

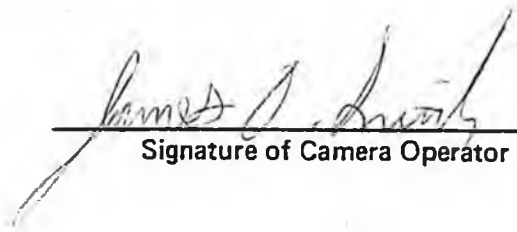
eg. Finance - House & Senate Finance Comte Files (1975-76)  
SHB 208, HB 210, 211, CSHB 211




# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
\_\_\_\_\_  
Signature of Camera Operator

  
\_\_\_\_\_  
Date

COMMITTEE REPORT

SENATE

5/6/75

Mr. President:

Date 5/17/75

The Committee on FINANCE has had CSHB 208 (Finance) relating to the Alaska net income tax deductions and credits 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 *individual* WITHOUT RECOMMENDATIONS
- ( ) "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____	recommends: <u>no Pass</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

\_\_\_\_\_ Chairman

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH S—JUNEAU 99801

May 6, 1975

The Honorable Bill Ray  
Chairman  
Senate Finance Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99811

Dear Senator Ray:

re Committee Substitute for House Bill No. 208 (Finance)

Committee Substitute for House Bill No. 208 (Finance), an Act relating to the Alaska net income tax deductions and credits was introduced in the Senate on April 9, 1975 and was referred to the Senate Commerce and Finance Committees.

For the consideration of the Senate Finance Committee, I am enclosing a copy of a memorandum from Frederick Boetsch, Deputy Commissioner dated May 5, 1975 which indicates the need for the remedial legislation in light of recent Federal changes in the Federal Tax Reduction Act of 1975 and discloses effect on the State Treasury for the fiscal years 1976-80.

If you or any members of the Senate Finance Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Boetsch for further material or testimony.

Very truly yours,



R. D. Stevenson  
Special Assistant

Enclosure

cc: Frederick Boetsch  
Deputy Commissioner  
Department of Revenue

May 1, 1975

The Honorable James Hartula  
Chairman  
Senate Commerce Committee  
Alaska State Legislature  
Harris Center  
Juneau, Alaska 99811

Dear Senator Hartula:

re House Bill No. 212

In response to your request, summarized below are the major provisions of House Bill 212.

The bill provides a graduated tax schedule at the present Alaska income tax rates. Presently, rates are calculated as a percentage of the 1963 federal rates. This change will provide Alaska taxpayers an easier method of computing their taxes since they will only have to use one rate schedule instead of having to apply a two-stage tax calculation.

The bill also provides that residents will be taxed on income from all sources, thereby putting the Alaska return on the same basis as the federal returns. Presently, there exists an unintended tax "loophole" for residents who invest in business and property outside the state. Residents' income from property and business located outside the state is not exempt from Alaska income tax. This bill would close this loophole. As a necessary complement to this provision, the bill also provides a tax credit for taxes paid to other states on income which is taxable both in Alaska and the other state. Presently, Alaska residents may be double taxed on some of their income. This bill would correct this inequity. The bill also adds definitions of "domestic" and "resident."

The bill also allows non-resident taxpayers to take standard deduction and exemption credits on the proportion that his Alaska income bears to his total income. Presently, non-residents are not allowed to claim the standard deduction but must itemize his deductions and is only allowed exemption credits in the proportion of the number of months residing in Alaska. This bill would change to a more equitable and more easily administrable system.

May 1, 1973

The bill also contains certain amendments to the law clarifying when income is from a source within the state. Also provided is a clarification as to the provisions of the Internal Revenue Code which are specifically incorporated.

Sincerely,

Cary L. Jenkins, Director  
Audit Division

GLJ:lw

cc F. P. Boatsch  
R. E. Stevenson

# MEMORANDUM


# State of Alaska

TO: R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: May 5, 1975

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch   
Deputy Commissioner, Taxation  
Department of Revenue

SUBJECT: CSHB 208 (Finance)

I have reviewed the House Finance Committee Substitute for HB 208 for purposes of determining any administrative problems caused by the amendments and to estimate the effect on Treasury.

Basically, the amendments consist of increasing the equipment which qualifies for investment credit from \$100,000 to \$500,000 per year and allowing the full investment credit on pollution control devices. It would also allow the use of domestic international sales corporations for all taxpayers except those engaged in the exportation of non-renewable resources.

Paragraphs (e), (f), (g) and (h) are amendments recommended by the Administration as a response to the Federal Tax Reduction Act of 1975. These amendments were recommended to the Finance Committee because of the dramatic fiscal impact they could have on the State Treasury at a time when it cannot be afforded. Also, some basic policy consideration and decisions made by Congress either do not apply to Alaska or cannot be administered equitably in Alaska.

The first of these concerns the special refunds that will be made by the Federal Government to taxpayers based on the 1974 adjusted gross income. While it could be argued that this provision of the Federal Act does not apply to Alaska, we would prefer to have an expression from the Legislature on this matter, since the amount of money involved is in excess of \$25 million. Section (e) would specifically exclude from Alaska Statutes any possibility that that special refund would apply under the Alaska Income Tax.

Section (f) eliminates the special \$30 credit for each exemption which at Alaska rates would amount of \$4.80 for each exemption claimed on Alaska tax returns. In addition to costing the State more than \$1.5 million, this special credit is a doubling up of the personal exemption and creates some problems for Alaska. Since there is no provision either in our statutes or Federal Code to require proration of this credit a nonresident could claim the credit for all his exemptions on his Alaska income tax return.

Similarly the so called negative income tax which was enacted at the Federal level and provides for refunds to individuals whose incomes are between 0 and \$8,000 a year regardless of whether they pay a tax or not creates administrative problems. It appears that the nonresident taxpayer could also apply for this special credit. Therefore, under some circumstances an individual earning, for example, \$4,000 in the State at a seasonal job would not have to pay any State income tax but the State would be required to rebate him \$64.00. The total costs of this provision would be approximately \$2 million.

The final amendment would eliminate a special credit for new houses purchased. The obvious intent of Congress with this amendment was to move some of the housing inventory in the lower 48 off of the market and stimulate the housing industry. It is very doubtful that we need to stimulate the housing industry in Alaska, since we already have a very tight housing market and sufficient stimulus exists for builders to continue to build. Also, Alaskans who purchase a new house that meets the conditions of the Federal Act will still get the \$2,000 Federal credit. What we propose to eliminate here is the additional \$320.00 per house that would have to be paid out of the State Treasury. We estimate that the cost of this provision is between \$1.5 to \$2 million.

Some of the other changes in the Federal Act would alter projections on the original House Bill 208 particularly with respect to the limitation on the investment credit and the elimination of the percentage depletion allowance. Due to the additional complexities that have been added as a result of the Federal Act, we are unable to zero on the actual affect of the elimination of the percentage depletion. However, I think we can assume that for the most part the benefits initially estimated in House Bill 208 will be eliminated due to the fact that percentage depletion on oil and gas has largely been eliminated by Federal law. Investment credit affect on the other hand will be increased from our original estimates on House Bill 208 because the investment credit has been increased from 7 to 10 percent. The table attached illustrates our estimates of the revenue effect of CSHB 208 taking into consideration the effects on these provisions of the Federal Tax Reduction Act of 1975.

Attachment

CS for HOUSE BILL 208 (FINANCE)  
 POTENTIAL REVENUE EFFECTS  
 (\$000 Omitted)

Provision	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
Elimination of Foreign Tax Credit	917	1,001	1,433	1,825	1,889
Limitation on Investment Credit	3,364	3,062	9,173	6,000	6,171
1974 Special Refund	25,000	-0-	-0-	-0-	-0-
Personal Exemption Credit	1,700	-0-	-0-	-0-	-0-
Negative Income Tax Rebate	1,800	-0-	-0-	-0-	-0-
New House Credit	<u>1,600</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Potential Revenue Effect	<u>\$34,381</u>	<u>\$4,063</u>	<u>\$10,606</u>	<u>\$7,825</u>	<u>\$8,060</u>

STATE  
of ALASKA

## MEMORANDUM

TO: R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE : March 10, 1975

FROM:

Frederick P. Boetsch *F.P.B.*  
Deputy Commissioner for Taxation  
Department of Revenue

SUBJECT: HB 208

I have reviewed HB 208 which eliminates Foreign Tax credits from reference in the Alaska Net Income Tax Act, limits the application of Investment Credit to \$100,000 of equipment purchased and placed in use each year, deletes the tax shelter provided for Domestic International Sales Corporations, and eliminates percentage depletion as a deduction for income tax purposes.

