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Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY MCKINNON, PHILLIPS AND ROGERS

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HOUSE BILL NO. 874

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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ELEVENTH LEGISLATURE - SECOND SESSION

6

A BILL

6

For an Act entitled: "An Act relating to the net income tax and authorizing
7 certain taxpayers to claim the credit allowed for child
8 and dependent care under the Internal Revenue Code in
9 computing state income tax liability; and providing for
10 an effective date."

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

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* Section 1. AS 43.20.036 is amended by adding a new subsection to read:

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(1) For purposes of calculating the income tax payable under this
14 chapter, a resident or part-year resident taxpayer who computes and
15 reports his tax under AS 43.20.011(c) may claim as a credit for child
16 care or dependent care expenses an amount equal to the amount which the
17 taxpayer is entitled to claim under sec. 44A of the Internal Revenue
18 Code (26 U.S.C. sec. 44A).

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* Sec. 2. AS 43.20.021(d) is repealed and re-enacted to read:

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(d) Except where otherwise specifically provided in this chapter,
21 in computing Alaska income tax

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(1) 16 percent of a credit allowed to an individual or fidu-
23 ciary under the Internal Revenue Code may be claimed as a credit against
24 the tax payable under this chapter by the individual or fiduciary;

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

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* Sec. 3. This Act is retroactive to January 1, 1980, and applies to tax
29 years beginning after December 31, 1979.

1 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
2 070(c).

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