

H B

137

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

February 19, 1981

The Honorable Mike Miller
Chairman
House State Affairs Committee
Room 102 - Capitol Building
Juneau, Alaska

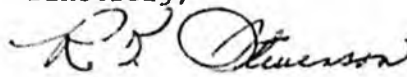
Re: House Bill No. 137

Dear Mr. Miller:

House Bill No. 137, an Act relating to the tax credit for political contributions, was introduced in the House on February 10, 1981 and was referred to the House State Affairs and Finance Committees.

For the consideration of the House State Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary Jenkins, Director, Audit Division and Mr. Vincent Wright, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

cc: The Honorable Samuel R. Cotten
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

Introduced: 1/13/81
Referred: Labor & Commerce
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 53

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act repealing refundable individual income tax
7 credits under AS 43.20; and providing for an effective
8 date."

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

10 * Section 1. AS 43.20.012 is amended to read:

11 Sec. 43.20.012. LIMITATION ON APPLICATION OF CHAPTER [; CREDITS].

12 The tax imposed by this chapter does not apply to individuals or to
13 fiduciaries. [HOWEVER, AN INDIVIDUAL MAY FILE A RETURN UNDER THIS
14 CHAPTER IN ORDER TO RECEIVE A TAX CREDIT UNDER AS 43.20.013.]

15 * Sec. 2. AS 43.20.013 is repealed.

16 * Sec. 3. In order to receive payment for a tax credit under AS 43.20.-
17 013 for 1979 or 1980, an individual must file a claim for payment on a form
18 prescribed by the Department of Revenue on or before May 31, 1981.

19 * ~~Sec. 4. This Act is retroactive to January 1, 1981.~~

20 * ~~Sec. 3.~~ This Act takes effect ~~immediately~~ in accordance with AS 01.10.-
21 070(c).
April 15, 1982

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

January 15, 1982

SUBJECT: Tax credits
(CSHB 137 (SA))

TO: Representative Ray H. Metcalfe
Chairman, House State Affairs
Committee

FROM: Richard A. Bradley *RB*
Legislative Counsel

A bill somewhat responsive to the request of your committee is enclosed; I did not believe that I was able to prepare an internally consistent bill that responded to your request.

According to the minutes of the committee, the request was that the bill

- (1) Delete section 2 (Act is retroactive to January 1, 1981).
 - (2) Add a section identical to Section 1 of SB 53 (the section assumes the repeal of AS 43.20.012(b); it eliminates all "refundable income tax credits under AS 43.20: including the household and dependent care services credit).
 - (3) Make the effective date April 15, 1982.
- Subsequent motions before the committee indicate that the bill should also
- (4) Address political contributions solely.
 - (5) Repeal the child care credit (AS 43.20.013(b)) if it is included in the budget "as a social service".

As I drafted the bill, I operated on the following premises abstracted from the committee notes:

REC'D JAN 15 1982

Representative Ray H. Metcalfe

Page 2

January 15, 1982

(1) I addressed political contributions solely. This is consistent with (4), not inconsistent with (5) as indicated below, but is inconsistent with (2) since the latter provision assumes the repeal of both the political contribution credit and the household and dependent care services credit.

(2) The effective date of the bill will be April 15, 1982. This is consistent with items (1) and (3) above.

Having said this, I would like to offer some comments on the bill.

(1) The "household and dependent care services" credit provided by AS 43.20.013(b) is not incorporated into the budget as a social service. By that I simply mean that the credit is available to individuals making expenditures that qualify quite apart from the question whether the individual is entitled to social services (welfare). No threshold of need or other welfare concepts are present as I understand the point.

(2) The committee should understand the effect of making the effective date be April 15, 1982. The effective date of tax credits and other entitlements or obligations under the tax laws is customarily tied to the date on which the act occurred that gives rise to the entitlement or obligation. The January 1st dates found in both Representative Hayes' bill (HB 137) and the governor's bill (SB 53) are consistent with the premise by making the end of the usual individual's tax year the end of the time in which the credit can be earned.

In my opinion, if the committee establishes the effective date of the repeal as April 15, 1982, individuals will be entitled to a credit for contributions to political candidates made through April 15, 1982.

And refunds for those credits will be due from the state during 1983.

If I may assist further, please advise.

