

Introduced: 3/11/85
Referred: Finance

1 IN THE SENATE

BY COGHILL

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SENATE JOINT RESOLUTION NO. 19

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - FIRST SESSION

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Urging the United States Congress to

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amend the Deficit Reduction Act of 1984.

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

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WHEREAS the Deficit Reduction Act of 1984 (P.L. 98-369) made certain

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changes in the requirements of the Internal Revenue Service for business

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income tax reporting; and

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WHEREAS, as a result of that Act, the IRS now requires a trade or

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business to keep "adequate contemporaneous records" to substantiate deduc-

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tions and tax credits for certain items; and

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WHEREAS a trade or business that fails to keep these records cannot

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claim certain deductions or investment tax credits on its income tax re-

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turns; and

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WHEREAS a trade or business may no longer use "sufficient evidence" to

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establish the amounts of deductions; and

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WHEREAS the new recordkeeping and reporting requirements are very

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burdensome and time-consuming for businesses; and

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WHEREAS the changes in the depreciation requirements by the Deficit

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Reduction Act of 1984 may discourage businesses from purchasing more equip-

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ment or hiring people to maintain tax records on the use of the equipment;

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and

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WHEREAS the Deficit Reduction Act of 1984 has already had adverse

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effects on many businesses in the state;

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BE IT RESOLVED by the Alaska State Legislature that it respectfully

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urges the U.S. Congress to amend the Deficit Reduction Act of 1984 (P.L.

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98-369) to replace the "adequate contemporaneous records" requirement with

1 the former "sufficient evidence" requirement for establishing income tax
2 deductions and investment tax credits, and to return to the former rules
3 for depreciating business equipment.

4 COPIES of this resolution shall be sent to the Honorable Ronald
5 Reagan, President of the United States; and to the Honorable Ted Stevens
6 and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don
7 Young, U.S. Representative, members of the Alaska delegation in Congress.