

Introduced: 4/17/79  
Referred: Finance

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1 IN THE HOUSE

2 HOUSE BILL NO. 464

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to indexing of the state income tax,  
7 and providing for an effective date."

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

9 \* Section 1. AS 24.20.201(a) is amended by adding a new paragraph to  
10 read:

11 (8) determine, before October 15 of each year, an annual  
12 inflation factor for the taxable year beginning after December 31 of that  
13 year for use by the Department of Revenue in making the adjustments to  
14 the Alaska net income tax required under AS 43.20.025. In making this  
15 determination the committee shall use those statistics which in its  
16 judgment best reflect the magnitude of inflation in Alaska, including  
17 but not limited to the monthly consumer price index prepared by the  
18 Bureau of Labor Statistics, United States Department of Labor and the  
19 commodity indexes prepared by Dow Jones and Company and published in the  
20 Wall Street Journal.

21 \* Sec. 2. AS 43.20 is amended by adding a new section to read:

22 Sec. 43.20.025. INCOME TAX INDEXING. (a) For each tax year the  
23 department shall multiply the annual inflation factor determined by the  
24 Legislative Budget and Audit Committee under AS 24.20.201(a)(8) for that  
25 year, by the

- 26 (1) tax rate brackets set out in AS 43.20.011(a) - (c);  
27 (2) the minimum deduction (AS 43.20.031(a)(4));  
28 (3) the personal exemption; and  
29 (4) the tax credits allowed in AS 43.20.036 - 43.20.039.

1 (b) The calculation made under (a) of this section shall be  
2 adjusted by multiplication by the annual inflation factor for the pre-  
3 vious taxable years so that the application of the annual inflation  
4 factor will be cumulative.

5 (c) The resulting dollar amounts rounded to the nearest one dollar  
6 are the tax rate brackets, minimum deduction, credits and personal  
7 exemption for the next tax year and shall be incorporated into the  
8 income tax forms and instructions of the department.

9 (d) If the Legislative Budget and Audit Committee has not  
10 determined an annual inflation factor before October 15 of a tax year,  
11 the annual inflation factor for that tax year is 110 per cent.

12 \* Sec. 3. AS 43.20.025 enacted by sec. 2 of this Act applies to all tax  
13 years beginning after December 31, 1978.

14 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
15 070(c).

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