The Foreign Tax Credit is allowed by the Federal Government to offset duplicate taxation on the same income. This is due to the fact that the Federal Government taxes world-wide income of domestic corporations. However, when applied to the state income tax return, the credit amounts to a double reduction of state taxes. Any corporation which reports to us on a world-wide basis apportions its income to Alaska using the three factor formula (Sales, Property, and Payroll). This means that Alaska gets a share of the income related to the corporation's activities in the state. Alaska is not taxing the income earned in a foreign country - only the income earned in Alaska. Therefore, the credit is not appropriate since it bears no relation to the income taxed by Alaska. We have issued an administrative ruling to this effect but believe that a clear expression of this policy in the statutes is necessary to avoid confusion and possible litigation.

The investment credit is a tool used by the Federal Government to stimulate the purchase of equipment during a period of economic slack. It is doubtful that such stimulation is needed in our state which is currently experiencing a boom. It is apparent that the state will lose a large number of tax dollars if the credit is continued for state tax purposes.

The attached schedule indicates that we could lose almost \$20 million between now and 1980. Almost 3/4 of these benefits would go to large international firms doing business in our own state. Although this would be a loss to the Treasury and, therefore, to Alaskans, it would not increase investment by these corporations in our state. In short, we would be giving away \$15 million dollars. On the other hand, the bill provides that the small businessman would continue to receive the benefits of the credit.

Our projections are based on a normal growth rate consistent with our most recent projections of corporate tax collections exclusive of the pipeline and other effects; the investment credit directly related to equipment used in the construction of the pipeline and the line and related facilities themselves; and Alaska's share of other oil companies on a world-wide basis, but of which Alaska would receive an apportionable share. The normal investment credit rate of 16.8263% was derived from

statistics provided by the Internal Revenue Service and represents an average investment credit in relation to the net taxes paid.

The next provision seeks to disallow the filing of a return as a Domestic International Sales Corporation under Internal Revenue Code Section 991 for the purposes of meeting the Alaska Net Income Tax Act requirement. This is a provision that was enacted by Congress in 1971 to stimulate exports. Basically, it allows companies who have export sales to form a subsidiary corporation for the purpose of handling the exports. This subsidiary corporation is not subject to direct corporate taxation. Instead, 50% of the profits are taxed directly to the parent corporation and the other 50% are deferred until such time as actually distributed to the parent corporation or until such time as the parent disposes of its stock in the DISC or the election to be treated as a DISC is revoked. The idea that Congress had in mind was that this would allow us to export goods on a more competitive basis and help the national balance of payments situation.

We do not think that such an incentive is either necessary nor desirable in Alaska. There is a great deal of interest in exporting all our natural resources to foreign countries at the present time and a tax break does not seem to be necessary in order to continue or spur on the export industries. It could mean, however, that Alaska resources could be exported through the vehicle of a DISC without any income tax being paid on such exports. The DISC itself as indicated would be non-taxable. Although the parent corporation would be deemed to have received a dividend equal to 50% of the income during the tax year it is possible that the parent might be a corporation not doing business in Alaska and therefore could not be taxed on the deemed distribution. Although it is possible we could assert jurisdiction on the basis of the combination provisions of the Multistate Tax Compact we could wind up in court on the issue. Since this provision in the Internal Revenue Code does not have any advantage for Alaska and does not seem to be in the best public interest of Alaskans, we think that the easiest, simplest and most straight forward way to solve this problem would be to eliminate the possibility by deleting that Internal Revenue Code provision from our statutes.

I am unable to predict the effects on Treasury since we do not have any historical background on these corporations.

The percentage depletion allowed by the Internal Revenue Code is also eliminated. While there is great controversy raging in Congress on whether this allowance should continue for oil and gas (a bill to eliminate it recently passed the House), there really is no such question in Alaska. Industry is eager to develop our resources and continue exploration here. What we are doing, in effect, by continuing to allow percentage depletion on Alaska Income Tax returns is helping to subsidize exploration in other parts of the world. The revenue losses are substantial as is indicated by the attached schedule.

This Bill, then would eliminate many of the tax loopholes or potential loopholes which are presently on our statutes. These loopholes represent poor tax policy from Alaska's viewpoint and cause a considerable drain on the State Treasury. This drain will grow much larger unless we plug it now.

HOUSE BILL 208  
 POTENTIAL REVENUE EFFECTS  
 (\$000 Omitted)

Provision	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
Elimination of Foreign Tax Credit	917	1,001	1,433	1,825	1,889
Limitation on Investment Credit	2,403	2,187	6,552	4,286	4,408
Elimination of Percentage Depletion	<u>3,000</u>	<u>3,437</u>	<u>15,038</u>	<u>17,072</u>	<u>18,352</u>
Total Potential Revenue Effect	<u>6,320</u>	<u>6,625</u>	<u>23,023</u>	<u>23,183</u>	<u>24,649</u>

Note: Effect of Domestic International Sales Corporations not included since data are not available as to the number or extent of activity of potential DISC's. Theoretically, all exports from the State could qualify for this tax shelter.

*Handwritten notes and signatures at the top of the page.*

R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: March 12, 1975

FROM: Frederick P. Bootschi *Signature*  
Deputy Commissioner for Taxation  
Department of Revenue

NUMBER: HB 212

This bill is a general income tax reform bill which is primarily aimed at providing an easier way of computing Alaska Tax Liability under the Net Income Tax Act. It clarifies several ambiguities in our current statute and defines certain terms more clearly. In addition, it provides for reporting income on a basis consistent with that used by all other income tax states and provides a credit for taxes paid to other states by resident taxpayers. Currently, some of our resident taxpayers who have income from sources outside the state are subjected to duplicate taxation. By putting our tax on a basis similar to other states and providing for a credit we will eliminate this inequity.

The change to our own rate schedule which is rounded to the nearest half per cent will mean that some taxpayers will pay a few dollars less tax and others will pay a few dollars more. On a net basis there may be a slight increase in tax revenues, but that increase is probably negligible and, in any case, we cannot measure it with any degree of accuracy. Therefore, I have to conclude the effect on Treasury would be minimal.

There are no administrative costs connected with this bill.

FPPB: ap

# MEMORANDUM


# State of Alaska

TO: R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: May 5, 1975

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch   
Deputy Commissioner, Taxation  
Department of Revenue

SUBJECT: JS HB 208 (Finance)

I have reviewed the House Finance Committee Substitute for HB 208 for purposes of determining any administrative problems caused by the amendments and to estimate the effect on Treasury.

Basically, the amendments consist of increasing the equipment which qualifies for investment credit from \$100,000 to \$500,000 per year and allowing the full investment credit on pollution control devices. It would also allow the use of domestic international sales corporations for all taxpayers except those engaged in the exportation of non-renewable resources.

Paragraphs (e), (f), (g) and (h) are amendments recommended by the Administration as a response to the Federal Tax Reduction Act of 1975. These amendments were recommended to the Finance Committee because of the dramatic fiscal impact they could have on the State Treasury at a time when it cannot be afforded. Also, some basic policy consideration and decisions made by Congress either do not apply to Alaska or cannot be administered equitably in Alaska.

The first of these concerns the special refunds that will be made by the Federal Government to taxpayers based on the 1974 adjusted gross income. While it could be argued that this provision of the Federal Act does not apply to Alaska, we would prefer to have an expression from the Legislature on this matter, since the amount of money involved is in excess of \$25 million. Section (e) would specifically exclude from Alaska Statutes any possibility that that special refund would apply under the Alaska Income Tax.

Section (f) eliminates the special \$30 credit for each exemption which at Alaska rates would amount of \$4.80 for each exemption claimed on Alaska tax returns. In addition to costing the State more than \$1.5 million, this special credit is a doubling up of the personal exemption and creates some problems for Alaska. Since there is no provision either in our statutes or Federal Code to require proration of this credit a nonresident could claim the credit for all his exemptions on his Alaska income tax return.

Similarly the so called negative income tax which was enacted at the Federal level and provides for refunds to individuals whose incomes are between 0 and \$8,000 a year regardless of whether they pay a tax or not creates administrative problems. It appears that the nonresident taxpayer could also apply for this special credit. Therefore, under some circumstances an individual earning, for example, \$4,000 in the State at a seasonal job would not have to pay any State income tax but the State would be required to rebate him \$64.00. The total costs of this provision would be approximately \$2 million.

