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Referred: Community &
Regional Affairs and
Finance

1 IN THE SENATE

BY KELLY

2 SENATE BILL NO. 690

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing tax credits for property taxes or tax
7 equivalency on rent paid; and providing for an effec-
8 tive date."

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

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

11 Sec. 43.20.014. CREDIT FOR PROPERTY TAX OR RENT. (a) A resident
12 individual who paid during the tax year all of the property taxes or
13 rent on a dwelling he occupied as a principal place of abode is entitled
14 to receive a tax credit equal to the lesser of

15 (1) 50 percent of the property taxes he paid during the tax
16 year for the abode, and 50 percent of the amount determined by multiply-
17 ing the rent he paid during the tax year for the abode by a tax equiva-
18 lency of one percent for each mill of property tax levied on the abode
19 during the tax year; or

20 (2) \$300.

21 (b) A resident individual who paid during the tax year only part
22 of the property taxes or rent on a dwelling he occupied as a principal
23 place of abode is entitled to receive a tax credit equal to the lesser
24 of

25 (1) 50 percent of the property taxes he paid during the tax
26 year for the abode, and 50 percent of the amount determined by multiply-
27 ing the rent he paid during the tax year for the abode by a tax equiva-
28 lency of one percent for each mill of property tax levied on the abode
29 during the tax year; or

1 (2) \$150.

2 (c) A resident married couple who paid during the tax year all of
3 the property taxes or rent on a dwelling they occupied as a principal
4 place of abode is entitled to receive a tax credit equal to the lesser
5 of

6 (1) 50 percent of the property taxes they paid during the tax
7 year for the abode, and 50 percent of the amount determined by multiply-
8 ing the rent they paid during the tax year for the abode by a tax equiva-
9 lency of one percent for each mill of property tax levied on the abode
10 during the tax year; or

11 (2) \$300.

12 (d) Only one dwelling at a time may be claimed as the principal
13 place of abode for purposes of this section. If an individual or married
14 couple moved during the tax year and paid property taxes or rent on more
15 than one abode for which a tax credit is claimed under this section,
16 separate calculations shall be made for each abode based on taxes or
17 rent actually paid by the individual or married couple for each abode
18 during that year.

19 (e) A married couple may jointly claim the credit under this
20 section or claim the credit individually. If a married couple claims a
21 credit jointly, the couple shall claim the credit based only on the
22 portion of property taxes or rent that one or the other has actually
23 paid.

24 (f) To claim the tax credit provided by this section, an eligible
25 individual or eligible married couple shall file a return under AS 43.-
26 20.012 each year in a form prescribed by the department. The form shall
27 include a statement of eligibility in substantially the following form
28 signed by the individual or married couple:

29 I (we) certify that I (we) occupied the dwelling for

1 which a credit is claimed as my (our) principal place
2 of abode and that each claim for credit is based on
3 property taxes or rent actually paid by me (us) on or
4 for my (our) principal place of abode during the year ____.
5 I (we) understand that I (we) may be required to submit
6 proof of payment of taxes or rent as a condition of
7 receiving a credit. I (we) also understand that a false
8 claim of eligibility for a credit is a criminal offense.

9 (g) For purposes of this section

10 (1) "abode"

11 (A) means real or personal property used exclusively as
12 a dwelling, a dwelling unit in a multiple-unit dwelling, a mobile
13 home, boat, or other place of residence, or, if a building is used
14 both as a dwelling and for commercial purposes, the portion of the
15 building used as a dwelling; and

16 (B) includes lots and outbuildings necessary and conven-
17 ient for use of the dwelling, as determined by the local assessor;

18 (2) "property taxes" means amounts levied and collected
19 during the tax year by a municipality as real or personal property
20 taxes, exclusive of any penalties or interest;

21 (3) "rent" means actual payments, not including in-kind
22 services or other nonmonetary payments, made in return for the use of a
23 dwelling, including space rent paid for a mobile home; rent does not
24 include payments

25 (A) made for a housing unit or other dwelling that is
26 exempt from property taxes;

27 (B) reflecting money received from a local, state, or
28 federal assistance program;

29 (C) made for utilities even if included as a portion of

1 total rent;

2 (D) made to a spouse or a minor child or other payments
3 that the department determines were made primarily for the purpose
4 of claiming a credit under this section.

5 (h) The commissioner of revenue shall pay the amount of a tax
6 credit allowed by this section to an individual or married couple who
7 makes a return as provided in AS 43.20.012. A credit under this section
8 shall be paid in the manner provided in AS 43.20.030(e) for the payment
9 of refunds, and payment may not be made without an appropriation for
10 that purpose.

11 * Sec. 2. AS 43.20.012 is amended to read:

12 Sec. 43.20.012. LIMITATION ON APPLICATION OF THIS CHAPTER; CREDITS.
13 The tax imposed by this chapter does not apply to individuals or to
14 fiduciaries. However, an individual may file a return under this chapter
15 in order to receive a tax credit under AS 43.20.013 or 43.20.014.

16 * Sec. 3. This Act is retroactive to January 1, 1982, and authorizes a
17 credit for property taxes or rent paid after December 31, 1981.

18 * Sec. 4. This Act terminates January 1, 1985.

19 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).