

A M E N D M E N T

OFFERED IN THE SENATE

BY:

TO: SENATE BILL NO. 497

AMENDMENT: Page 1, Line 11:

Delete all of paragraph (2) and insert the following in

its place:

"(2) government pensions and annuities and other pensions and annuities received from qualified plans approved under secs. 401--415 of the Internal Revenue Code as amended."

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TO: SENATE BILL NO. 497

AMENDMENT: Page 1, Line 11:

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its place:

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COMMITTEE REPORT

1/30/76

SENATE

Mr. President:

Date _____

The Committee on FINANCE has had SB 497
exemption of pensions and annuities from the Alaska income 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:

Members NOT concurring in the Majority report:

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

_____ Chairman

R

COMMITTEE REPORT

1/14/76

SENATE

Mr. President:

Date 1/23/76

The Committee on FINANCE has had SB 497 exemption of pensions and annuities from the Alaska income tax under consideration. A Majority of the members of the Committee

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Members signing the Majority report:

<u>Biel Ray</u>	<u>James</u>	_____
<u>John Antonich</u>	<u>Gene Haves</u>	_____
<u>Robert Hubert</u>	<u>Ray Ireland</u>	_____
<u>Jul 2 of God</u>		_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Biel Ray Chairman

COMMITTEE REPORT

SENATE

1/23/76

Mr. President:

Date 1/28/76

The Committee on RULES has had SB 497 exemption of pensions and annuities from the Alaska income tax under consideration. A Majority of the members of the Committee

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- () 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" *Calendar Jan 29*

Members signing the Majority report:

John H. Rad _____
James C. Sedwick _____
Walter _____
Bill Ray _____
Harvey _____

Members NOT concurring in the Majority report:

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

John H. Rad _____ Chairman

497

Introduced: 1/14/76
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 497

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 the exemption of pensions and
7 annuities from the Alaska income tax; and providing
8 for an effective date."

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

10 * Section 1. AS 43.20.031(b)(2) is repealed and re-enacted to read:
11 (2) pensions and annuities;

12 * Sec. 2. This Act is retroactive to January 1, 1976 and relates only
13 to income earned or received after December 31, 1975.

14 * Sec. 3. This Act takes effect immediately in accordance with AS
15 01.10.070(c).

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497

JAN 14 1976

SB 497

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill which exempts pension and annuity income from the Alaska income tax.

Presently the State law exempts various State and federal pensions and annuities from taxation. (See AS 43.20.031 (b)(2), AS 39.35.546, AS 14.25.200.) This difference in tax treatment between retired public employees and retired private sector employees is unwarranted. Accordingly, I ask that this change be made for equal treatment of all persons receiving pension and annuity income.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST
 Bill No. Senate Bill 497 Income Tax; & providing
 Title: Act relating to exemp. of pens. & annuities from AK/for an effective date.
 Requested by: Governor's Office Date: 1-2-76
 Return Date Requested: 1-9-76
 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 SERVICES						
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						

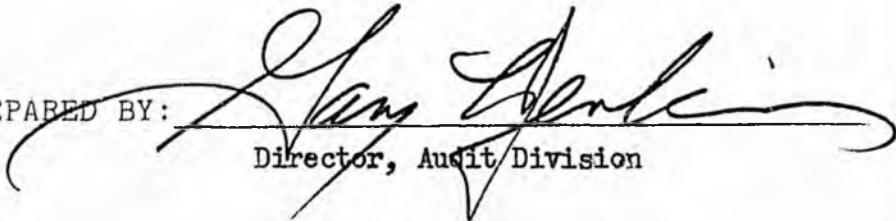
C. POSITIONS: NONE

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

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

N/A

IV. ATTACHMENTS Other: This bill will cause an estimated loss of revenue to the State in the amount of \$200,000.

V. DATE: 1-7-76 PREPARED BY: 
Director, Audit Division

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

ALASKA STATE LEGISLATURE

NINTH... Legislature SECOND Session

SENATE BILL NO. 497

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to the exemption of pensions and annuities from the Alaska income tax; and providing for an effective date."

