

Introduced: 1/13/81  
Referred: Labor & Commerce  
and Finance

1 IN THE SENATE

BY RODEY

2 SENATE BILL NO. 20

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to corporate income taxes: exempting  
7 a portion of the income of a corporation from taxation  
8 under the Alaska Net Income Tax Act and repealing the  
9 surtax exemption under that Act; and providing for an  
10 effective date."

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

12 \* Section 1. AS 43.20.011(e) is amended to read:

13 (e) There is imposed for each taxable year upon the entire  
14 taxable income of every corporation derived from sources within the  
15 state a tax consisting of a normal tax equal to 9.4 [5.4] percent of  
16 taxable income [, AND A SURTAX WHICH IS EQUAL TO 4.0 PERCENT OF TAXABLE  
17 INCOME], except that the tax on a corporation engaged in the production  
18 or transportation of crude oil or natural gas shall be determined and  
19 paid in accordance with AS 43.21. [FOR TAX YEARS BEGINNING AFTER  
20 DECEMBER 31, 1979, THE SURTAX EXEMPTION IS \$50,000. FOR CONTROLLED  
21 CORPORATIONS DESCRIBED IN SECS. 1561 - 1563 OF THE INTERNAL REVENUE  
22 CODE ONLY ONE SURTAX EXEMPTION MAY BE ALLOWED FOR THE CONTROLLED  
23 GROUP.]

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

25 Sec. 43.20.033. TAXABLE INCOME OF CORPORATIONS AND FINANCIAL  
26 INSTITUTIONS. (a) A corporation is entitled to an exemption of  
27 \$150,000 against its net income taxable under this chapter.

28 (b) An affiliated group of corporations may make or the commis-  
29 sioner may require them to make a consolidated return for the taxable

1 year in place of separate returns. For purposes of calculating the  
2 amount of tax payable by the group under a consolidated filing, Internal  
3 Revenue Code secs. 1501 - 1552, as amended, apply.

4 (c) A corporation which is a member of a group of unitary corpo-  
5 rations which collectively has income from business activity taxable  
6 both inside and outside the state, or income from other sources both  
7 inside and outside the state, shall determine its income from sources  
8 in this state by use of the combined method of accounting.

9 (d) Banks and savings and loan associations chartered by the  
10 federal government or the state are exempt from income tax under this  
11 chapter.

12 \* Sec. 3. AS 43.20.031 is repealed.

13 \* Sec. 4. Sections 1 - 3 of this Act are retroactive to January 1, 1981,  
14 and apply to tax years beginning after December 31, 1980.

15 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
16 070(c).