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1 IN THE HOUSE

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CS
2 HOUSE BILL NO. 696

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 the individual tax credit allowed
7 under the Alaska Net Income Tax Act; and providing for
8 an effective date."

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

10 * Section 1. AS 43.20.015(b) is amended to read:

11 (b) The amount of the annual individual tax credit shall be as
12 follows [, BUT NOT EXCEEDING THE NET TAX LIABILITY OF THE TAXPAYER AFTER
13 DEDUCTION OF ALL OTHER APPLICABLE CREDITS]:

14 (1) for the first tax year beginning after December 31, 1977
15 that a taxpayer files an income tax return -- \$100;

16 (2) for the second tax year beginning after December 31, 1977
17 that a taxpayer files an income tax return -- \$200;

18 (3) for the third tax year beginning after December 31, 1977
19 that a taxpayer files an income tax return [AND EACH TAX YEAR THERE-
20 AFTER] -- \$300;

21 (4) for the fourth tax year beginning after December 31, 1977
22 that a taxpayer files an income tax return -- \$400;

23 (5) for the fifth tax year beginning after December 31, 1977
24 that a taxpayer files an income tax return -- \$500;

25 (6) for the sixth tax year beginning after December 31, 1977
26 that a taxpayer files an income tax return and for each tax year there-
27 after -- \$600.

28 * Sec. 2. AS 43.20.015(c) is amended to read:

29 (c) For part-year residents and nonresident individual taxpayers

1 the credit provided in this section shall be prorated according to the
2 number of months of residency in the state and may not exceed the net
3 income tax liability of the part-year or nonresident taxpayer after
4 deduction of all other applicable credits.

5 * Sec. 3. AS 43.20.015 is amended by adding a new subsection to read:

6 (e) If the annual credit provided by this section exceeds the net
7 income tax liability of a resident taxpayer after the deduction of all
8 applicable credits, the commissioner shall pay the taxpayer the amount
9 of the credit which exceeds the net income tax liability of the tax-
10 payer, or \$200, whichever is less. To the extent allowed under federal
11 law, a payment required by this subsection may be deferred or otherwise
12 set aside for payment of future income taxes of the taxpayer. If a
13 payment required by this subsection is due a taxpayer who is incar-
14 cerated for committing a crime, the payment shall be made to the
15 Department of Health and Social Services to offset the cost of in-
16 carceration.

17 * Sec. 4. AS 43.20.030 is amended by adding a new subsection to read:

18 (f) An individual resident taxpayer who is 18 years of age or
19 older may claim the annual credit allowed by AS 43.20.015 by filing a
20 return even if he

- 21 (1) had no income during the tax year;
22 (2) does not owe income tax to the state; or
23 (3) is not required to file a federal income tax return.

24 * Sec. 5. AS 43.20.340(11) is amended to read:

25 (11) "taxpayer" means a person subject to a tax imposed by
26 this chapter, or an individual who is qualified to file a return under
27 AS 43.20.030(f) to claim the annual credit granted in AS 43.20.015;

28 * Sec. 6. AS 43.20.015(b) is amended to read:

29 (b) The amount of the annual individual tax credit shall be as

1 follows, but not exceeding the net income tax liability of the taxpayer
2 after deduction of all other applicable credits:

3 (1) for the first tax year beginning after December 31, 1977
4 that a taxpayer files an income tax return -- \$100;

5 (2) for the second tax year beginning after December 31, 1977
6 that a taxpayer files an income tax return -- \$200;

7 (3) for the third tax year beginning after December 31, 1977
8 that a taxpayer files an income tax return and each tax year there-
9 after -- \$300[;

10 (4) FOR THE FOURTH TAX YEAR BEGINNING AFTER DECEMBER 31, 1977
11 THAT A TAXPAYER FILES AN INCOME TAX RETURN -- \$400;

12 (5) FOR THE FIFTH TAX YEAR BEGINNING AFTER DECEMBER 31, 1977
13 THAT A TAXPAYER FILES AN INCOME TAX RETURN -- \$500;

14 (6) FOR THE SIXTH TAX YEAR BEGINNING AFTER DECEMBER 31, 1977
15 THAT A TAXPAYER FILES AN INCOME TAX RETURN AND FOR EACH TAX YEAR THERE-
16 AFTER -- \$600].

17 * Sec. 7. AS 43.20.340(11) is amended to read:

18 (11) "taxpayer" means a person subject to a tax imposed by
19 this chapter [, OR AN INDIVIDUAL WHO IS QUALIFIED TO FILE A RETURN UNDER
20 AS 43.20.030(f) TO CLAIM THE ANNUAL CREDIT GRANTED IN AS 43.20.015];

21 * Sec. 8. AS 43.20.015(e) and 43.20.030(f) are repealed.

22 * Sec. 9. Sections 1 - 5 of this Act are retroactive to January 1, 1980,
23 and apply to tax years beginning after December 31, 1979.

24 * Sec. 10. Sections 1 - 5 and 9 of this Act take effect immediately in
25 accordance with AS 01.10.070(c).

26 * Sec. 11. Sections 6 - 8 of this Act take effect on January 1 of the tax
27 year which begins after the fiscal year for which the commissioner of admin-
28 istration and the commissioner of revenue jointly certify that the state
29 general fund balance available for appropriation and expenditure has fallen

1 below the amount estimated as sufficient to finance six months of state
2 government operations.

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