

COMMITTEE REPORT

SENATE

5/1/79

Mr. President:

Date _____

The Committee on FINANCE has had HR 307 AD
disallowing certain credits under the 1978 and 1979 tax laws

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:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

_____ Chairman

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH S—JUNEAU 99801

May 19, 1975

The Honorable Bill Ray
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Dear Senator Ray:

re House Bill No. 307 am

House Bill No. 307 am, an Act disallowing certain credits under the Alaska Net Income Tax was introduced in the Senate Finance Committee, I am enclosing a copy of a memorandum dated May 19, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue describing the need for the remedial legislation and advising that there will be no administrative costs incurred.

If you or any member of the Senate Finance Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,



R. D. Stevenson
Special Assistant

RDS: sp
Enclosure

cc Gary L. Jenkins, Director
Audit Division
Department of Revenue

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: May 19, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: House Bill 307 am

House Bill 307 am is a housekeeping measure designed to eliminate from the Alaska Net Income Tax Act those references to credits provided at the Federal level through the Internal Revenue Code which do not have any applicability at State level or which duplicate other provisions at the State level.

The first credit eliminated is a credit on interest earned on certain U.S. Government obligations. This credit is provided by the Federal Government since the Federal Government does tax interest earned on its own securities. The State, however, is prohibited by Federal law from taxing that interest, hence it does not make sense to allow a credit in our statute.

The second credit eliminated is a credit allowed by the Federal Government for Federal taxes paid on gasoline which is then used for off-highway purposes. For the sake of administrative convenience the Federal system allows a claim for such refund to be made on the income tax return and the credit applied against income tax liability. Obviously, the State is not interested in refunding Federal gasoline taxes. We have a different procedure by which we refund State gasoline taxes paid for gasoline which is used for off-highway purposes. This provision would eliminate an unnecessary, irrelevant and possibly costly provision in the Federal code which is presently adopted by Alaska through our piggy-bank mechanism.

GLJ/bjm

Introduced: 3/18/75
Referred: Commerce and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 307 am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act disallowing certain credits under the Alaska
7 net income tax; and providing for an effective date."

8

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

9

* Section 1. AS 43.20 is amended by adding a new section to read:

10

Sec. 43.20.036. FEDERAL TAX CREDITS DISALLOWED. For purposes of
11 calculating the income tax payable under this chapter, the taxpayer may
12 not apply as a credit against his tax liability the

13

(1) credit on United States government obligations allowed
14 as to federal taxes under Internal Revenue Code sec. 35;

15

(2) credit for the federal excise tax on gasoline allowed
16 as to federal taxes under Internal Revenue Code sec. 39

17

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

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* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

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118 307

March 18, 1975

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

Dear Mr. Speaker:

In accordance with AS 24.30.015(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill eliminating certain Federal tax credits from the computation of the Alaska net income tax. These credits serve basically Federal policy purposes and do not promote any legitimate state aims.

Sincerely,

Jay S. Eastlund
Governor

COMMITTEE REPORT

SENATE

5/15/75

Mr. President:

Date _____

The Committee on FINANCE has had HB 307 ~~an~~
~~disallowing certain credits under the Alaska net income tax~~
under consideration. A Majority of the members of the Committee

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_____	_____	_____
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Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH 5 — JUNEAU 99801

May 19, 1975

The Honorable Bill Ray
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Dear Senator Ray:

re House Bill No. 307 am

House Bill No. 307 am, an Act disallowing certain credits under the Alaska Net Income Tax was introduced in the Senate Finance Committee. I am enclosing a copy of a memorandum dated May 19, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue describing the need for the remedial legislation and advising that there will be no administrative costs incurred.

If you or any member of the Senate Finance Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,



R. D. Stevenson
Special Assistant

RDS:sp
Enclosure

cc Gary L. Jenkins, Director
Audit Division
Department of Revenue

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: May 19, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: House Bill 307 am

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Finance

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REQUEST OF THE GOVERNOR

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HOUSE BILL NO. 307 am

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118 307

March 19, 1976

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

Dear Mr. Speaker:

In accordance with AS 24.30.050(a) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill eliminating certain Federal tax credits from the computation of the Alaska net income tax. These credits serve basically Federal policy purposes and do not promote any legitimate State aims.

Sincerely,

Jay E. Hammond
Governor