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(f) Repealed by § 10 ch 1 SSSLA 1980 and § 9 ch 2 SSSLA 1980. (§ 1 ch 70 SLA 1975; am § 2 ch 110 SLA 1978; am §§ 8—11 ch 113 SLA 1980; am § 10 ch 1 SSSLA 1980; am § 10 ch 2 SSSLA 1980)

Effect of amendments. — The 1978 amendment added a former third sentence of subsection (e).

Section 8, ch. 113, SLA 1980, the first 1980 amendment, effective June 21, 1980, and retroactive to January 1, 1980, in former subsection (c), made numerous changes in the tax column of the table. Sections 9 and 10 of ch. 113 rewrote former subsection (d) and subsection (e). Section 11 of ch. 113, effective June 21, 1980, and retroactive to January 1, 1979, added former subsection (f).

The second 1980 amendment, effective September 25, 1980 and retroactive to January 1, 1980, repealed subsections (a)-(d) and (f), concerning income tax on individuals and fiduciaries.

The third 1980 amendment, effective September 25, 1980, and retroactive to January 1, 1979, made the same changes

as the second 1980 amendment.

Editor's note. — As to legislative findings and intent, see § 1, ch. 110, SLA 1978, in the 1978 Temporary and Special Acts and Resolves.

Section 4, ch. 110, SLA 1978, provides: "This Act applies to taxable income earned or received after December 31, 1977."

Section 52, ch. 113, SLA 1980, effective June 21, 1980, makes sections 5—10 of the Act applicable to tax years beginning after December 31, 1979. Section 51 of the Act, effective June 21, 1980, makes section 11 of the Act applicable to tax returns for tax years beginning after December 31, 1978.

For legislative findings and purpose of the second and third 1980 amendments, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.012. Limitation on application of chapter; credits. The tax imposed by this chapter does not apply to individuals or to fiduciaries. [However, an individual may file a return under this chapter in order to receive a tax credit under AS 43.20.013.] § 2 ch. 1 SSSLA 1980; § 2 ch. 2 SSSLA 1980)

Effective date. — Section 13, ch. 1, SSSLA 1980, and § 11, ch. 2, SSSLA 1980, provide that this section take effect September 25, in accordance with AS 01.10.070(c). Section 12 of ch. 1 provides that this section is retroactive to January 1, 1980, and § 10 of ch. 2, provides that

this section is retroactive to January 1, 1979.

Editor's note. — For legislative findings and purpose of the enacting legislation, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Repealed
Sec. 43.20.013. Individual tax credits. (a) [Effective until January 1, 1981] A resident individual is entitled to a tax credit not to exceed \$50 for

(1) A contribution made in a calendar year to a person or organization for use exclusively

- (A) for a political campaign for a candidate for
- (i) President or Vice President of the United States, whether or not the candidate will be voted on in a primary election in Alaska;
 - (ii) United States senator from Alaska;
 - (iii) United States representative from Alaska;
 - (iv) governor or lieutenant governor of Alaska;
 - (v) the Alaska legislature;
 - (vi) delegate to an Alaska constitutional convention;
 - (vii) electoral confirmation as a judge or justice of a court in Alaska;

or

- (viii) municipal office in Alaska; or
- (B) by a group seeking to influence the outcome of a ballot proposition or question in Alaska; and
- (2) dues paid in a calendar year to a nonprofit organization organized primarily for the purpose of influencing elections in Alaska.
- (a) [Effective January 1, 1981] A resident individual is entitled to a tax credit not to exceed \$100 for
 - (1) a contribution made in a calendar year to a person or organization for use exclusively
 - (A) for a political campaign for a candidate for
 - (i) President or Vice President of the United States, whether or not the candidate will be voted on in a primary election in Alaska;
 - (ii) United States senator from Alaska;
 - (iii) United States representative from Alaska;
 - (iv) governor or lieutenant governor of Alaska;
 - (v) the Alaska legislature;
 - (vi) delegate to an Alaska constitutional convention;
 - (vii) electoral confirmation as a judge or justice of a court in Alaska;
 - or
 - (viii) municipal office in Alaska; or
 - (B) by a group seeking to influence the outcome of a ballot proposition or question in Alaska; and
 - (2) dues paid in a calendar year to a nonprofit organization organized primarily for the purpose of influencing elections in Alaska.
- (b) A resident individual is entitled to a tax credit equal to 16 percent of the tax credit claimed by the individual on his federal income tax return for household and dependent care services necessary for his gainful employment.
- (c) The commissioner of revenue shall pay the amount of a tax credit allowed by this section to a resident individual who makes a return as provided in AS 43.20.012. A credit under this section shall be paid in the manner provided in AS 43.20.030(e) for the payment of refunds and payment may not be made without an appropriation for that purpose (§ 2 ch 1 SSSLA 1980; am § 9 ch 1 SSSLA 1980; § 2 ch 2 SSSLA 1980)

Effect of amendment. — Section 9, ch 1, SSSLA 1980, effective January 1, 1981, substituted "\$100" for "\$50" in the introductory language of subsection (a).

Effective date. — Section 13, ch. 1, SSSLA 1980, and § 1 ch. 2, SSSLA 1980, provide that this section take effect September 25, in accordance with AS 01.10.070(c). Section 12 of ch. 1 provides

that this section is retroactive to January 1, 1980, and § 10 of ch. 2, provides that this section is retroactive to January 1, 1979.

Editor's note. — For legislative findings and purpose of the enactment of this legislation, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolutions.

Repealed by SB 53

-SB 53 would add Sec. 3

Sec. 43.20.015. Individual

Repealed by § 10 ch 1 effective September 25, 1980

Editor's note. — The repealed section derived from § 1, ch. 144, SLA 1978. For legislative findings and purpose, see AS 01.10.070(c).