exemptions/Alaska income tax

Introduced in the Senate 1/14, 1976

HISTORY IN THE SENATE

1976	Read first time and referred to Committee on
1 14	Finance
1 23	Reported back with recommendation that <i>to pass to Rules</i>
1 29	Read second time and <i>advanced</i>
1 29	Read third time and
1 30	<i>To be referred to Finance</i>
1 31	PASS ed Effective Date Yeas <i>20</i> Yeas Nays <i>0</i> Nays Absent <i>0</i> Absent Excused <i>0</i> Excused
	<i>Notice</i> Reconsideration
	PASS Effective Date Yeas Yeas Nays Nays Absent Absent Excused Excused
	Reported correctly engrossed Signed by President Sent to House <i>Beverly Keithahn</i> SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Effective Date Yeas Yeas Nays Nays Absent Absent Excused Excused
	Reconsideration
	PASS Effective Date Yeas Yeas Nays Nays Absent Absent Excused Excused
	Reported correctly engrossed Signed by Speaker Returned to Senate CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Received from House
	Reported correctly enrolled
	Sent to Governor
 By Governor
	Filed with Lt. Governor
	Chapter No.

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

I. REQUEST
 Bill No. Senate Bill 497 Income Tax; & providing
 Title: Act relating to exemp. of pens. & annuities from AK/for an effective date.
 Requested by: Governor's Office Date: 1-2-76
 Return Date Requested: 1-9-76
 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 SERVICES						
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 Other: This bill will cause an estimated loss of revenue to the State in the amount of \$200,000.

V. DATE: 1-7-76 PREPARED BY: [Signature]
 Director, Audit Division

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

497
JAN 14 1978

SB 497

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill which exempts pension and annuity income from the Alaska income tax.

Presently the State law exempts various State and federal pensions and annuities from taxation. (See AS 43.20.031 (b)(2), AS 39.35.546, AS 14.25.200.) This difference in tax treatment between retired public employees and retired private sector employees is unwarranted. Accordingly, I ask that this change be made for equal treatment of all persons receiving pension and annuity income.

Sincerely,

Jay S. Hammond
Governor

PUT WITH BILL

R. E. ROBERTSON (1885-1961)
F. O. EASTAUGH
J. B. BRADLEY
W. G. RUDDY
L. B. JACOBSON
R. B. BAKER (ANCHORAGE)
M. T. THOMAS
L. J. BARKER (ANCHORAGE)
J. F. CLARK
P. M. HOFFMAN
J. P. TANGEN
A. G. DODGE (ANCHORAGE)

OF COUNSEL
M. E. MONAGLE

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY
ATTORNEYS AT LAW

200 NATIONAL BANK OF ALASKA BUILDING

PHONE (907) 586-3340

CABLE: ROMEA

TELEX: 099-45-376

P. O. BOX 1211

JUNEAU, ALASKA 99802

ANCHORAGE OFFICE

SUITE 310, ALASKA MUTUAL SAVINGS
BANK BUILDING
P. O. BOX 679
ANCHORAGE, ALASKA 99510
PHONE (907) 277-6693
TELEX: 090-26-486

PLEASE REPLY TO

J JUNEAU OFFICE

C ANCHORAGE OFFICE

A PROFESSIONAL CORPORATION

January 28, 1976

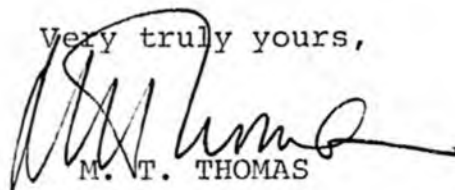
Honorable Bill Ray
Chairman
Senate Finance Committee
Room 415, State Capitol Building
Juneau, Alaska

Re: Senate Bill 497

Dear Senator Ray:

On behalf of the American Life Insurance Association I am writing to advise you of the Association's support of this legislation and request that we be notified of upcoming hearings on this matter as they are scheduled.