The final amendment would eliminate a special credit for new houses purchased. The obvious intent of Congress with this amendment was to move some of the housing inventory in the lower 48 off of the market and stimulate the housing industry. It is very doubtful that we need to stimulate the housing industry in Alaska, since we already have a very tight housing market and sufficient stimulus exists for builders to continue to build. Also, Alaskans who purchase a new house that meets the conditions of the Federal Act will still get the \$2,000 Federal credit. What we propose to eliminate here is the additional \$320.00 per house that would have to be paid out of the State Treasury. We estimate that the cost of this provision is between \$1.5 to \$2 million.

Some of the other changes in the Federal Act would alter projections on the original House Bill 208 particularly with respect to the limitation on the investment credit and the elimination of the percentage depletion allowance. Due to the additional complexities that have been added as a result of the Federal Act, we are unable to zero on the actual affect of the elimination of the percentage depletion. However, I think we can assume that for the most part the benefits initially estimated in House Bill 208 will be eliminated due to the fact that percentage depletion on oil and gas has largely been eliminated by Federal law. Investment credit affect on the other hand will be increased from our original estimates on House Bill 208 because the investment credit has been increased from 7 to 10 percent. The table attached illustrates our estimates of the revenue effect of CSIB 208 taking into consideration the effects on these provisions of the Federal Tax Reduction Act of 1975.

Attachment

CS for HOUSE BILL 208 (FINANCE)  
 POTENTIAL REVENUE EFFECTS  
 (\$000 Omitted)

Provision	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
Elimination of Foreign Tax Credit	917	1,001	1,433	1,825	1,889
Limitation on Investment Credit	3,364	3,062	9,173	6,000	6,171
1974 Special Refund	25,000	-0-	-0-	-0-	-0-
Personal Exemption Credit	1,700	-0-	-0-	-0-	-0-
Negative Income Tax Rebate	1,800	-0-	-0-	-0-	-0-
New House Credit	<u>1,600</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Potential Revenue Effect	<u>\$34,381</u>	<u>\$4,063</u>	<u>\$10,606</u>	<u>\$7,825</u>	<u>\$8,060</u>

Original sponsor: Rules Committee  
by request of the Governor

Offered: 4/9/75  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 208 (FINANCE)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: A Act relating to the Alaska net income tax deduc-  
7 tions and credits; and providing for an effective date."

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

9 \* Section 1. AS 43.20 is amended by adding a new section to read:

10 Sec. 43.20.036. FEDERAL TAX DEDUCTIONS AND CREDITS. (a) For  
11 purposes of calculating the income tax payable under this chapter, the  
12 taxpayer may not apply as a credit against his tax liability the  
13 foreign tax credit allowed as to federal taxes under Internal Revenue  
14 Code sec. 33 (26 U.S.C. sec. 33).

15 (b) For purposes of calculating the income tax payable under this  
16 chapter, the taxpayer may apply as a credit against his tax liability  
17 the job development investment credit allowed as to federal taxes under  
18 Internal Revenue Code sec. 50 upon only the first \$500,000 of qualified  
19 investment put into use for each taxable year (26 U.S.C. sec. 50). This  
20 limitation does not apply to the amounts invested in equipment which  
21 meets the definition of a certified pollution control facility as  
22 defined under Internal Revenue Code sec. 169 (26 U.S.C. 159) as in effect  
23 on the effective date of this Act except that the date specified in that  
24 section does not apply.

25 (c) For purposes of calculating the income tax payable under this  
26 chapter, the taxpayer may apply as an exemption from his tax liability  
27 the tax exemption for domestic international sales corporations under  
28 Internal Revenue Code sec. 991 (26 U.S.C. sec. 991), except those tax-  
29 payers who are engaged in the exportation of non-renewable resources.

1 (d) For purposes of calculating the income tax payable under this  
2 chapter, the taxpayer may not apply as a deduction from his tax liability  
3 the deduction for depletion under Internal Revenue Code sec. 613 (26  
4 U.S.C. sec. 613).

5 (e) For purposes of this chapter, the taxpayer may not apply for  
6 a refund of 1974 individual income taxes under Internal Revenue Code  
7 sec. 6428 (26 U.S.C. sec. 6428).

8 (f) For purposes of calculating the income tax payable under this  
9 chapter, the taxpayer may not apply as a credit against his tax liability  
10 the credit for personal exemptions under Internal Revenue Code  
11 sec. 42 (26 U.S.C. sec. 42).

12 (g) For purposes of calculating the income tax payable under this  
13 chapter, the taxpayer may not apply as a credit against his tax liability  
14 the credit for earned income under Internal Revenue Code sec. 43  
15 (26 U.S.C. sec. 43).

16 (h) For purposes of calculating the tax payable under this  
17 chapter, the taxpayer may not apply as a credit against his tax liability  
18 the credit for purchase of new principal residence under Internal  
19 Revenue Code sec. 44 (26 U.S.C. sec. 44).

20 \* Sec. 2. This Act is retroactive to January 1, 1975, and relates only  
21 to income earned and received after December 31, 1974.

22 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
23 070(c).

Original sponsor: Rules Committee  
by request of the Governor

Offered: 4/9/75  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 208 (FINANCE)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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13 foreign tax credit allowed as to federal taxes under Internal Revenue  
14 Code sec. 33 (26 U.S.C. sec. 33).

15 (b) For purposes of calculating the income tax payable under this  
16 chapter, the taxpayer may apply as a credit against his tax liability  
17 the job development investment credit allowed as to federal taxes under  
18 Internal Revenue Code sec. 50 upon only the first \$500,000 of qualified  
19 investment put into use for each taxable year (26 U.S.C. sec. 50). This  
20 limitation does not apply to the amounts invested in equipment which  
21 meets the definition of a certified pollution control facility as  
22 defined under Internal Revenue Code sec. 169 (26 U.S.C. 159) as in effect  
23 on the effective date of this Act except that the date specified in that  
24 section does not apply.

25 (c) For purposes of calculating the income tax payable under this  
26 chapter, the taxpayer may apply as an exemption from his tax liability  
27 the tax exemption for domestic international sales corporations under  
28 Internal Revenue Code sec. 991 (26 U.S.C. sec. 991), except those tax-  
29 payers who are engaged in the exportation of non-renewable resources.

1 (d) For purposes of calculating the income tax payable under this  
2 chapter, the taxpayer may not apply as a deduction from his tax liability  
3 the deduction for depletion under Internal Revenue Code sec. 613 (26  
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6 a refund of 1974 individual income taxes under Internal Revenue Code  
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8 (f) For purposes of calculating the income tax payable under this  
9 chapter, the taxpayer may not apply as a credit against his tax liability  
10 the credit for personal exemptions under Internal Revenue Code  
11 sec. 42 (26 U.S.C. sec. 42).

12 (g) For purposes of calculating the income tax payable under this  
13 chapter, the taxpayer may not apply as a credit against his tax liability  
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17 chapter, the taxpayer may not apply as a credit against his tax liability  
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19 Revenue Code sec. 44 (26 U.S.C. sec. 44).

20 \* Sec. 2. This Act is retroactive to January 1, 1975, and relates only  
21 to income earned and received after December 31, 1974.

22 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
23 070(c).

Introduced: 2/26/75  
Referred: Commerce and  
Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 208

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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16 this chapter, the taxpayer may apply as a credit against his tax liability  
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19 qualified investment put into use for each taxable year (26 U.S.C.  
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28 613 (26 U.S.C. sec. 613).

29 \* Sec. 2. This Act is retroactive to January 1, 1975, and relates only

1 to income earned and received after December 31, 1974.

2 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
3 10.070(c).

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Introduced: 2/26/75  
Referred: Commerce and  
Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 208

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska net income tax deductions  
7 and credits; and providing for an effective date."

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

9 \* Section 1. AS 43.20 is amended by adding a new section to read:

10 Sec. 43.20.036. FEDERAL TAX DEDUCTIONS AND CREDITS. (a) For  
11 purposes of calculating the income tax payable under this chapter,  
12 the taxpayer may not apply as a credit against his tax liability the  
13 foreign tax credit allowed as to federal taxes under Internal Revenue  
14 Code sec. 33 (26 U.S.C. sec. 33).