Sec. 43.20.016. Sharing of revenues with municipalities. (a) There shall be a base amount of revenue to be distributed to the fund during each fiscal year not in excess of ten per cent of the income tax revenue under AS 43.20.011(e) and ch. 21, Department of Revenue shall be organized, borrowed, and expended in accordance with (b) and (c) of this section.

(b) The base amount to be distributed to a borough and city for the fiscal year shall be the amount appropriated to that section is insufficient for the Department of Revenue distribution on the basis of AS 43.70.080. A city after June 30, 1977 shall receive an amount distributed to the city in proportion to the ratio of population in the city to the total population of the state most closely approximating the amount received at incorporation. A borough shall receive as a base amount the amount distributed to the borough most closely approximating it in proportion to the ratio of population in the borough to the total population of the state most closely approximating the amount received at incorporation.

(c) If the amount in the fund is insufficient to pay the base amount to be distributed to a borough or city, the amount shall be distributed to the borough or city in proportion to the ratio of population in the borough or city to the total population of the state most closely approximating the amount received at incorporation. For the purpose of this section, population shall be certified by the commissioner of revenue.

(d) The intent of (c) of this section is to reduce the amount of increased state taxes levied by the governing body of each local government in its annual tax statement describing its financial condition. (SLA 1978)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 82

Title An Act repealing the campaign contribution tax credit for individuals

Requested by Senate Finance Committee Date 1/22/81

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	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS - None

FULL TIME	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
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 2/3/81

PREPARED BY
AGENCY Audit Division
PHONE 465-2320

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. SB 82
 Title Repealing the campaign contribution tax credit for individuals
 Requested by Senate Finance Committee Date 1/21/81

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						

FUNDING (Thousands of Dollars)

	Millions				
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 projected upward adjustment in the political contribution credit from \$50 to \$100.

The figures indicated 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 1/21/81 PREPARED BY Vincent D. Wright
 AGENCY Revenue
 Original: Legislative Finance PHONE 465-2391
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

February 4, 1981

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 205 - Behrends Building
Juneau, Alaska

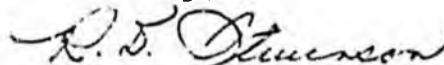
Re: Senate Bill No. 82

Dear Senator Fischer:

Senate Bill No. 82, an Act repealing the campaign contribution tax credit for individuals, was introduced in the Senate on February 4, 1981 and was referred to the Senate Finance Committee. Subsequently, on January 16, 1981 the Bill was given an additional referral to the Senate State Affairs Committee.

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

Sincerely,



R. D. Stevenson
Special Assistant

cc: The Honorable Don Bennett
The Honorable M. E. Dankworth
Co-Chairmen
Senate 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

Why we wind up with candidates on the auction block

ELECTION FINANCIA

You have to ask yourself why a candidate would spend \$34,000 chasing a \$17,000 job — even if it does come with a two year contract.

That actually happened this year. One candidate has paid out more of his own money than he reasonably stands to make in the job, what with taxes and all that. Although the numbers get a little fuzzy when you add in expense allowances and per diem payments, it's pretty clear that being a state representative is worth a pile of money to this guy.

Election morning is no time to start picking on one particular candidate, however, so I'm not naming names here. That's not the important part of this story, anyhow.

What is important is the question of why Alaska legislative jobs are worth such big bucks to the contenders these days. Although the \$34,000 example is striking because so much of the loot came out of the candidate's own pocket, the pattern is no less evident in dozens of other cases. Expensive, sophisticated campaigns have reached right down to the most basic levels of government.

You can understand a U.S. Senator, maybe,



howard weaver

shelling out top dollar on a statewide race involving a six-year term, although even that falls short of justifying the million-dollar budgets that race now commands. It's harder yet to figure why a municipal assembly or state House seat should carry a price tag that reaches well into five figures.

It's hard to blame it on the candidates; anybody who's serious about winning pretty much has to pony up. If your opponent is going to buy TV ads and hire pollsters, you need to do it yourself. You can complain about style being

worth more than substance, but you can't change the fact that it's true.

That reality usually leads to learned commentary about how the voters are the only people who can change the election auction system. Voters must ignore the expensive campaign packaging, study "the issues" and cancel the advantages of the big-money candidates. They say it is everybody's responsibility, which is another way of saying it's nobody's responsibility at all.

There is one way out of that box. It's called public financing.

People with plenty of money are usually opposed to public financing, and that's the way it breaks down in Alaska. When the legislature kept a state rebate for contributions up to \$50 per person even though there's no longer a tax to charge them against, people who have enough money of their own to donate started yelling.

It used to be that people who gave money to qualified candidates or causes could charge it off against their tax bill. When the income tax was repealed, legislators adopted a substitute provi-

sion that says the state will still send you up to \$50 if you make a contribution.

That's really just a fairly simple way of establishing partial public financing. It still allows political action committees and labor union "voter education funds" to deliver big dollars to favored candidates, but it at least allows the rest of us to make small contributions. Essentially, we make the decision about who gets the \$50 and the state picks up the tab.

I think that's better than nothing, but I'd rather see us take the next step — fully financed elections. People have argued for years that it can't work, but the last two presidential campaigns have proved it can. I figure if we can run \$29 million, nationwide campaigns with public financing, we can do that in Alaska, too.

There will be people violently against it, though — people who'd rather keep the candidates up on the auction block. When you start hearing what a bad idea public financing is, do me one favor and take a good look at who's behind that talk. I'll bet they make more money than you and I do.