

Introduced: 2/2/81
Referred: Labor & Commerce
and Finance

1 IN THE SENATE

BY RODEY

2 SPONSOR SUBSTITUTE FOR 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 under the
7 Alaska Net Income Tax Act and exempting a portion of
8 the income of a corporation from taxation under that
9 Act; and providing for an effective date."

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

11 * Section 1. AS 43.20 is amended by adding a new section to read:

12 Sec. 43.20.033. TAXABLE INCOME OF CORPORATIONS AND FINANCIAL
13 INSTITUTIONS. (a) A corporation is entitled to an exemption of
14 \$150,000 against its net income taxable under this chapter.

15 (b) An affiliated group of corporations may make or the commis-
16 sioner may require them to make a consolidated return for the taxable
17 year in place of separate returns. For purposes of calculating the
18 amount of tax payable by the group under a consolidated filing, Internal
19 Revenue Code secs. 1501 - 1552, as amended, apply.

20 (c) A corporation which is a member of a group of unitary corpora-
21 tions which collectively has income from business activity taxable both
22 inside and outside the state, or income from other sources both inside
23 and outside the state, shall determine its income from sources in this
24 state by use of the combined method of accounting.

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

28 * Sec. 2. AS 43.20.031 is repealed.

29 * Sec. 3. Sections 1 and 2 of this Act are retroactive to January 1,

1 1981, and apply to tax years beginning after December 31, 1980.

2 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
3 070(c).

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