

LEG. FINANCE - BILLS 1979 - 1980 1092

HB 348 thru HB 354 1092



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

3/20/90
Date

COMMITTEE REPORT

HOUSE

FURTHER:

March 17, 1979

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 348

"An Act making special appropriations to the Dept. of Transportation and Public Facilities for road equipment to be located in Alakanuk, Emmonak, Hooper Bay, Red Devil, and Shageluk; eff. date."

under consideration and (a majority of the committee). (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

March 6, 1979

Date: 3-15-79

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 348

"An Act making special appropriations to the Dept. of Transportation and Public Facilities for road equipment to be located in Alakanuk, Emmonak, Hooper Bay, Red Devil, and Shageluk; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 348 same title
 new title
- and recommends CS HB 348 DO PASS
- AND attaches a "Letter of Intent" ~~NEW~~ Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

Bill Duff

Terry Anderson

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature] No Rec

[Signature] No Rec

[Signature] No Rec

[Signature]

CHAIRMAN

6654
Guthrie

Original sponsor: Hurlbert

Offered: 3/17/79
Referred; Finance

Funding Information
General Fund \$184,581
Other Funds -0-
\$184,581

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 348

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Department
7 of Transportation and Public Facilities for road equip-
8 ment to be located in Hooper Bay, Red Devil, and
9 Shageluk; and providing for an effective date."

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

11 * Section 1. The sum of \$30,431 is appropriated from the general fund to
12 the Department of Transportation and Public Facilities for the purchase and
13 shipment of a 4X4 5-yard dump truck to Hooper Bay.

14 * Sec. 2. The sum of \$76,575 is appropriated from the general fund to the
15 Department of Transportation and Public Facilities for the purchase and
16 shipment of a 30,000-pound road grader to Red Devil.

17 * Sec. 3. The sum of \$77,575 is appropriated from the general fund to the
18 Department of Transportation and Public Facilities for the purchase and
19 shipment of a 30,000-pound road grader to Shageluk.

20 * Sec. 4. The unexpended and unobligated portion of an appropriation made
21 in secs. 1 - 3 of this Act lapses into the general fund June 30, 1980.

22 * Sec. 5. This Act takes effect July 1, 1979.
23
24
25
26
27
28
29

6654
Guthrie

Funding Information
General Fund \$269,106
Other Funds -0-
\$269,106

Introduced: 3/6/79
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY HURLBERT

2 HOUSE BILL NO. 348

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Department
7 of Transportation and Public Facilities for road equip-
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9 Red Devil, and Shageluk; and providing for an effective
10 date."

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

12 * Section 1. The sum of \$46,665 is appropriated from the general fund to
13 the Department of Transportation and Public Facilities for the purchase and
14 shipment of a 15,000-pound road grader to Alakanuk.

15 * Sec. 2. The sum of \$49,710 is appropriated from the general fund to the
16 Department of Transportation and Public Facilities for the purchase and
17 shipment of a Case 450 bulldozer to Emmonak.

18 * Sec. 3. The sum of \$30,431 is appropriated from the general fund to the
19 Department of Transportation and Public Facilities for the purchase and
20 shipment of a 4X4 5-yard dump truck to Hooper Bay.

21 * Sec. 4. The sum of \$69,800 is appropriated from the general fund to the
22 Department of Transportation and Public Facilities for the purchase and
23 shipment of a 30,000-pound road grader to Red Devil.

24 * Sec. 5. The sum of \$72,500 is appropriated from the general fund to the
25 Department of Transportation and Public Facilities for the purchase and
26 shipment of a 30,000-pound road grader to Shageluk.

27 * Sec. 6. The unexpended and unobligated portion of an appropriation made
28 in secs. 1 - 5 of this Act lapses into the general fund June 30, 1980.

29 * Sec. 7. This Act takes effect July 1, 1979.

ALASKA STATE LEGISLATURE

ELEVENTH Legislature . FIRST Session

HOUSE BILL NO. 348

By HURLBERT

"An Act making special appropriations to the Department of Transportation and Public Facilities for road equipment to be located in Alakanuk, Emmonak, Hooper Bay, Red Devil, and Shageluk; and providing for an effective date."

Road equipment

Introduced in the House 3-6, 1979

HISTORY IN THE HOUSE

19	79	Read first time and referred to Committee on										
Mar.	6	State Affairs and Finance Reported back with recommendation that										
		Read second time and										
		Read third time and										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reconsideration										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reported correctly engrossed Signed by Speaker Sent to Senate										
CHIEF CLERK OF THE HOUSE												

HISTORY IN THE SENATE

19		Read first time and referred to Committee on										
		Reported back with recommendation that										
		Read second time and										
		Read third time and										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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PASS	Effective Date											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reported correctly engrossed Signed by President Returned to House										
SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