15 (b) For purposes of calculating the income tax payable under  
16 this chapter, the taxpayer may apply as a credit against his tax liability  
17 the job development investment credit allowed as to federal taxes  
18 under Internal Revenue Code sec. 50 upon only the first \$100,000 of  
19 qualified investment put into use for each taxable year (26 U.S.C.  
20 sec. 50).

21 (c) For purposes of calculating the income tax payable under  
22 this chapter, the taxpayer may not apply as an exemption from his tax  
23 liability the tax exemption for domestic international sales corporation  
24 under Internal Revenue Code sec. 991 (26 U.S.C. sec. 991).

25 (d) For purposes of calculating the income tax payable under  
26 this chapter, the taxpayer may not apply as a deduction from his tax  
27 liability the deduction for depletion under Internal Revenue Code sec.  
28 613 (26 U.S.C. sec. 613).

29 \* Sec. 2. This Act is retroactive to January 1, 1975, and relates only

1 to income earned and received after December 31, 1974.

2 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
3 10.070(c).

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Introduced: 2/26/75  
Referred: Commerce and  
Finance

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19 qualified investment put into use for each taxable year (26 U.S.C.  
20 sec. 50).

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22 this chapter, the taxpayer may not apply as an exemption from his tax  
23 liability the tax exemption for domestic international sales corporations  
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3 10.070(c).

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# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James A. Smith  
Signature of Camera Operator

11/31/90  
Date

# COMMITTEE REPORT

## SENATE

4/28/75

Mr. President:

Date \_\_\_\_\_

The Committee on FINANCE has had HB 210  
relating to the Alaska business license 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>Bill May</u>	<u>John</u>	_____
<u>Tom</u>	<u>David</u>	_____
<u>Frank</u>		_____
<u>Richard</u>		_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:

Bill May Chairman

# STATE OF ALASKA

JAY S. HAMMOND, Governor

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S — JUNEAU 99801

FILE WITH BILL

April 7, 1975

The Honorable Jalmar Kerttula  
Chairman  
Senate Commerce Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska

Re: House Bill No. 210

Dear Senator Kerttula:

House Bill No. 210, an Act relating to the Alaska Business License Tax was introduced in the Senate on April 4, 1975 and was referred to the Senate Commerce and Finance Committees.

For the consideration of the Senate Commerce Committee, I am enclosing a copy of a memorandum from Frederick P. Boetsch, Deputy Commissioner, Department of Revenue, outlining the administrative need for the proposed legislation which is housekeeping in nature.

If you or any member of your Committee have any questions on the material submitted, kindly advise the writer by telephone at 465-2397 and I will contact Mr. Boetsch for further material or testimony.

Very truly yours,

R. D. Stevenson  
Special Assistant

cc: The Honorable Bill Roy  
Chairman  
Senate Finance Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska

Frederick P. Boetsch  
Deputy Commissioner, Revenue

## MEMORANDUM

State of Alaska

TO: R. D. Stevenson, Special Asst.  
Office of the Commissioner  
Department of Revenue

DATE: March 5, 1975

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch *fpb*  
Deputy Commissioner  
Department of Revenue

SUBJECT: House Bill 210

This bill arises from an administrative problem which banks have with respect to meeting their obligations under the Alaska Business License Act. Under that Act banks are taxable on 7% of their taxable income as determined for federal income tax purposes with some adjustments. Our Business License tax is due on February 28 but banks typically do not file federal income tax returns until much later. Therefore, the basis upon which our tax is assessed is really not determined until after the due date of the return. This forces banks to file estimates with us and then amended returns at a later date and causes them, as well as ourselves, unnecessary administrative headaches.

This bill would simply change the date for filing the bank tax return to the same date required for federal income tax returns, thereby eliminating unnecessary administrative burdens for us and for them.

This bill would have no effect on Treasury and there are no administrative costs connected with it.

FPB:lw

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 — JUNEAU 99801

WILLIAM A. EGAN, GOVERNOR

HB 210

March 6, 1975

The Honorable Hugh Malone  
Chairman  
House Finance Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99811

Dear Mr. Malone:

re House Bill No. 210

House Bill No. 210, an Act relating to the Alaska business license tax, was introduced on February 26, 1975 and referred to the House Commerce and Finance Committees.

For the consideration of the Finance Committee, I am enclosing a copy of a memorandum dated March 5, 1975 from Frederick P. Boetsch, Deputy Commissioner, Department of Revenue outlining the administrative need for the proposed legislation which is housekeeping in nature.

If you or any members of your Committee have any questions on the material submitted, kindly advise the writer by telephone at 465-2397 and I will contact Mr. Boetsch for further material or testimony.

Very truly yours,



R. D. Stevenson  
Special Assistant

RDS:lw

Enclosure

cc Frederick P. Boetsch  
Deputy Commissioner  
Department of Revenue

# MEMORANDUM

# State of Alaska

TO: R. D. Stevenson, Special Asst.  
Office of the Commissioner  
Department of Revenue

DATE: March 5, 1975

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch  
Deputy Commissioner  
Department of Revenue

SUBJECT: House Bill 210

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This bill would simply change the date for filing the bank tax return to the same date required for federal income tax returns, thereby eliminating unnecessary administrative burdens for us and for them.

This bill would have no effect on Treasury and there are no administrative costs connected with it.

FPB:lw

February 25, 1975

The Honorable Mike Bradner  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Legislature, I am submitting a bill changing the tax return filing date for the business license tax on banks to conform to the filing date prescribed for federal and state income tax returns. Since the license tax on banks is based upon the net income as reported on their federal income tax return, a consistent reporting date is required.

Sincerely,

Jay S. Hammond  
Governor

Introduced: 2/26/75  
Referred: Commerce and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 210

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska business license tax;  
7 and providing for an effective date."

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

9 \* Section 1. AS 43.70.030(b) is repealed and re-enacted to read:

10 (b) The license fee for each national bank and state bank, trust  
11 company and savings and loan association is seven per cent of its net  
12 income. Net income means the taxable income of each such taxpayer  
13 before net operating loss deduction and special deductions, computed  
14 as required under the Internal Revenue Code of the United States and  
15 includes all other income including income from federal, state or muni-  
16 cipal obligations. Each of these taxpayers required to make a return  
17 under the provisions of the Internal Revenue Code shall at the same  
18 time file with the department a return setting out the amount of tax  
19 due under this chapter, and other information for the purpose of carrying  
20 out the provisions of this chapter which the department requires.  
21 Each of these taxpayers shall also at the same time file a true and  
22 correct copy of the tax return which he has filed with the Internal  
23 Revenue Service. Every taxpayer shall notify the department in writing  
24 of any alteration in, or modification of his federal income tax return  
25 and of a recomputation of tax or determination of deficiency.

26 \* Sec. 2. This Act is retroactive to January 1, 1975, and relates only  
27 to income earned or received after December 31, 1974.

28 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10-  
29 070(c).

Introduced: 2/26/75  
Referred: Commerce and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 210

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

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18 time file with the department a return setting out the amount of tax  
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20 out the provisions of this chapter which the department requires.  
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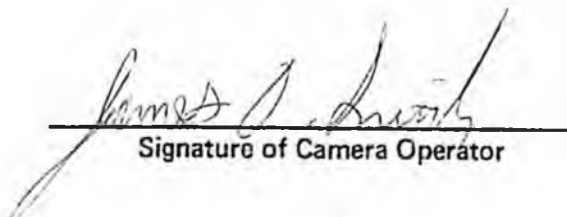
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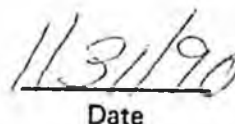


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Signature of Camera Operator

  
\_\_\_\_\_  
Date

"An Act relating to the Alaska business license tax; and providing for an effective date."

### COMMITTEE REPORT

3/7/75

HOUSE

Mr. Speaker:

Date 3/25/75

The Committee on FINANCE has had HB 210

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: 2/26/75  
Referred: Commerce and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 210

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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29 070(c).

February 25, 1975

The Honorable Mike Tradner  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Legislature, I am submitting a bill changing the tax return filing date for the business license tax on banks to conform to the filing date prescribed for federal and state income tax returns. Since the license tax on banks is based upon the net income as reported on their federal income tax return, a consistent reporting date is required.

