

# COMMITTEE REPORT

HOUSE

1/27/76

Mr. Speaker:

Date February 24 1976

The Committee on FINANCE has had HB 605

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 HB 605 AND THAT

CS FOR HB 605 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:

[Signature] recommends: do not Pass

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

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

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

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

[Signature] Chairman

Original sponsor: McKinnon

IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 605

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to tax exempt obligations."

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

\* Section 1. AS 43.20.031(a) is amended by adding a new paragraph to read:

(3) the benefits allowed to taxpayers under Internal Revenue Code section 103, as amended, are allowed only if the obligations were issued by the State of Alaska, a political subdivision of the State of Alaska, a city or borough of the State of Alaska, or public corporations incorporated under the laws of the state.

\* Sec. 2. This Act takes effect January 1, 1977.

Introduced: 1/16/76  
Referred: Community &  
Regional Affairs and Finance

1 IN THE HOUSE

BY MCKINNON

2 HOUSE BILL NO. 605

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4 NINTH LEGISLATURE - SECOND SESSION

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12 Alaska or a city or borough of the State of Alaska.

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
 Second Session - Ninth Legislature

I. REQUEST

Bill No. House Bill 605

Title: An Act relating to tax exempt obligations.

Requested by: Jim Rhode, House Finance Committee Date: 1-19-76

Return Date Requested: January 26, 1976

Agency: Revenue Program: Audit

II. FISCAL DETAIL

Budget Request Unit(s) Affected: NONE

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICE						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	none	none	none	none	none	none

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS: None

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

N/A

IV. ATTACHMENTS

See memo attached.

V. DATE: 1-22-76 PREPARED BY: \_\_\_\_\_

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

# MEMORANDUM

# State of Alaska

TO: R. D. Stevenson  
Assistant to the Commissioner  
Administrative Services

DATE: January 23, 1976

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: House Bill 605

This bill provides that the interest paid on obligations of the State of Alaska or a political sub-division thereof will be the only municipal interest that will be granted tax exempt status under the Alaska Statutes. The effect on the Treasury, as a result of this proposed legislation, would be minimal. It is anticipated that we would receive an additional \$50,000 in revenue with no related increase in costs.

The major benefit of this kind of legislation would be to encourage Alaskan's to invest in Alaska bonds. Also, please note that the proposed bill does not provide an effective date, which is very necessary. I would suggest an effective date of January 1, 1976.

This same provision is also included in Senate Bill 510, which is being proposed by the Governor to make this and several other minor changes in the Alaska law.

GLJ/bjm