

HB

375

<TARGET><BILL>HB 375</BILL><SUBJECT>HB
375</SUBJECT><COMM>HFIN29</COMM></TARGET>

CS FOR HOUSE BILL NO. 375(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring the electronic submission of a tax return or report with the
2 Department of Revenue; and providing for an effective date."

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

4 * **Section 1.** AS 43.05 is amended by adding a new section to read:

5 **Sec. 43.05.045. Electronic submission of return or report.** (a) Unless an
6 exemption or waiver is granted under (b) of this section, a taxpayer required to submit
7 a return or report for a tax levied under this title or for any other tax administered by
8 the department shall submit the return or report electronically in a format prescribed
9 by the department. Failure to comply with this section may result in a civil penalty
10 under AS 43.05.220(f). If a law under this title requires a report or return or a portion
11 of a report or return to be in writing, an electronically filed report or return satisfies
12 this section. A taxpayer shall submit attachments to a report or return required under
13 this title electronically.

14 (b) To request an exemption to (a) of this section, a taxpayer shall submit to

1 the department evidence satisfactory to the department that the taxpayer does not have
 2 the capability to submit the return or report electronically. An application for an
 3 exemption must be submitted before a return or report is due. An exemption granted
 4 under this subsection is valid for five years after the first tax filing due date after the
 5 exemption is granted. When an exemption under this subsection expires, the taxpayer
 6 may apply for another exemption. An exemption granted under this subsection applies
 7 to any return or report submitted to the department.

8 * **Sec. 2.** AS 43.05.220 is amended by adding a new subsection to read:

9 (f) Unless the department determines that failure to comply with AS 43.05.045
 10 is due to a reasonable cause, the department shall assess a civil penalty of \$25 or one
 11 percent of the total tax before any payment, whichever is greater, against a taxpayer
 12 who fails to submit electronically a return or report under AS 43.05.045.

13 * **Sec. 3.** AS 43.31.111 is amended to read:

14 **Sec. 43.31.111. Notice of death or tax return.** The executor, within two
 15 months after the decedent's death, or within a like period after qualifying as executor,
 16 shall submit a report [GIVE WRITTEN NOTICE] of the death to the department on
 17 the form prepared and published by the department known as the preliminary notice
 18 and report. If a federal estate tax return is required by the applicable federal revenue
 19 Act, a copy of the preliminary notice filed with the federal government may be filed
 20 with the department in place of the preliminary notice and report.

21 * **Sec. 4.** AS 43.60.020(a) is amended to read:

22 (a) Each brewer, distiller, bottler, jobber, wholesaler, manufacturer, or other
 23 consignor shall submit [SEND] a report [STATEMENT BY AIRMAIL, POSTAGE
 24 PREPAID,] to the department on or before the last day of each calendar month. The
 25 report [STATEMENT] must contain an account of the alcoholic beverages sold or
 26 consigned to buyers or consignees in the state during the preceding month, setting out

27 (1) the total number of gallons, including fractional gallons sold or
 28 consigned;

29 (2) the names and Alaska address of each buyer and consignee; and

30 (3) the gallonage of each kind of beverage sold or consigned to the
 31 respective buyers or consignees.

1 * **Sec. 5.** AS 43.65.020(d) is amended to read:

2 (d) [A TAXPAYER'S RETURN SHALL BE MADE TO THE
3 DEPARTMENT AT JUNEAU.] A taxpayer shall make a return either on a calendar
4 year or fiscal year basis, in conformance with the basis used in making the taxpayer's
5 return for federal income tax purposes.

6 * **Sec. 6.** AS 43.75.030(b) is amended to read:

7 (b) The return shall be made on a [THE BASIS OF THE] calendar year basis
8 and submitted to the department [AT JUNEAU] before April 1 after the close of the
9 calendar year.

10 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 TRANSITIONAL PROVISION: REGULATIONS. The Department of Revenue may
13 adopt regulations necessary to implement the changes made by this Act. The regulations take
14 effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the
15 law implemented by the regulation.