Very truly yours,



M. T. THOMAS

MTT:kh

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

I. REQUEST

Bill No. Senate Bill No. 497
 Title: Exemption of pensions and annuities from the Alaska income tax
 Requested by: Senate Finance Committee Date: 1-27-76
 Return Date Requested: 2-2-76
 Agency: Revenue Program: Audit

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
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TOTAL	NONE	NONE	NONE	NONE	NONE	NONE

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

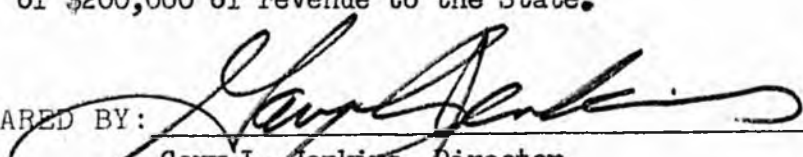
III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

N/A

IV. ATTACHMENTS

See memorandum from Gary L. Jenkins, Director, Audit Division, Department of Revenue regarding estimated loss of \$200,000 of revenue to the State.

V. DATE: 1-28-76 PREPARED BY: _____


 Gary L. Jenkins, Director
 Audit Division

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 27, 1976

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Fiscal Note on SB 497

This bill is intended to abolish a current inequity in the Alaska Statutes. At the present time, retirement income from pensions and annuities of individuals who retired from some type of public (i.e. governmental) employment is tax exempt, while the same type of income of individuals who retired in the private sector is taxable. This bill would make the pension and annuity income of all retired people tax exempt.

As noted on the fiscal note form, we anticipate this bill would cause a potential loss of revenue to the State treasury of \$200,000. However, we feel that the resulting benefits of removing the inequity, as well as encouraging retired Alaskans to stay in Alaska with the resultant benefits they would generate in the economy more than justifies this law change.

GLJ/bjm

Attachment

Introduced: 1/14/76
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 497

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

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COMMITTEE REPORT

1/14/76

SENATE

Mr. President:

Date 1/23/76

The Committee on FINANCE has had SB 497
exemption of pensions and annuities from the Alaska income 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>[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: 1/14/76
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 497

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

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Introduced: 1/14/76
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THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST
 Bill No. Senate Bill 497 Income Tax; & providing
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 Requested by: Governor's Office Date: 1-2-76
 Return Date Requested: 1-9-76
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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 SERVICES						
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. RESOURCES: NONE

PERMANENT/TEMPORARY	/	/	/	/	/
MAX MONTHS (P./Y.)	/	/	/	/	/

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

N/A

IV. ATTACHMENTS Other: This bill will cause an estimated loss of revenue to the State in the amount of \$200,000.

V. DATE: 1-7-76 PREPARED BY: [Signature]
 Director, Audit Division

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

497
JAN 14 1973

SB 497

The Honorable Chancy Croft
President of the Senate
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Dear Mr. President:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill which exempts pension and annuity income from the Alaska income tax.

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Sincerely,

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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 Other: This bill will cause an estimated loss of revenue to the State in the amount of \$200,000.

V. DATE: 1-2-76 PREPARED BY: [Signature]
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Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

SB 497

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Juneau, Alaska 99811

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Governor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill No. 497
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 Requested by: Senate Finance Committee Date: 1-27-76
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FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

N/A

IV. ATTACHMENTS

See memorandum from Gary L. Jenkins, Director, Audit Division, Department of Revenue regarding estimated loss of \$200,000 of revenue to the State.

V. DATE: 1-28-76

PREPARED BY: _____

Gary L. Jenkins
 Gary L. Jenkins, Director
 Audit Division

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 27, 1976

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Fiscal Note on SB 497

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As noted on the fiscal note form, we anticipate this bill would cause a potential loss of revenue to the State treasury of \$200,000. However, we feel that the resulting benefits of removing the inequity, as well as encouraging retired Alaskans to stay in Alaska with the resultant benefits they would generate in the economy more than justifies this law change.

GLJ/bjm

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Introduced: 1/14/76
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 497

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

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