state for nonhighway use in a foreign country.

6 * Sec. 29. AS 43.40.030 is amended by adding a new subsection to read:

7 (d) If a person obtains motor fuel on which the tax levied by this
8 chapter has been paid and the motor fuel is exempt from the tax, the
9 person is entitled to a refund of the tax paid.

10 * Sec. 30. AS 43.40.050(a) is amended to read:

11 (a) A person who claims a refund as provided in this chapter
12 [AS 43.40.010 - 43.40.100] shall present his claim to the commissioner
13 of revenue by affidavit upon a form provided by the commissioner. The
14 claim shall include the name, address and occupation of the applicant,
15 the nature of the business of the applicant, and a description suffi-
16 cient to identify the machinery or equipment in which the motor fuel
17 for which the refund is claimed was used [WITH THE INFORMATION THE
18 COMMISSIONER REQUIRES]. The claim shall be accompanied by each invoice
19 issued to the claimant at the time the motor fuel was [IS] purchased.
20 The commissioner may require any additional information which he con-
21 sidered necessary for the administration of this chapter [AS 43.40.010 -
22 43.40.100].

23 * Sec. 31. AS 43.50.010 is amended by adding a new subsection to read:

24 (e) A license issued under this chapter shall include

- 25 (1) the name and address of the licensee;
26 (2) the type of business to be conducted; and
27 (3) the year for which the license is issued.

28 * Sec. 32. AS 43.50.150 is amended to read:

29 Sec. 43.50.150. ADMINISTRATION. (a) The department shall (1)

1 administer this chapter [AS 43.50.010 - 43.50.180], and (2) collect,
2 supervise, and enforce the collection of taxes [AND PENALTIES] due under
3 this chapter and penalties as provided in AS 43.05 [AS 43.50.010 - 43.-
4 50.180].

5 (b) The department may adopt [PUBLISH] regulations necessary for
6 the administration of this chapter [AS 43.50.010 - 43.50.180], [(1) TO
7 ENFORCE AS 43.50.010 - 43.50.180, AND (2) TO COLLECT THE TAXES, FEES,
8 AND PENALTIES IMPOSED BY AS 43.50.010 - 43.50.180].

9 * Sec. 33. AS 43.50.190(b) is amended to read:

10 (b) The tax levied by this section is in addition to the tax
11 levied by AS 43.50.010 - 43.50.180. The tax shall be administered and
12 collected in the same manner as the tax levied by AS 43.50.010 - 43.50.-
13 180, except that receipts from the tax shall be deposited in the general
14 fund. The penalties provided in AS 43.05 [ESTABLISHED IN AS 43.50.010 -
15 43.50.180] apply to the tax levied in this section.

16 * Sec. 34. AS 43.60.040 is amended by adding a new subsection to read:

17 (h) A license issued under this section shall include

18 (1) the name and address of the licensee;

19 (2) the nature or type of liquor business to be conducted;

20 and

21 (3) the year for which the license is issued.

22 * Sec. 35. AS 43.65.010 is amended by adding a new subsection to read:

23 (i) A license issued under this section shall include

24 (1) the name and address of the licensee;

25 (2) the nature or type of mining activity to be conducted;

26 and

27 (3) the year for which the license is issued.

28 * Sec. 36. AS 43.70.020(a) is amended to read:

29 (a) For the privilege of engaging in a business in the state, a

1 person shall first apply, upon forms prescribed by the commissioner, and
2 obtain a license [SO TO DO], and pay the license fee provided for in
3 AS 43.70.030. A license issued to a firm for a particular line of
4 business covers all its operations in the state in the line of business
5 regardless of the number of its establishments. A license issued under
6 this subsection shall include

7 (1) the name and address of the licensee;

8 (2) the line of business to be conducted; and

9 (3) the year for which the license is issued.

10 * Sec. 37. The following laws are repealed: AS 43.05.100(a); AS 43.10.-
11 040, 43.10.050; AS 43.20.150, 43.20.160(b), 43.20.220, 43.20.240, 43.20.260;
12 AS 43.31.171; AS 43.40.040; AS 43.50.100(a), (c), and (e); AS 43.58.120,
13 43.58.130; AS 43.65.050(b) and (c); AS 43.70.060; AS 43.75.050(c), 43.75.-
14 140(8); and AS 43.80.030.

15 * Sec. 38. The following laws are repealed: AS 43.20.335; AS 43.26.060;
16 AS 43.31.360; AS 43.31.370, 43.31.380, 43.31.390; AS 43.35.080; AS 43.40.020,
17 43.40.080(b), 43.40.090; AS 43.45.060; AS 43.50.160; AS 43.55.120, 43.55.130;
18 AS 43.56.190; AS 43.60.040(d), (e), and (f); AS 43.65.050(f), (g), and (h);
19 AS 43.70.100; AS 43.75.050(f), (g), and (h), 43.75.120; and AS 43.80.020.

20 * Sec. 39. Section 15 of this Act is retroactive to January 1, 1977 and
21 applies to tax years beginning after December 31, 1976.

22 * Sec. 40. Sections 1 - 4, 6 - 14, 16 - 30, 32, 33 and 37 of this Act are
23 retroactive to January 1, 1980, and apply to tax years beginning after
24 December 31, 1979.

25 * Sec. 41. Sections 1 - 30, 32, 33, 37, 38, and 39 of this Act take
26 effect immediately in accordance with AS 01.10.070(c). Sections 31, and 34 -
27 36 of this Act take effect January 1, 1981.

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