Sincerely,

Jay S. Hammond  
Governor

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH 5 — JUNEAU 99801

HB210  
WILLIAM A. EGAN, GOVERNOR

March 6, 1975

The Honorable Hugh Malone  
Chairman  
House Finance Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99811

Dear Mr. Malone:

re House Bill No. 210

House Bill No. 210, an Act relating to the Alaska business license tax, was introduced on February 26, 1975 and referred to the House Commerce and Finance Committees.

For the consideration of the Finance Committee, I am enclosing a copy of a memorandum dated March 5, 1975 from Frederick P. Boetsch, Deputy Commissioner, Department of Revenue outlining the administrative need for the proposed legislation which is housekeeping in nature.

If you or any members of your Committee have any questions on the material submitted, kindly advise the writer by telephone at 465-2397 and I will contact Mr. Boetsch for further material or testimony.

Very truly yours,



R. D. Stevenson  
Special Assistant

RDS:lw

Enclosure

cc Frederick P. Boetsch  
Deputy Commissioner  
Department of Revenue

## MEMORANDUM

State of Alaska

TO: R. D. Stevenson, Special Asst.  
Office of the Commissioner  
Department of Revenue

DATE: March 5, 1975

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch  
Deputy Commissioner  
Department of Revenue

SUBJECT: House Bill 210

This bill arises from an administrative problem which banks have with respect to meeting their obligations under the Alaska Business License Act. Under that Act banks are taxable on 7% of their taxable income as determined for federal income tax purposes with some adjustments. Our Business License tax is due on February 28 but banks typically do not file federal income tax returns until much later. Therefore, the basis upon which our tax is assessed is really not determined until after the due date of the return. This forces banks to file estimates with us and then amended returns at a later date and causes them, as well as ourselves, unnecessary administrative headaches.

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This bill would have no effect on Treasury and there are no administrative costs connected with it.

FPB:lw

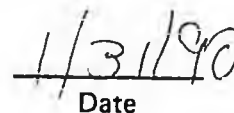


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\_\_\_\_\_  
Signature of Camera Operator

  
\_\_\_\_\_  
Date

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH 5 — JUNEAU 99801

RE. HB 211  
SB 304

JAY S. HAMMOND, Governor

May 8, 1975

The Honorable Hugh Malone  
Chairman  
House Finance Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska

Dear Mr. Malone:

It has come to my attention that the Finance Committee had some questions regarding House Bill 211 which provides for uniformity of certain administrative provisions of Alaska's tax statutes.

The first question had to do with AS 43.05.230 (b) which limits the Department's authority to disclose information contained on a tax return or other reports submitted to the Department by a taxpayer. The income tax statute (43.20.190) provides the same limitations as indicated in paragraph (b) with the exception that we have added under (2) the phrase "...for the purpose of enforcing the tax imposed by this title..." The reason for adding this provision is to ensure that the Department cannot be required to make information on a tax return available for any purpose in a State action other than enforcing the tax. The Department has consistently taken a policy position that the present statute has this meaning imported to it and that, therefore, the Department cannot reveal tax information to another agency of the State even though that information might be useful to such other agency. The addition of this language to the provision would clarify the statute. The placement of this entire Section under Chapter 5 would make it apply to all taxes under Title 43, rather than just the income tax. This provision does not alter the demands which may be made on the taxpayer to produce his own return. The prohibition here is against the Department of Revenue disclosing such information.

I also understand there was a question regarding Section (g) which provides penalties for violating the confidentiality provision. This does not change from the present law as provided in 43.20.190 (f) except that it also makes it applicable to all the tax statutes, not just the income tax statute.

I am also enclosing some information relevant to Senate Bill 304 which provides an appropriation to the Department of Revenue for purposes of constructing a corporate tax data base which can then be used for analytical purposes

Honorable Hugh Malone

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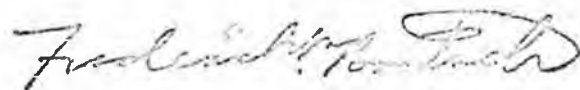
May 8, 1975

in determining the incidence of the corporate income tax, the identification of possible loopholes in it and recommendations for changes. I am attaching correspondence from Dave Kresge of the Institute for Social Economic and Governmental Research of the University of Alaska who has indicated an interest in studying our corporate tax structure. Before his group can begin that study, however, it is necessary that the data be in computerized form for ready extraction and easy accumulation by category. Furthermore, the proposal which was made to the National Science Foundation for Federal Funds to aid in this study was turned down last year because the State had not evidenced enough interest in the project to invest some of its own funds in the work.

Mr. Kresge believes that with a positive step taken by the State to spend some of its own funds in this research endeavor that the National Science Foundation may look more favorably upon the request and Federal funds may be granted to help us pursue this study. This would be a desirable addition to the resources available for studying the corporate tax structure.

I would be happy to testify before the Committee on either of these bills or any of the other revenue measures presently pending before the Committee at your convenience.

Best regards,



Frederick P. Boetsch, C. S.  
Deputy Commissioner, Taxation

FPB:ch

Attachment

HFC  
February 25, 1975

The Honorable Mike Bradner  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Legislature, I am submitting a bill which promotes greater uniformity and efficiency in the administration of the State's tax laws.

The bill includes uniform provisions applicable to all taxes, involving the payment of taxes, penalties and interest. This bill would standardize penalty provisions and set the interest rate on delinquent taxes at eight percent a year. This bill would also authorize the Department of Revenue to employ agents outside the State to audit the books and records of non-resident individuals and businesses. Confidentiality of tax returns and appeal remedies would be improved and would apply to all taxes.

The present administrative provisions vary among the different taxes. This bill would consolidate these provisions into single uniform sections improving the administration of these taxes.

Sincerely,

Jay S. Hammond  
Governor

HB 211

AMENDMENT TO BE TYPED  
FOR CONSIDERATION OF THE  
COMMITTEE

amendment to  
CSHB 211



Pg 2. Line 8. add:

However, nothing in this ~~bill~~<sup>section</sup> precludes the access to the tax records for purposes of audit by the Legislative Audit Division. The Legislative Audit Division shall be bound to a "need to know" policy, and the information shall be used for audit of the Department of Revenue only.

✓  
strike all of (b) on page 2, =  
remember already

# STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH 5 - JUNEAU 99801

March 13, 1975

The Honorable Bob Bradley  
Chairman  
House Commerce Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99811

Dear Mr. Bradley:

re House Bill No. 211

House Bill No. 211, an Act relating to the administration of state tax and revenue laws was introduced on February 26, 1975 and was referred to the House Commerce, Judiciary and Finance Committees.

For the consideration of the Commerce Committee, I am enclosing a copy of a memorandum dated March 12, 1975 from Frederick P. Boetsch, Deputy Commissioner of the Department of Revenue outlining the administrative need for the proposed legislation which is housekeeping in nature.

If you or any members of your Committee have any questions on the material submitted, kindly advise the writer by telephone at 465-2397 and I will contact Mr. Boetsch for further material or testimony.

Very truly yours,

R. D. Stevenson  
Special Assistant

RDS:sp  
Enclosure

cc The Honorable Terry Gardiner  
Chairman  
House Judiciary Committee  
The Honorable Hugh Malone  
Chairman  
House Finance Committee  
Frederick P. Boetsch  
Deputy Commissioner for Taxation  
Department of Revenue

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE : March 12, 1975

FROM: Frederick P. Boetsch *FPB*  
Deputy Commissioner for Taxation  
Department of Revenue

SUBJECT: HB 211

House Bill 211 is an administrative housekeeping measure designed to provide uniformity in the administration of our various tax laws. It also provides for the hiring of out-of-state agents to audit the books and records of out-of-state taxpayers, in addition to our present power to enforce collection of taxes by this means.

Presently, each of our tax laws have separate administrative procedures with respect to civil penalty, interest, disclosure of tax returns and reports, taxpayer remedies, and payment of taxes. This frequently creates confusion in the mind of the taxpayer and his representatives. It also causes administrative difficulties since a different procedures apply to each tax type. Finally the lack of uniformity is probably unfair to the taxpayer since it unnecessarily complicates his compliance with our various tax laws.

This bill, then, would eliminate the various administrative procedures mentioned from the different specific tax chapters and place these provisions under the general administrative chapter, of Title 43.

Since the propose of this bill is to provide for administrative uniformity in procedures and ease of compliance with our tax laws by taxpayers, we see no direct effect on Treasury. However, anything which eases compliance and provides for fair and more uniform standards in general has a positive effect on taxpayer compliance and, hence, on the Treasury.

We anticipate no administrative costs in connection with this bill.

