Introduced: 2/18/80
Referred: Judiciary and Finance

IN THE SENATE BY HOHMAN

SENATE BILL NO. 484

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act defining 'reasonable cause' for purposes of relieving a taxpayer from liability for civil penalties for individual income taxes."

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

* Section 1. AS 43.05.220 is amended to read:

Sec. 43.05.220. CIVIL PENALTY. (a) Five percent shall be added to a tax for each 30-day period or fraction of the period during which the taxpayer fails to file a return or report, or pay the full amount of the tax, or a portion or a deficiency of the tax, as finally determined by the department and required by this title, unless it is shown that the failure is due to a reasonable cause and not to wilful neglect. The penalty may [SHALL] not exceed 25 percent in the aggregate. The penalty shall be collected at the same time, in the same manner and as a part of the original tax; but if the original tax is paid before the neglect is discovered, the penalty shall be collected in the same manner as the original tax.

(b) In this section, "reasonable cause" includes reliance by a taxpayer, in the determination of his individual income tax liability under AS 43.20, on verbal or written advice provided by an agent or employee of the department with the result that the taxpayer fails to file a return or report, or fails to pay the full amount of tax, a portion of the tax, or a deficiency of the tax. The department shall prescribe by regulation other circumstances which constitute reasonable cause for purposes of this section.