

Introduced: 2/11/80
Referred: State Affairs and
Finance

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1 IN THE HOUSE

2 HOUSE BILL NO. 700

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, reducing individual income
7 tax rates, and repealing the school tax; and providing
8 for an effective date."

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

10 * Section 1. AS 43.20.011(a) is repealed and re-enacted to read:

11 (a) There is imposed for each taxable year upon the taxable income
12 of every resident, nonresident, and part-year resident individual and
13 fiduciary of the state, except those qualifying for the rates in (b) or
14 (c) of this section, taxes computed according to the following table:

15 If the taxable income is:	Then the tax is:
16 Not over \$4,000	No tax
17 Over \$4,000 but not over	0.5 percent of the taxable
18 \$6,000	income over \$4,000
19 Over \$6,000 but not over	\$10 plus 1.0 percent of
20 \$10,000	excess over \$6,000
21 Over \$10,000 but not over	\$50 plus 1.5 percent of
22 \$14,000	excess over \$10,000
23 Over \$14,000 but not over	\$110 plus 2.0 percent of
24 \$18,000	excess over \$14,000
25 Over \$18,000 but not over	\$190 plus 2.5 percent of
26 \$24,000	excess over \$18,000
27 Over \$24,000 but not over	\$340 plus 3.0 percent of
28 \$30,000	excess over \$24,000
29 Over \$30,000 but not over	\$520 plus 3.5 percent of

1	\$36,000	excess over \$30,000
2	Over \$36,000 but not over	\$730 plus 4.0 percent of
3	\$42,000	excess over \$36,000
4	Over \$42,000 but not over	\$970 plus 4.5 percent of
5	\$50,000	excess over \$42,000
6	Over \$50,000 but not over	\$1,330 plus 5.0 percent of
7	\$60,000	excess over \$50,000
8	Over \$60,000 but not over	\$1,830 plus 5.5 percent of
9	\$75,000	excess over \$60,000
10	Over \$75,000 but not over	\$2,655 plus 6.0 percent of
11	\$100,000	excess over \$75,000
12	Over \$100,000 but not over	\$4,155 plus 6.5 percent of
13	\$150,000	excess over \$100,000
14	Over \$150,000 but not over	\$7,405 plus 7.0 percent of
15	\$200,000	excess over \$150,000
16	Over \$200,000	\$10,905 plus 7.5 percent of
17		excess over \$200,000

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 AS 43.20.011(b) is repealed and re-enacted to read:

(b) There is imposed for each taxable year upon the taxable income of every resident, nonresident and part-year resident married individual who makes a single return jointly with his spouse (as provided in section 6013 of the Internal Revenue Code, 26 U.S.C. sec. 6013) and upon every resident, nonresident and part-year resident surviving spouse (as defined in section 2(a) of the Internal Revenue Code, 26 U.S.C. 2(a)) taxes computed according to the following table:

If the taxable income is:	Then the tax is:
Not over \$8,000	No tax
Over \$8,000 but not over \$12,000	0.5 percent of the taxable income over \$8,000

1	Over \$12,000 but not over	\$20 plus 1.0 percent of
2	\$20,000	excess over \$12,000
3	Over \$20,000 but not over	\$100 plus 1.5 percent of
4	\$28,000	excess over \$20,000
5	Over \$28,000 but not over	\$220 plus 2.0 percent of
6	\$36,000	excess over \$28,000
7	Over \$36,000 but not over	\$380 plus 2.5 percent of
8	\$48,000	excess over \$36,000
9	Over \$48,000 but not over	\$680 plus 3.0 percent of
10	\$60,000	excess over \$48,000
11	Over \$60,000 but not over	\$1,040 plus 3.5 percent of
12	\$72,000	excess over \$60,000
13	Over \$72,000 but not over	\$1,460 plus 4.0 percent of
14	\$84,000	excess over \$72,000
15	Over \$84,000 but not over	\$1,940 plus 4.5 percent of
16	\$100,000	excess over \$84,000
17	Over \$100,000 but not over	\$2,660 plus 5.0 percent of
18	\$120,000	excess over \$100,000
19	Over \$120,000 but not over	\$3,660 plus 5.5 percent of
20	\$150,000	excess over \$120,000
21	Over \$150,000 but not over	\$5,310 plus 6.0 percent of
22	\$200,000	excess over \$150,000
23	Over \$200,000 but not over	\$8,310 plus 6.5 percent of
24	\$300,000	excess over \$200,000
25	Over \$300,000 but not over	\$15,220 plus 7.0 percent of
26	\$400,000	excess over \$300,000
27	Over \$400,000	\$22,220 plus 7.5 percent of
28		excess over \$400,000

* Sec. 3. AS 43.20.011(c) is repealed and re-enacted to read:

1 (c) There is imposed for each taxable year upon the taxable income
2 of every resident, nonresident and part-year resident head of a house-
3 hold (as defined in section 2(b) of the Internal Revenue Code (26 U.S.C.
4 2(b)) taxes computed according to the following table:

5 If the taxable income is:	Then the tax is:
6 Not over \$6,000	No tax
7 Over \$6,000 but not over	0.5 percent of the taxable
8 \$9,000	income over \$6,000
9 Over \$9,000 but not over	\$15 plus 1.0 percent of
10 \$15,000	excess over \$9,000
11 Over \$15,000 but not over	\$75 plus 1.5 percent of
12 \$21,000	excess over \$15,000
13 Over \$21,000 but not over	\$165 plus 2.0 percent of
14 \$27,000	excess over \$21,000
15 Over \$27,000 but not over	\$285 plus 2.5 percent of
16 \$36,000	excess over \$27,000
17 Over \$36,000 but not over	\$510 plus 3.0 percent of
18 \$45,000	excess over \$36,000
19 Over \$45,000 but not over	\$780 plus 3.5 percent of
20 \$54,000	excess over \$45,000
21 Over \$54,000 but not over	\$1,095 plus 4.0 percent of
22 \$63,000	excess over \$54,000
23 Over \$63,000 but not over	\$1,455 plus 4.5 percent of
24 \$75,000	excess over \$63,000
25 Over \$75,000 but not over	\$1,995 plus 5.0 percent of
26 \$90,000	excess over \$75,000
27 Over \$90,000 but not over	\$2,745 plus 5.5 percent of
28 \$120,000	excess over \$90,000
29 Over \$120,000 but not over	\$4,395 plus 6.0 percent of

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\$160,000	excess over \$120,000
Over \$160,000 but not over	\$6,795 plus 6.5 percent of
\$225,000	excess over \$160,000
Over \$225,000 but not over	\$11,020 plus 7.0 percent of
\$300,000	excess over \$225,000
Over \$300,000	\$16,270 plus 7.5 percent of
	excess over \$300,000

* Sec. 4. AS 43.20.021(d) is repealed and re-enacted to read:

(d) In computing Alaska income tax,

(1) eight percent of a credit allowed to an individual or fiduciary under the Internal Revenue Code may be claimed as a credit against the tax payable under this chapter by the individual or fiduciary;

(2) 18 percent of a credit allowed to a corporation under the Internal Revenue Code may be claimed as a credit against the tax payable under this chapter by the corporation.

* Sec. 5. AS 43.45 is repealed.

* Sec. 6. This Act applies to tax years beginning after December 31, 1980.

* Sec. 7. This Act takes effect January 1, 1981.