FPB: sp

Original sponsor: Rules Committee by  
request of the Governor

Offered: 5/26/75  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 211 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 -A BILL

6 For an Act entitled: "An Act relating to the administration of state tax  
7 and revenue laws; and providing for an effective date."

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

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

10 Sec. 43.05.025. AUDIT AGENTS. The commissioner of revenue may  
11 employ agents outside the state to assist in the audit of books and  
12 records located outside the state. Agents employed under this section  
13 are subject to the restrictions of sec. 230 of this chapter.

14 \* Sec. 2. AS 43.05 is amended by adding new sections to read:

15 ARTICLE 3. MISCELLANEOUS PROVISIONS.

16 Sec. 43.05.220. CIVIL PENALTY. Five per cent shall be added to  
17 a tax for each 30-day period or fraction of the period during which the  
18 taxpayer fails to file a return or report, or pay the full amount of  
19 the tax, or a portion or a deficiency of the tax, as finally determined  
20 by the department and required by this title, unless it is shown that  
21 the failure is due to a reasonable cause and not to wilful neglect.  
22 The penalty shall not exceed 25 per cent in the aggregate. The penalty  
23 shall be collected at the same time, in the same manner and as a part  
24 of the original tax; but if the original tax is paid before the neglect  
25 is discovered, the penalty shall be collected in the same manner as the  
26 original tax. The department shall prescribe by regulation circumstances  
27 which constitute reasonable cause for purposes of this section.

28 Sec. 43.05.225. INTEREST ON TAXES. Unless otherwise provided,  
29 when a tax levied in this title becomes delinquent it bears interest at

1 the rate of eight per cent a year.

2 Sec. 43.05.230. DISCLOSURE OF TAX RETURNS AND REPORTS. (a)

3 Except in connection with official investigations or proceedings of the  
4 department, whether judicial or administrative, involving taxes due  
5 under this title, and except as otherwise provided in this section, it  
6 is unlawful for an officer, employee or agent of the state to divulge  
7 the amount of income or the particulars set out or disclosed in a report  
8 or return made under this title. However, nothing in this section  
9 precludes access to the tax records for purposes of audit by the legis-  
10 lative audit division of the Legislative Budget and Audit Committee.  
11 The legislative audit division shall be bound by a "need to know"  
12 policy, and the information derived from the tax records shall be used  
13 for audit of the Department of Revenue only.

14 (b) The department, upon written request, shall furnish to the  
15 taxpayer a copy of his tax return upon payment of a fee of \$1 per page.

16 (c) The department may permit the proper officer of the United  
17 States or of a state, territory or possession of the United States or  
18 of the Dominion of Canada or of a province or territory of Canada, or  
19 his authorized representative, to inspect tax returns or reports filed  
20 with the department, or may furnish to the officer or representative  
21 a copy of the tax return, if the other jurisdiction grants substantially  
22 similar privileges to the department or its representative or to counsel  
23 for the state; and if the department determines that the other juris-  
24 diction provides adequate safeguards for the confidentiality of the  
25 returns and reports, and that the returns and reports will be used for  
26 tax purposes only. The department may also permit the employment  
27 security division of the Alaska Department of Labor to inspect tax  
28 returns or reports filed with the department or may furnish a copy of  
29 the tax returns for tax purposes only.

1 (d) The commissioner of revenue at his discretion may furnish to  
2 the Multistate Tax Commission or other authorized agent information  
3 contained in the tax returns, reports, related schedules and documents  
4 filed under an audit or investigation of a multistate business made by  
5 the department. This information may be furnished for tax purposes only.  
6 The Multistate Tax Commission or other authorized agent may make the  
7 information available to the tax officials of other states, the District  
8 of Columbia, the United States and its territories for tax purposes only.

9 (e) Nothing in this section prohibits the publication of statis-  
10 tics so classified as to prevent the identification of particular  
11 returns or reports or the publication of delinquent lists showing the  
12 names of taxpayers who have failed to pay their taxes at the time and  
13 in the manner provided by law, together with other relevant information  
14 which in the opinion of the department may assist in the collection of  
15 delinquent taxes.

16 (f) A wilful violation of the provisions of this section is punish-  
17 able by a fine of not more than \$5,000, or by imprisonment for not more  
18 than two years, or by both.

19 Sec. 43.05.240. TAXPAYER REMEDIES. (a) A person aggrieved by  
20 the action of the department in fixing the amount of a tax or in imposing  
21 a penalty may apply to the department within 60 days from the date of  
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23 notice of the grievance, and requesting an informal conference. At the  
24 conference the person aggrieved may present arguments and evidence rele-  
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26 determines that a correction is warranted, the department shall make the  
27 correction.

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29 the amount of a tax or in imposing a penalty may apply to the department

1 and request a formal hearing

2 (1) in place of the informal conference provided for in (a)  
3 of this section, within 60 days from the date of mailing the notice  
4 required to be given to him by the department; or

5 (2) within 30 days after decision resulting from an informal  
6 conference.

7 (c) At the formal hearing the department may subpoena witnesses  
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19 incorrect, the court shall determine the amount of the tax and if the  
20 person aggrieved is entitled to recover the tax or part of it, the  
21 court shall order the repayment and the department shall immediately pay  
22 the amount due and attach a certified copy of the judgment to the pay-  
23 ment.

24 Sec. 43.05.250. PAYMENT OF TAXES. (a) If a tax is required under  
25 this title to be paid on or before a certain date, the date fixed is  
26 the last day for the payment.

27 (b) In addition to money, the department may receive bank drafts,  
28 checks, cashiers checks or money orders for the payment of taxes under  
29 regulations prescribed by the department.

1 (c) The department may prescribe other methods of payment includ-  
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3 other methods necessary or helpful in securing a complete and timely  
4 collection of the tax.

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6 ment" means the Department of Revenue.

7 \* Sec. 3. The following laws are repealed: AS 43.20.190; 43.20.210;  
8 43.20.280; 43.31.081; 43.31.161; 43.31.171(a); 43.40.010(d); 43.45.050;  
9 43.50.100(a) and (b); 43.50.110; 43.60.030; 43.65.050(a) and (d); 43.70.040(b),  
10 (c) and (d); 43.70.050; 43.70.060(a); and 43.75.050(a), (b) and (d).

11 \* Sec. 4. Repeals made by this Act do not affect tax liabilities accrued  
12 before January 1, 1975.

13 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
14 070(c).

Original sponsor: Rules Committee by  
request of the Governor

Offered: 4/16/75  
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

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4 NINTH LEGISLATURE - FIRST SESSION

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21 the failure is due to a reasonable cause and not to wilful neglect.  
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7 the amount of income or the particulars set out or disclosed in a report  
8 or return made under this title.

9 (b) Neither an original tax return nor a copy of it is admissible  
10 in evidence in a court unless offered

11 (1) by the taxpayer who filed the return;

12 (2) by the state in an action to which the state is a party  
13 for the purpose of enforcing a tax imposed by this title; or

14 (3) as otherwise authorized by the Internal Revenue Code.

15 (c) The department, upon written request, shall furnish to the  
16 taxpayer a copy of his tax return upon payment of a fee of \$1 per page.

17 (d) The department may permit the proper officer of the United  
18 States or of a state, territory or possession of the United States or  
19 of the Dominion of Canada or of a province or territory of Canada, or  
20 his authorized representative, to inspect tax returns or reports filed  
21 with the department, or may furnish to the officer or representative  
22 a copy of the tax return, if the other jurisdiction grants substantially  
23 similar privileges to the department or its representative or to counsel  
24 for the state; and if the department determines that the other juris-  
25 diction provides adequate safeguards for the confidentiality of the  
26 returns and reports, and that the returns and reports will be used for  
27 tax purposes only. The department may also permit the employment  
28 security division of the Alaska Department of Labor to inspect tax  
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15 070(c).

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Introduced: 2/26/75  
Referred: Commerce, Judiciary  
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 211

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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11 before January 1, 1975.

12 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.10-  
13 .070(c).



