

COMMITTEE REPORT

SENATE

4/28/75

Mr. President:

Date _____

The Committee on FINANCE has had HB 210 relating to the Alaska business license tax 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>Bill King</u>	<u>John</u>	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Bill King Chairman

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S — JUNEAU 99801

FILE WITH BILL

April 7, 1975

The Honorable Jalmar Kerttula
Chairman
Senate Commerce Committee
Alaska State Legislature
State Capitol
Juneau, Alaska

Re: House Bill No. 210

Dear Senator Kerttula:

House Bill No. 210, an Act relating to the Alaska Business License Tax was introduced in the Senate on April 4, 1975 and was referred to the Senate Commerce and Finance Committees.

For the consideration of the Senate Commerce Committee, I am enclosing a copy of a memorandum 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 member 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

cc: The Honorable Bill Roy
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska

Frederick P. Boetsch
Deputy Commissioner, 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 *fpb*
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

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 — JUNEAU 99801

WILLIAM A. EGAN, GOVERNOR

HB 210

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

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Deputy Commissioner
Department of Revenue

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FPB:lw

February 25, 1975

The Honorable Mike Bradner
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

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 correct 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).

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

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