16 * **Sec. 8.** Section 7 of this Act takes effect immediately under AS 01.10.070(c).

17 * **Sec. 9.** Except as provided in sec. 8 of this Act, this Act takes effect July 1, 2016.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 375
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB375-DOR-TAX-4-9-16
Title: ELECTRONIC TAX RETURNS & REPORTS
Sponsor: LABOR & COMMERCE
Requester: House Finance Committee

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues	***		***	***	***	***	***	***
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/17

Why this fiscal note differs from previous version:

Initial version

Prepared By:	Ken Alper, Director	Phone:	(907)465-8221
Division:	Tax Division	Date:	04/09/2016 02:00 PM
Approved By:	Jerry Burnett, Deputy Commissioner	Date:	04/09/16
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HB375

Analysis

HB375 requires electronic submission of all tax returns and reports, for all taxes administered by the Department of Revenue. The bill establishes a process to request an exemption to this requirement, based on providing evidence that the taxpayer does not have the capability to submit the return or report electronically. The bill provides for a penalty of \$25 or one percent of tax owed, for failing to file electronically without a waiver. It also makes conforming changes within several other tax statutes to describe changes to the filing requirement. Alaska's taxpayers in all cases are businesses, not individuals.

We anticipate an indeterminate amount of additional revenue based on the \$25 penalty, and no costs to implement the changes in this bill. Over time, increased electronic filing should increase the overall efficiency of Tax Davison operations.

2016 HOUSE FINANCE COMMITTEE VOTE SHEET

Y | N
7 | 3

Adopted

4/11

DATE:

HB 375

Amendment:

CONCEPTUAL amendment

2

MEMBER

Favor

Oppose

REP. GUTTENBERG	X	
REP. KAWASAKI		X
REP. MUNOZ	X	
REP. PRUITT		X
REP. SADDLER	X	
REP. WILSON	X	
REP. EDGMON	X	
REP. GARA	X	
REP. GATTIS	X	
REP. THOMPSON		X
REP. NEUMAN	NOT PRESENT	

YEA

7

NAY

3

5 years



ALASKA STATE LEGISLATURE

HOUSE LABOR & COMMERCE COMMITTEE

REP. KURT OLSON

Chairman
State Capitol, Room 24
Juneau, AK 99801-1182
(907) 465-4954 Fax 465-3835

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Rep. James Colver
Rep. Gabrielle LeDoux

Rep. Cathy Tilton
Rep. Andrew Josephson
Rep. Sam Kito III

HB 375

Sponsor Statement

House Bill 375 requires all returns or reports for a tax levied under AS 43, or any other tax administered by the department, be submitted electronically by the tax payer.

Electronic submission of documents is a time saving and cost cutting measure for both the tax payer and the state.

Electronic reporting and filing is being instituted in many areas of our personal lives, businesses and by government entities. Alaskans apply for their permanent fund dividend, file their personal income tax returns and make online purchases, filling out electronic forms is a sign of the times.

This legislation brings Alaska tax reporting and filing into the 21st century.

Your support of this legislation is appreciated.



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Sectional Analysis

Section 1: Amends AS 43.05 by adding a new section requiring the electronic filing of a return or report for a tax levied under Title 43. A waiver to this requirement may be granted by the department.

Section 2: Amends AS 45.05.220 by adding new subsection (f) allowing for a civil penalty for failure to comply with the electronic filing requirement.

Section 3: Conforming amendment to AS 43.31.111.

Section 4: Conforming amendment to AS 43.60.020(a).

Section 5: Amends AS 43.65.020(d) to remove tax payer requirement to file to the department in Juneau.

Section 6: Conforming amendments to AS 43.75.030(b).

Section 7: Transitional language allowing for adoption of regulations.

Section 8: Immediate effective date of section 7.

Section 9: Effective date clause.