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

1/31/90  
Date

COMMITTEE REPORT

SENATE

6/6/75

Mr. President:

Date 1/27/76

The Committee on FINANCE has had CSHB 211 (Finance) relating to the administration of state tax and revenue laws 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

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. CS HB 211  
 Title: Administration of State Revenue Laws  
 Requested by: Governor Date: \_\_\_\_\_  
 Return Date Requested: \_\_\_\_\_  
 Agency: Revenue Program: Audit

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Audit

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:

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

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

IV. ATTACHMENTS D. Memo dated March 12, 1975 from Frederick P. Boetsch, Deputy Commissioner, Taxation. Memo is not affected by Committee Substitute

V. DATE: January 14, 1976 PREPARED BY: Frederick P. Boetsch  
 Deputy Commissioner, Taxation

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

*MEMORANDUM*

TO: R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE : March 12, 1975

FROM: Frederick P. Boetsch  
Deputy Commissioner for Taxation  
Department of Revenue

SUBJECT: HB 211

House Bill 211 is an administrative housekeeping measure designed to provide uniformity in the administration of our various tax laws. It also provides for the hiring of out-of-state agents to audit the books and records of out-of-state taxpayers, in addition to our present power to enforce collection of taxes by this means.

Presently, each of our tax laws have separate administrative procedures with respect to civil penalty, interest, disclosure of tax returns and reports, taxpayer remedies, and payment of taxes. This frequently creates confusion in the mind of the taxpayer and his representatives. It also causes administrative difficulties since a different procedures apply to each tax type. Finally the lack of uniformity is probably unfair to the taxpayer since it unnecessarily complicates his compliance with our various tax laws.

This bill, then, would eliminate the various administrative procedures mentioned from the different specific tax chapters and place these provisions under the general administrative chapter, of Title 43.

Since the propose of this bill is to provide for administrative uniformity in procedures and ease of compliance with our tax laws by taxpayers, we see no direct effect on Treasury. However, anything which eases compliance and provides for fair and more uniform standards in general has a positive effect on taxpayer compliance and, hence, on the Treasury.

We anticipate no administrative costs in connection with this bill.

FPB:sp

Original sponsor: Rules Committee by  
request of the Governor

Offered: 4/16/75  
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 211

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the administration of state tax  
7 and revenue laws; and providing for an effective date."

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

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

10 Sec. 43.05.025. AUDIT AGENTS. The commissioner of revenue may  
11 employ agents outside the state to assist in the audit of books and  
12 records located outside the state. Agents employed under this section  
13 are subject to the restrictions of sec. 230 of this chapter.

14 \* Sec. 2. AS 43.05 is amended by adding new sections to read:

15 ARTICLE 3. MISCELLANEOUS PROVISIONS.

16 Sec. 43.05.220. CIVIL PENALTY. Five per cent shall be added to  
17 a tax for each 30-day period or fraction of the period during which the  
18 taxpayer fails to file a return or report, or pay the full amount of  
19 the tax, or a portion or a deficiency of the tax, as finally determined  
20 by the department and required by this title, unless it is shown that  
21 the failure is due to a reasonable cause and not to wilful neglect.  
22 The penalty shall not exceed 25 per cent in the aggregate. The penalty  
23 shall be collected at the same time, in the same manner and as a part  
24 of the original tax; but if the original tax is paid before the neglect  
25 is discovered, the penalty shall be collected in the same manner as the  
26 original tax. The department shall prescribe by regulation circumstances  
27 which constitute reasonable cause for purposes of this section.

28 Sec. 43.05.225. INTEREST ON TAXES. Unless otherwise provided,  
29 when a tax levied in this title becomes delinquent it bears interest at

1 the rate of eight per cent a year.

2 Sec. 43.05.230. DISCLOSURE OF TAX RETURNS AND REPORTS. (a)

3 Except in connection with official investigations or proceedings of the  
4 department, whether judicial or administrative, involving taxes due  
5 under this title, and except as otherwise provided in this section, it  
6 is unlawful for an officer, employee or agent of the state to divulge  
7 the amount of income or the particulars set out or disclosed in a report  
8 or return made under this title.

9 (b) Neither an original tax return nor a copy of it is admissible  
10 in evidence in a court unless offered

11 (1) by the taxpayer who filed the return;

12 (2) by the state in an action to which the state is a party  
13 for the purpose of enforcing a tax imposed by this title; or

14 (3) as otherwise authorized by the Internal Revenue Code.

15 (c) The department, upon written request, shall furnish to the  
16 taxpayer a copy of his tax return upon payment of a fee of \$1 per page.

17 (d) The department may permit the proper officer of the United  
18 States or of a state, territory or possession of the United States or  
19 of the Dominion of Canada or of a province or territory of Canada, or  
20 his authorized representative, to inspect tax returns or reports filed  
21 with the department, or may furnish to the officer or representative  
22 a copy of the tax return, if the other jurisdiction grants substantially  
23 similar privileges to the department or its representative or to counsel  
24 for the state; and if the department determines that the other juris-  
25 diction provides adequate safeguards for the confidentiality of the  
26 returns and reports, and that the returns and reports will be used for  
27 tax purposes only. The department may also permit the employment  
28 security division of the Alaska Department of Labor to inspect tax  
29 returns or reports filed with the department or may furnish a copy of

1 the tax returns for tax purposes only.

2 (e) The commissioner of revenue at his discretion may furnish to  
3 the Multistate Tax Commission or other authorized agent information  
4 contained in the tax returns, reports, related schedules and documents  
5 filed under an audit or investigation of a multistate business made by  
6 the department. This information may be furnished for tax purposes only.  
7 The Multistate Tax Commission or other authorized agent may make the  
8 information available to the tax officials of other states, the District  
9 of Columbia, the United States and its territories for tax purposes only.

10 (f) Nothing in this section prohibits the publication of statis-  
11 tics so classified as to prevent the identification of particular  
12 returns or reports or the publication of delinquent lists showing the  
13 names of taxpayers who have failed to pay their taxes at the time and  
14 in the manner provided by law, together with other relevant information  
15 which in the opinion of the department may assist in the collection of  
16 delinquent taxes.

17 (g) A wilful violation of the provisions of this section is punish-  
18 able by a fine of not more than \$5,000, or by imprisonment for not more  
19 than two years, or by both.

20 Sec. 43.05.240. TAXPAYER REMEDIES. (a) A person aggrieved by  
21 the action of the department in fixing the amount of a tax or in imposing  
22 a penalty may apply to the department within 60 days from the date of  
23 mailing the notice required to be given to him by the department, giving  
24 notice of the grievance, and requesting an informal conference. At the  
25 conference the person aggrieved may present arguments and evidence rele-  
26 vant to the amount of tax or penalty due the state. If the department  
27 determines that a correction is warranted, the department shall make the  
28 correction.

29 (b) A person aggrieved by the action of the department in fixing

1 the amount of a tax or in imposing a penalty may apply to the department  
2 and request a formal hearing

3 (1) in place of the informal conference provided for in (a)  
4 of this section, within 60 days from the date of mailing the notice  
5 required to be given to him by the department; or

6 (2) within 30 days after decision resulting from an informal  
7 conference.

8 (c) At the formal hearing the department may subpoena witnesses  
9 and may administer oaths and make inquiries necessary to determine the  
10 amount of the tax or penalty due the state. The person aggrieved may  
11 present arguments and evidence relevant to the amount of the tax or  
12 penalty due the state. If the department determines that a correction  
13 is warranted, the department shall make the correction.

14 (d) Within 30 days after the formal hearing and decision by the  
15 department, a person aggrieved by the decision of the department may  
16 appeal to the superior court in the judicial district in which he resides.  
17 The taxpayer shall be given access to the file of the department in the  
18 matter for preparation of his appeal. If after the appeal is heard it  
19 appears that the tax was correct, the court shall confirm the tax. If  
20 incorrect, the court shall determine the amount of the tax and if the  
21 person aggrieved is entitled to recover the tax or part of it, the  
22 court shall order the repayment and the department shall immediately pay  
23 the amount due and attach a certified copy of the judgment to the pay-  
24 ment.

25 Sec. 43.05.250. PAYMENT OF TAXES. (a) If a tax is required under  
26 this title to be paid on or before a certain date, the date fixed is  
27 the last day for the payment.

28 (b) In addition to money, the department may receive bank drafts,  
29 checks, cashiers checks or money orders for the payment of taxes under

1 regulations prescribed by the department.

2 (c) The department may prescribe other methods of payment includ-  
3 ing the use of bank depositories, bank and wire transfers, stamps or  
4 other methods necessary or helpful in securing a complete and timely  
5 collection of the tax.

