

Original sponsor: Rules/Governor

Offered: 4/11/80

1 IN THE SENATE

BY THE FINANCE COMMITTEE

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HOUSE CS FOR CS FOR SENATE BILL NO. 394

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to the Alaska net income tax; and providing for 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 24.20.201(a) is amended by adding a new paragraph to

10 read:

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

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* Sec. 2. AS 43.20.011 is amended by adding a new subsection to read:

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(f) Notwithstanding (b) of this section, husband and wife may

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compute and pay taxes on taxable income as individual taxpayers in

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accordance with the tax table set out in (a) of this section if

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(1) both of the taxpayers claim the minimum deduction (AS 43.20.031(a)(4)) or both of the taxpayers itemize deductions; and

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(2) deductions, exemptions or credits claimed by the tax-

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payers on their separate returns do not exceed the deductions, exemp-

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tions or tax credits which could be claimed by the taxpayers on a single

1 return filed jointly in accordance with (b) of this section.

2 * Sec. 3. AS 43.20 is amended by adding a new section to read:

3 Sec. 43.20.025. INCOME TAX INDEXING. (a) For each tax year the
4 department shall multiply the annual inflation factor determined by the
5 Legislative Budget and Audit Committee under AS 24.20.201(a)(12) for
6 that year, by the

7 (1) tax rate brackets set out in AS 43.20.011(a) - (c);

8 (2) the minimum deduction (AS 43.20.031(a)(4));

9 (3) the personal exemption; and

10 (4) the tax credits allowed in AS 43.20.036 - 43.20.039.

11 (b) The calculation made under (a) of this section shall be ad-
12 justed by multiplication by the annual inflation factor for previous
13 taxable years so that the application of the annual inflation factor is
14 cumulative.

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

19 (d) If the Legislative Budget and Audit Committee has not deter-
20 mined an annual inflation factor by October 15 of a tax year for purposes
21 of this section, the annual inflation factor for the next tax year is
22 110 percent.

23 * Sec. 4. AS 43.20.035 is amended by adding a new subsection to read:

24 (d) The income earned by a nonresident from personal services
25 provided in Alaska as a member of a flight crew on a regularly scheduled
26 commercial aircraft flying to, from, or in Alaska is exempt from taxa-
27 tion under this chapter.

28 * Sec. 5. AS 43.20.025 enacted by sec. 3 of this Act applies to all tax
29 years beginning after December 31, 1979.

1 * Sec. 6. The provisions of AS 43.20.011(f) enacted by sec. 2 of this Act
2 apply retroactively to tax returns for tax years beginning after December 31,
3 1978.

4 * Sec. 7. The provisions of sec. 4 of this Act are retroactive to
5 January 1, 1976, and apply to tax years beginning after December 31, 1975.

6 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
7 070(c).

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