RAB:ljb

Enclosure

matter
pro-
ain a
age is
in a
two-
ction
re the
thout
bill
so be

terial
is 90
ain a
e date
ective
birds
etting
two-
without
a bill
shall

ssage.

ed the
ed as
photo-
, it
erk or
t the
to the
essage
ssage,
or the
to one
house.

UNTIL
passed
reso-
ned to
ote on
of the
urnal.
hip in
retary
other
ill or
to the

RULE 41. AMENDMENTS IN OTHER HOUSE. (EFFECTIVE JUNE 30, 1982) (a) When a bill, resolution, or citation passed in one house is amended in the other house, the bill, resolution, or citation with certified amendments is returned to the house of origin requesting concurrence. The vote on concurrence in amendments is taken by the calling of the roll and the recording of the yeas and nays in the journal. Adoption requires a majority vote of the full membership in each house. If concurrence is had the clerk or secretary notes the concurrence in the journal, informs the other house of the concurrence, and proceeds to have the bill or resolution enrolled for certification and transmittal to the governor.

(b) An amendment to a bill introduced in the other house is not in order if the amendment requires a change of the bill title other than a clerical or technical change.

CONFERENCE AND FREE CONFERENCE COMMITTEES

RULE 42. CONFERENCE AND FREE CONFERENCE COMMITTEES. (a) If one house refuses to concur in the amendments of the other it so notifies the amending house and requests that it recede from its amendments. The vote on receding from amendments is taken by the calling of the roll and the recording of the yeas and nays in the journal. A house recedes from its amendments only by a majority vote of the full membership of the house. If the house refuses to recede, the presiding officer of each house appoints three members to sit as a Conference Committee. The committee meets when mutually agreeable to its members. If the committee reaches agreement on previously adopted amendments to a bill adopted by either house, the committee then submits an identical report to each house. The report is not subject to amendment in either house. If the report is adopted by each house the bill is enrolled, signed, and transmitted to the governor. If the members of the Conference Committee cannot agree on amendments, or if one or both houses refuses to adopt the committee report, the Conference Committee submits an identical written report to each house listing the specific points of disagreement for which the committee requests powers of free conference. The presiding officer of each house may then give limited powers of free conference only on the specific points listed. If the members of a Conference Committee with limited powers of free conference cannot agree on amendments, or one or both houses refuses to adopt the committee report, it is then in order to appoint a Free Conference Committee. A member who served on a Conference Committee or a Conference Committee with limited powers of free conference may not be appointed to a subsequent Conference Committee or Free Conference Committee concerning the same measure. The vote on adoption of a conference committee report is taken by the calling of the roll and the recording of the yeas and nays in the journal. Adoption requires a majority vote of the full membership of each house.

(b) A Free Conference Committee is appointed in the same manner as a Conference Committee and may suggest in its report any new amendments clearly germane to the question. When a majority of the membership of the committee from each house agrees on amendments, the amendments are attached to

the bill and reported back to each house in an identical report. The report is not subject to amendment in either house. If the report is adopted in each house the bill is then ordered enrolled by its house of origin. If the members of a Free Conference Committee fail to agree on amendments or one or both houses refuses to adopt the free conference report, a second Free Conference Committee may be appointed, but no member of the first committee may be reappointed. A free conference report may not be voted on by the house until at least 24 hours after the report is duplicated and delivered to the chief clerk or secretary of the house for distribution to each member. The chief clerk or secretary shall certify the time of delivery of the report for recording in the journal. The vote on adoption of a free conference committee report is taken by the calling of the roll and the recording of the yeas and nays in the journal. Adoption requires a majority vote of the full membership of each house.

(c) (EFFECTIVE JUNE 30, 1982) A Conference Committee with limited powers of free conference or a Free Conference Committee may not include in its report on an appropriation bill an item which was not included in a version of that appropriation bill adopted in third reading by a house and the amount appropriated by an item may not exceed the higher amount appropriated by that item in a version of the bill adopted in third reading by a house. An item in an appropriation bill includes a line item, an allocation, and an appropriation.

(d) (EFFECTIVE JUNE 30, 1982) Notwithstanding the provisions of (c) of this rule, a Free Conference Committee may consider and include in its report on an appropriation bill appropriations as requested by attached fiscal notes on new legislation and resolutions that have been passed by both houses.

