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Referred: Labor and Commerce
and Finance

BY FAIKS, BENNETT, ZHAROFF,
DEVRIES, RODEY AND P. FISCHER

1 IN THE SENATE

2

SENATE BILL NO. 360

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to tax credits for employing resi-
7 dents; and providing for an effective date."

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

9 * Section 1. AS 43.20.036 is amended by adding a new subsection to
10 read:

11 (j) For purposes of calculating the income tax payable under
12 this chapter, the taxpayer may apply as a credit against tax liability
13 an Alaska hire credit, for employment of state residents who satisfy
14 the residency requirements for eligibility for a permanent fund
15 dividend under AS 43.23.005 on the date immediately preceding the date
16 of hire, equal to the sum of

17 (1) 50 percent of the qualified first-year wages, as de-
18 fined in 26 U.S.C. 51(b)(2), to a maximum of \$6,000 in wages for each
19 eligible employee, paid or incurred by the employer during the taxable
20 year; and

21 (2) 25 percent of the qualified second-year wages, as
22 defined in 26 U.S.C. 51(b)(3), to a maximum of \$6,000 in wages for
23 each eligible employee, paid or incurred by the employer during the
24 taxable year.

25 * Sec. 2. Section 1 of this Act is retroactive to January 1, 1986.

26 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).