

COMMITTEE REPORT

4/15/76

SENATE

Mr. President:

Date _____

The Committee on ~~XXXXXX~~ Finance has had CS HB 605 tax exempt obligations 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

COMMITTEE REPORT

SENATE

2/10/76

Finance

Mr. President:

Date April 1st 1976

The Committee on Community and Regional Affairs has had CS HB 605 tax exempt obligations 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:

Patrick Roney _____
Clem Tillion _____
for Orsini _____

Members NOT concurring in the Majority report:

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

Patrick Roney Chairman

Original sponsor: McKinnon

Offered: 2/27/76
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 605

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to tax exempt obligations; and pro-
7 viding for an effective date."

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

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

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

15 * Sec. 2. This Act takes effect January 1, 1977.
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STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 99811

April 27, 1976

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

Re: Committee Substitute for House Bill No. 605

Dear Senator Ray:

Committee Substitute for House Bill No. 605, an Act relating to tax exempt obligations, was referred by the Senate Community Regional Affairs Committee to the Senate Finance Committee on April 15, 1976.

For the consideration of the Senate Finance Committee, I am enclosing a copy of a memorandum prepared by Gary L. Jenkins, Director, Audit Division, Department of Revenue concerning effect on Treasury of the original House Bill No. 605 and advising of no increase in administrative costs.

A review of Committee Substitute for House Bill No. 605, by Mr. Eric E. Wohlforth, State Bond Counsel has disclosed the necessity for further amendatory language for the proposed legislation.

I am enclosing a copy of a letter dated March 15, 1976 and a copy of a proposed Senate Finance Committee Substitute for CS for House Bill No. 605, as prepared by Mr. Wohlforth. The amendatory language will not weaken the intent of the original bill but will prevent taxation of interest of the obligations of certain Alaskan non-profit corporations such as the Anchorage Building Corporation and the University of Alaska Heating Corporation who issued tax exempt bonds pursuant to specific IRS ruling.

The information from Mr. Wohlforth was hand delivered at an earlier date to the Senate Community and Regional Affairs Committee at the time such Committee was considering CS for House Bill No. 605, but was not acted upon.

Very truly yours,



R. D. Stevenson
Special Assistant

The Honorable Bill Ray

-2-

April 27, 1976

cc: Sterling Gallagher
Commissioner of Revenue

Eric E. Wohlforth
Wohlforth & Flint
Anchorage, Alaska

Gary L. Jenkins
Director, Audit Division
Department of Revenue

MEMORANDUM

State of Alaska

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

DATE: January 23, 1976

FILE NO:

TELEPHONE NO:

FROM: Cary 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

ERIC E. WOHLFORTH
ROBERT B. FLINT
TIMOTHY G. MIDDLETON

LAW OFFICES
WOHLFORTH & FLINT
A PROFESSIONAL CORPORATION
645 G STREET
ANCHORAGE, ALASKA 99501

TELEPHONE
AREA CODE 907
274-2519
272-9489

March 15, 1976

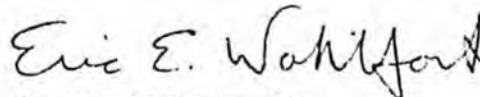
Mr. R. D. Stevenson
Special Assistant
Office of the Commissioner
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Juneau, Alaska 99811

Re: Committee Substitute for House Bill No. 605

Dear Mr. Stevenson:

I enclose herewith further suggested amendatory language for CS for HB No. 605. The language covers not only public corporations of the state such as Alaska Housing Finance Corporation, but also non-profit corporations such as the Anchorage Public Building Corporation and the University of Alaska Heating Corporation who issued tax exempt bonds pursuant to the specific IRS ruling.

Very truly yours,



Eric E. Wohlforth

EEW/kh

Enclosure

cc: C. Richard Walker, Esq.

Resent March 22, 1976

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

SCSCS FOR HOUSE BILL NO. 605

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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NINTH LEGISLATURE - SECOND SESSION

5

A BILL

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

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and providing for an effective date"

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

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* Section 1. AS 43.20.031(a) is amended by adding a

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new paragraph to read:

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(3) the benefits allowed taxpayers under Internal

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Revenue Code section 103, as amended, are allowed only if the

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obligations were issued by the State of Alaska, a political

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subdivision of the State of Alaska, a city or borough of the

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State of Alaska, or other corporation of the State the interest

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* Section 2. This Act takes effect January 1, 1977.

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Original sponsor: McKinnon

Offered: 2/27/76
Referred: Rules

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Assistant to the Commissioner
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845 G STREET
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March 15, 1976

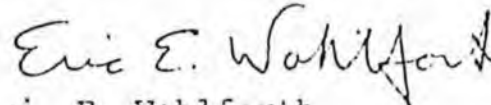
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cc: C. Richard Walker, Esq.

Resent March 22, 1976

Original sponsor: McKinnon

Offered: 2/27/76
Referred: Rules

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

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