(e) (EFFECTIVE JUNE 30, 1982) A Conference Committee, a Conference Committee with limited powers of free conference, or a Free Conference Committee may not adopt a report that requires a change in the title of a bill other than a clerical or technical change.

ENROLLMENT

RULE 43. ENROLLMENT. (a) When a bill has passed both houses the presiding officer of the house of origin directs that it be enrolled. The clerk or secretary transmits the engrossed bill to the enrolling secretary of the legislature, who, with the revisor of statutes, checks the bill before placement in final form according to the legislative drafting manual. The enrolling secretary is authorized to correct form and manifest errors which are clerical, typographical, or errors in spelling or errors by way of additions or omissions. The enrolling secretary is required to report errors by way of addition or omission and deficiencies when the bill is returned to the house of origin. When an error or deficiency has been reported, the clerk or secretary shall advise the presiding officers of both houses before the bill is signed and transmitted to the governor.

(b) Bills consisting of several pages not formally enrolled if the presiding officer announces for reasons of economy and time, formal enrollment waived. If enrollment is waived, and the presiding officer of the other house consents, the first page and pages of the bill will be enrolled and then affixed to the engrossed bill along with any certified amendments signed by the officers of both houses will be transmitted to the governor with a letter noting that enrollment is waived. Engrossment of such bills may also be waived in the same manner.

TIME LIMIT ON INTRODUCTION

RULE 44. TIME LIMIT ON INTRODUCTION. A resolution other than one sponsored by a standing committee may be introduced after the thirty-fifth day of a regular session of the legislature.

VETOED BILLS

RULE 45. VETOED BILLS. The governor may veto or by veto strike or reduce an item in an appropriation bill. The governor shall return the vetoed bill to the house of origin with a statement of objections to the house of origin. The receipt of the bill and veto statement are required in joint session to reconsider passage of the item. The vote on reconsideration of a vetoed item is entered in the journal of both houses. Revenue and appropriation bills or items, all become law upon reconsideration by the affirmative vote of three-fourths of the full membership of the legislature sitting in joint session as one body. Other bills become law upon reconsideration by the affirmative vote of two-thirds of the full membership of the legislature sitting in joint session as one body (Secs. 15 and 16, State Constitution). Bills vetoed after adjournment of a regular session shall be returned with a statement of the governor's objections to the Legislative Affairs Committee. The bill may be reconsidered by the full membership of the legislature sitting as one body not later than the next regular session or any intervening special session convenes during that legislature.

CONFIRMATION OF APPOINTMENTS

RULE 46. CONFIRMATION OF APPOINTMENTS. Appointments by the governor are made pursuant to Article V of the State Constitution and are subject to confirmation by the full membership of the legislature (Secs. 25 and 26, Art. 111, State Constitution).

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 137
 Title Repealing the campaign contribution tax credit for individuals
 Requested by House State Affairs/and Finance Committees Date 2/18/81

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

Millions
FUNDING (Thousands of Dollars)

GENERAL FUND					
FEDERAL FUNDS					
OTHER (Specify Fund Source)					
Savings to the state (political contributions and child care.)		(1.63)	(2.8)	(2.8)	

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

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

The aforementioned figures reflect the upward adjustment in the political contribution credit from \$50 to \$100.

The figures indicate the savings to the State as a result of repeal of the refundable credit portion of AS 43.20.013. Claims for refundable tax credits for 1979 and 1980 would be permitted and payments would be made on those claims.

IV. DATE 2/18/81 PREPARED BY Vincenzo Wright
 AGENCY Revenue
 PHONE _____
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 137

Title An Act relating to the tax credit for political contributions

Requested by House State Affairs Committee Date 2-11-81

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) - NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars) - NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS - NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

There will be no effect on the administrative costs of the Audit Division from the repeal of the refundable credit provisions. This bill would repeal both the political contribution and child care credits.

IV. DATE 2-18-81

PREPARED BY Gary A. Jenkins

AGENCY Audit Division

PHONE 465-2320

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

SIGN IN

NAME	ADDRESS	REPRESENTING	BILL NO.
Joseph Donohue	1144 Floor SOB Jamean	Dept of Revenue	HB 137