6 Sec. 43.05.255. DEFINITION. For purposes of this chapter "depart-  
7 ment" means the Department of Revenue.

8 \* Sec. 3. The following laws are repealed: AS 43.20.190; 43.20.210;  
9 43.20.280; 43.31.081; 43.31.161; 43.31.171(a); 43.40.010(d); 43.45.050;  
10 43.50.100(a) and (b); 43.50.110; 43.60.030; 43.65.050(a) and (d); 43.70.040(b),  
11 (c) and (d); 43.70.050; 43.70.060(a); and 43.75.050(a), (b) and (d).

12 \* Sec. 4. Repeals made by this Act do not affect tax liabilities accrued  
13 before January 1, 1975.

14 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
15 070(c).

Original sponsor: Rules Committee by  
request of the Governor

Offered: 5/26/75  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 211 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the administration of state tax  
7 and revenue laws; and providing for an effective date."

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

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

10 Sec. 43.05.025. AUDIT AGENTS. The commissioner of revenue may  
11 employ agents outside the state to assist in the audit of books and  
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15 ARTICLE 3. MISCELLANEOUS PROVISIONS.

16 Sec. 43.05.220. CIVIL PENALTY. Five per cent shall be added to  
17 a tax for each 30-day period or fraction of the period during which the  
18 taxpayer fails to file a return or report, or pay the full amount of  
19 the tax, or a portion or a deficiency of the tax, as finally determined  
20 by the department and required by this title, unless it is shown that  
21 the failure is due to a reasonable cause and not to wilful neglect.  
22 The penalty shall not exceed 25 per cent in the aggregate. The penalty  
23 shall be collected at the same time, in the same manner and as a part  
24 of the original tax; but if the original tax is paid before the neglect  
25 is discovered, the penalty shall be collected in the same manner as the  
26 original tax. The department shall prescribe by regulation circumstances  
27 which constitute reasonable cause for purposes of this section.

28 Sec. 43.05.225. INTEREST ON TAXES. Unless otherwise provided,  
29 when a tax levied in this title becomes delinquent it bears interest at

1 the rate of eight per cent a year.

2 Sec. 43.05.230. DISCLOSURE OF TAX RETURNS AND REPORTS. (a)

3 Except in connection with official investigations or proceedings of the  
4 department, whether judicial or administrative, involving taxes due  
5 under this title, and except as otherwise provided in this section, it  
6 is unlawful for an officer, employee or agent of the state to divulge  
7 the amount of income or the particulars set out or disclosed in a report  
8 or return made under this title. However, nothing in this section  
9 precludes access to the tax records for purposes of audit by the legis-  
10 lative audit division of the Legislative Budget and Audit Committee.  
11 The legislative audit division shall be bound by a "need to know"  
12 policy, and the information derived from the tax records shall be used  
13 for audit of the Department of Revenue only.

14 (b) The department, upon written request, shall furnish to the  
15 taxpayer a copy of his tax return upon payment of a fee of \$1 per page.

16 (c) The department may permit the proper officer of the United  
17 States or of a state, territory or possession of the United States or  
18 of the Dominion of Canada or of a province or territory of Canada, or  
19 his authorized representative, to inspect tax returns or reports filed  
20 with the department, or may furnish to the officer or representative  
21 a copy of the tax return, if the other jurisdiction grants substantially  
22 similar privileges to the department or its representative or to counsel  
23 for the state; and if the department determines that the other juris-  
24 diction provides adequate safeguards for the confidentiality of the  
25 returns and reports, and that the returns and reports will be used for  
26 tax purposes only. The department may also permit the employment  
27 security division of the Alaska Department of Labor to inspect tax  
28 returns or reports filed with the department or may furnish a copy of  
29 the tax returns for tax purposes only.

1 (d) The commissioner of revenue at his discretion may furnish to  
2 the Multistate Tax Commission or other authorized agent information  
3 contained in the tax returns, reports, related schedules and documents  
4 filed under an audit or investigation of a multistate business made by  
5 the department. This information may be furnished for tax purposes only.  
6 The Multistate Tax Commission or other authorized agent may make the  
7 information available to the tax officials of other states, the District  
8 of Columbia, the United States and its territories for tax purposes only.

9 (e) Nothing in this section prohibits the publication of statis-  
10 tics so classified as to prevent the identification of particular  
11 returns or reports or the publication of delinquent lists showing the  
12 names of taxpayers who have failed to pay their taxes at the time and  
13 in the manner provided by law, together with other relevant information  
14 which in the opinion of the department may assist in the collection of  
15 delinquent taxes.

16 (f) A wilful violation of the provisions of this section is punish-  
17 able by a fine of not more than \$5,000, or by imprisonment for not more  
18 than two years, or by both.

19 Sec. 43.05.240. TAXPAYER REMEDIES. (a) A person aggrieved by  
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22 mailing the notice required to be given to him by the department, giving  
23 notice of the grievance, and requesting an informal conference. At the  
24 conference the person aggrieved may present arguments and evidence rele-  
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26 determines that a correction is warranted, the department shall make the  
27 correction.

28 (b) A person aggrieved by the action of the department in fixing  
29 the amount of a tax or in imposing a penalty may apply to the department

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(1) in place of the informal conference provided for in (a) of this section, within 60 days from the date of mailing the notice required to be given to him by the department; or

(2) within 30 days after decision resulting from an informal conference.

(c) At the formal hearing the department may subpoena witnesses and may administer oaths and make inquiries necessary to determine the amount of the tax or penalty due the state. The person aggrieved may present arguments and evidence relevant to the amount of the tax or penalty due the state. If the department determines that a correction is warranted, the department shall make the correction.

(d) Within 30 days after the formal hearing and decision by the department, a person aggrieved by the decision of the department may appeal to the superior court in the judicial district in which he resides. The taxpayer shall be given access to the file of the department in the matter for preparation of his appeal. If after the appeal is heard it appears that the tax was correct, the court shall confirm the tax. If incorrect, the court shall determine the amount of the tax and if the person aggrieved is entitled to recover the tax or part of it, the court shall order the repayment and the department shall immediately pay the amount due and attach a certified copy of the judgment to the payment.

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2 ing the use of bank depositories, bank and wire transfers, stamps or  
3 other methods necessary or helpful in securing a complete and timely  
4 collection of the tax.

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7 \* Sec. 3. The following laws are repealed: AS 43.20.190; 43.20.210;  
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12 before January 1, 1975.

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14 070(c).

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 211

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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17 taxpayer a copy of his tax return upon payment of a fee of \$1 per page.

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20 or of the Dominion of Canada or of a province or territory of Canada,  
21 or his authorized representative, to inspect tax returns or reports  
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23 a copy of the tax return, if the other jurisdiction grants substantially  
24 similar privileges to the department or its representative or to counsel  
25 for the state. The department may also permit, the Employment Security  
26 Division of the Alaska Department of Labor to inspect tax returns or  
27 reports filed with the department or may furnish a copy of the tax  
28 returns for tax purposes only.

29 (e) The commissioner of revenue at his discretion may furnish

1 to the Multistate Tax Commission or other authorized agent, information  
2 contained in the tax returns, reports, related schedules and documents  
3 filed under an audit or investigation made by the department. This  
4 information may be furnished for tax purposes only. The Multistate  
5 Tax Commission or other authorized agent may make the information avail-  
6 able to the tax officials of other states, the District of Columbia,  
7 the United States and its territories for tax purposes only.

8 (f) Nothing in this section prohibits the publication of statistics  
9 so classified as to prevent the identification of particular returns  
10 or reports or the publication of delinquent lists showing the names  
11 of taxpayers who have failed to pay their taxes at the time and in  
12 the manner provided by law together with other relevant information  
13 which in the opinion of the department may assist in the collection  
14 of delinquent taxes.

15 (g) A violation of the provisions of this section is a misdemeanor  
16 and is punishable by a fine of not more than \$1,000 or by imprisonment  
17 for not more than six months, or by both.

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23 At the conference the person aggrieved may present arguments and evi-  
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25 department determines that a correction is warranted, the department  
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6 (c) At the formal hearing the department may subpoena witnesses  
7 and may administer oaths and make inquiries necessary to determine  
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3 collection of the tax.

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5 "department" means the Department of Revenue.

6 \* Sec. 3. The following laws are repealed: AS 43.20.190; 43.20.210;  
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9 (c) and (d); 43.70.050; 43.70.060(a); and 43.75.050(a), (b) and (d).

10 \* Sec. 4. Repeals made by this Act do not affect tax liabilities accrued  
11 before January 1, 1975.

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13 .070(c).