

"An Act relating to the Alaska business license tax; and providing for an effective date."

### COMMITTEE REPORT

3/7/75

HOUSE

Mr. Speaker:

Date 3/25/75

The Committee on FINANCE has had HB 210

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature] Chairman

Introduced: 2/26/75  
Referred: Commerce and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 210

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska business license tax;  
7 and providing for an effective date."

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

9 \* Section 1. AS 43.70.030(b) is repealed and re-enacted to read:

10 (b) The license fee for each national bank and state bank, trust  
11 company and savings and loan association is seven per cent of its net  
12 income. Net income means the taxable income of each such taxpayer  
13 before net operating loss deduction and special deductions, computed  
14 as required under the Internal Revenue Code of the United States and  
15 includes all other income including income from federal, state or muni-  
16 cipal obligations. Each of these taxpayers required to make a return  
17 under the provisions of the Internal Revenue Code shall at the same  
18 time file with the department a return setting out the amount of tax  
19 due under this chapter, and other information for the purpose of carrying  
20 out the provisions of this chapter which the department requires.  
21 Each of these taxpayers shall also at the same time file a true and  
22 correc copy of the tax return which he has filed with the Internal  
23 Revenue Service. Every taxpayer shall notify the department in writing  
24 of any alteration in, or modification of his federal income tax return  
25 and of a recomputation of tax or determination of deficiency.

26 \* Sec. 2. This Act is retroactive to January 1, 1975, and relates only  
27 to income earned or received after December 31, 1974.

28 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10-  
29 070(c).

February 25, 1975

The Honorable Mike Tradner  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Legislature, I am submitting a bill changing the tax return filing date for the business license tax on banks to conform to the filing date prescribed for federal and state income tax returns. Since the license tax on banks is based upon the net income as reported on their federal income tax return, a consistent reporting date is required.

Sincerely,

Jay S. Hammond  
Governor

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH 5 — JUNEAU 99801

HB210  
WILLIAM A. EGAN, GOVERNOR

March 6, 1975

The Honorable Hugh Malone  
Chairman  
House Finance Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99811

Dear Mr. Malone:

re House Bill No. 210

House Bill No. 210, an Act relating to the Alaska business license tax, was introduced on February 26, 1975 and referred to the House Commerce and Finance Committees.

For the consideration of the Finance Committee, I am enclosing a copy of a memorandum dated March 5, 1975 from Frederick P. Boetsch, Deputy Commissioner, Department of Revenue outlining the administrative need for the proposed legislation which is housekeeping in nature.

If you or any members of your Committee have any questions on the material submitted, kindly advise the writer by telephone at 465-2397 and I will contact Mr. Boetsch for further material or testimony.

Very truly yours,



R. D. Stevenson  
Special Assistant

RDS:lw

Enclosure

cc Frederick P. Boetsch  
Deputy Commissioner  
Department of Revenue

## MEMORANDUM

State of Alaska

TO: R. D. Stevenson, Special Asst.  
Office of the Commissioner  
Department of Revenue

DATE: March 5, 1975

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch  
Deputy Commissioner  
Department of Revenue

SUBJECT: House Bill 210

This bill arises from an administrative problem which banks have with respect to meeting their obligations under the Alaska Business License Act. Under that Act banks are taxable on 7% of their taxable income as determined for federal income tax purposes with some adjustments. Our Business License tax is due on February 28 but banks typically do not file federal income tax returns until much later. Therefore, the basis upon which our tax is assessed is really not determined until after the due date of the return. This forces banks to file estimates with us and then amended returns at a later date and causes them, as well as ourselves, unnecessary administrative headaches.

This bill would simply change the date for filing the bank tax return to the same date required for federal income tax returns, thereby eliminating unnecessary administrative burdens for us and for them.

This bill would have no effect on Treasury and there are no administrative costs connected with it.

FPB:lw