

CS FOR SENATE BILL NO. 158 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 2/4/91
Referred: Rules

Sponsor(s): SENATE RULES\GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the interest rate on unpaid and overpaid taxes and to the due dates
2 for and interest on unpaid and overpaid royalties and net profit share payments from
3 state resources; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 38.05.135 is amended by adding new subsections to read:

6 (c) Payment of a royalty or a net profit share payment to the state under a lease issued
7 under AS 38.05.135 - 38.05.181 becomes due on the date and in the manner specified in the lease
8 or in a regulation adopted by the commissioner.

9 (d) If a royalty or net profit share payment to which the state is entitled under
10 AS 38.05.135 - 38.05.181 is not paid when it becomes due under (c) of this section, the royalty
11 or payment bears interest in a calendar quarter at the rate of five percentage points above the
12 annual rate charged member banks for advances by the 12th Federal Reserve District as of the
13 first day of that calendar quarter, or at the annual rate of 11 percent, whichever is greater,
14 compounded quarterly as of the last day of that quarter.

1 (e) Interest at the rate and in the manner provided in (d) of this section shall be allowed
2 and paid on an overpayment of a royalty or net profit share payment made under AS 38.05.135 -
3 38.05.181.

4 * Sec. 2. AS 43.05.225 is amended to read:

5 Sec. 43.05.225. INTEREST [ON TAXES]. Unless otherwise provided,

6 (1) when a tax levied in this title becomes delinquent, it bears interest in a
7 calendar quarter at the rate of five percentage points above the annual rate charged member
8 banks for advances by the 12th Federal Reserve District as of the first day of that calendar
9 quarter, or at the annual rate of 11 percent, whichever is greater, compounded quarterly
10 as of the last day of that quarter;

11 (2) the interest rate is 12 percent a year for

12 (A) delinquent fees payable under AS 05.15.095(c);

13 (B) arrearages for child support as provided in AS 25.27.025 unless
14 a lesser rate authorized by that section applies; and

15 (C) unclaimed property that is not timely paid or delivered, as allowed
16 by AS 34.45.470(a).

17 * Sec. 3. AS 43.05.280(a) is amended to read:

18 (a) Interest shall be allowed and paid on an overpayment of a tax under this title at the
19 rate and in the manner provided [PRESCRIBED] in AS 43.05.225(1) [AS 43.05.225].

20 * Sec. 4. AS 43.31.141 is amended to read:

21 Sec. 43.31.141. WHEN TAX DUE, EXTENSION AND INTEREST. The tax imposed
22 by this chapter is due and payable 15 months after the decedent's death [,] and shall be paid by
23 the executor to the department. If the department finds that the payment on the due date of tax
24 or any part of the tax would impose undue hardship upon the estate, the department may extend
25 the time for payment of any part, but no extension may be for more than one year and the
26 aggregate of extensions with respect to an estate may not exceed five years from the due date.
27 In that case, the amount in respect of which the extension is granted shall be paid on or before
28 the date of the expiration of the period of the extension unless a further extension is granted.
29 If the time for the payment is extended, there shall be collected, as part of this amount, interest
30 on the tax as [AT THE RATE] provided in AS 43.05.225(1) [AS 43.05.225] from the due date
31 of the tax to the date the tax is paid.

1 * Sec. 5. AS 43.55.060 is amended to read:

2 Sec. 43.55.060. DELINQUENCY. When the tax provided for in this chapter becomes
3 delinquent, it bears interest as provided [AT THE RATE PRESCRIBED] in AS 43.05.225(1)
4 [AS 43.05.225]. If any person fails to make a report required by this chapter, within the time
5 prescribed by law for the report, the department shall examine the books, records, and files of
6 the person to determine the amount and value of the production to compute the tax, and the
7 department shall add to the tax the cost of the examination, together with any penalties accrued.

8 * Sec. 6. APPLICABILITY OF COMPOUNDED INTEREST. Beginning on the effective date of
9 this Act, interest accrues on underpayments and overpayments of royalties, net profit share payments,
10 and taxes, and on any interest accrued on them before the effective date of this Act, at the rates and in
11 the manner specified in AS 38.05.135(d), added by sec. 1 of this Act, and AS 43.05.225, as amended
12 by sec. 2 of this Act.

13 * Sec. 7. This Act takes effect July 1, 1991.