19		Received from Senate
		Concurred in Senate amendment thus adopting: VOTE
		Failed to concur in Senate amendment; asked Senate to recede VOTE
		Senate receded from amendment VOTE
		Senate failed to recede from amendment VOTE
		CC appointed by House
		CC appointed by Senate
		CC adopted by House VOTE
		CC adopted by Senate VOTE
		To enrolling Reported correctly enrolled Sent to Governor by Governor
		Filed with Lt. Governor
		Chapter No.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 348
 Title Road Equipment for Hooper Bay, Red Devil and Shageluk
 Requested by House State Affairs Committee Date 3/15/79

II. FISCAL DETAIL

Agency Affected DOT/PF
 Program Category Affected Maintenance & Operation
 BRU, Program, or Subprogram(s) Affected Highway Maintenance
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT		185				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		185				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

1.	4/4 5-yard dump truck to Hooper Bay	-	\$ 30,431
2.	30,000-pound road grader to Red Devil	-	76,575
3.	30,000-pound road grader to Shageluk	-	77,575
			<u>\$184,581</u>

IV. DATE 3/15/79 PREPARED BY *W. L. Will*
 AGENCY HOUSE STATE AFFAIRS COMMITTEE
 PHONE 465-4964
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsor: Hurlbert

Offered: 3/17/79

Referred; Finance

Funding Information

General Fund \$184,581

Other Funds -0-

\$184,581

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 348

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Department
7 of Transportation and Public Facilities for road equip-
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22 * Sec. 5. This Act takes effect July 1, 1979.

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Funding Information
General Fund \$269,106
Other Funds -0-
\$269,106

Introduced: 3/6/79
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY HURLBERT

2 HOUSE BILL NO. 348

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Department
7 of Transportation and Public Facilities for road equip-
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James O. Smith
Signature of Camera Operator

3/20/90
Date

COMMITTEE REPORT HOUSE

FURTHER:

March 7, 1979

Date: 3/15/79

Mr. Speaker:

The Committee on FINANCE has had HB 352

"An Act relating to state income tax returns; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^{Finance} CS for HB 352 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation *"0" fiscal impact.*
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

McKinnon

Rogers

H. W. N.

Steff

Hawley

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

McKinnon - No Rec.

Amick No Rec

Hawley no rec

Montgomery No Rec

Frederick No Rec

McKinnon

CHAIRMAN

65
Brodley

Original sponsors: Miles and Meekins

IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 352
IN THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to state income tax returns; and providing for an effective date."

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

* Section 1. AS 43.20.030(d) is repealed and re-enacted to read:

(d) A taxpayer may not be required to furnish to the department a copy of the tax return which he has filed with the United States Internal Revenue Service. A taxpayer shall notify the department of a modification of his federal income tax return or of a recomputation of his federal income tax or of a determination of deficiency in his federal income tax.

* Sec. 2. This Act applies to tax years beginning after December 31, 1978.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-70(c).

Introduced: 3/7/79
Referred: Finance

Finance
BY ~~MILES AND MEEKINS~~

1 IN THE HOUSE

2 CS HOUSE BILL NO. 352
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state income tax returns; and
7 providing for an effective date."

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

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11 copy of the tax return which he has filed with the United States
12 Internal Revenue Service. ~~A taxpayer may not be required to notify the~~
13 ~~department of a modification of his federal income tax return or of a~~
14 ~~recomputation of his federal tax or of a determination of deficiency in~~
15 ~~his federal tax.~~

16 * Sec. 2. ~~AS 43.20.200(b) is amended to read:~~

17 (b) ~~The same period of limitation upon the assessment and collec-~~
18 ~~tion of taxes imposed under this chapter and the same exceptions to it~~
19 ~~shall apply as provided in secs. 6501, 6502 and 6503 of the Internal~~
20 ~~Revenue Code of 1954. [IN THE CASE OF ADDITIONAL TAX DUE BY REASON OF A~~
21 ~~MODIFICATION, RECOMPUTATION, OR DETERMINATION OF DEFICIENCY IN A TAX-~~
22 ~~PAYER'S FEDERAL INCOME TAX RETURN, THE PERIOD OF LIMITATION ON ASSESS-~~
23 ~~MENT COMMENCES FROM THE DATE THAT THE NOTICE REQUIRED IN AS 43.20.030(d)~~
24 ~~IS FILED AND IF NO NOTICE IS FILED THE TAX MAY BE ASSESSED AT ANY TIME.]~~

25 * Sec. ~~2~~ 3. This Act applies to tax years beginning after December 31,
26 1978.

27 * Sec. ~~4~~ 3. This Act takes effect immediately in accordance with AS 01.10.-
28 070(c).

29

151
Bridley

Original sponsors: Miles and Meekins

IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 352

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to state income tax returns; and providing for an effective date."

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

* Section 1. AS 43.20.030(d) is repealed and re-enacted to read:

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* Sec. 2. This Act applies to tax years beginning after December 31, 1978.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-70(c).

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

Fiscal
NOTE
NOT ADOPTED

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 352
Title An Act Relating to State Income Tax Returns
Requested by House Finance Committee Date 3/14/79

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

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		2.0	2.0	2.0	2.0	2.0
200 TRAVEL						
300 CONTRACTUAL		16.6	16.6	16.6	16.6	16.6
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		18.6	18.6	18.6	18.6	18.6

FUNDING (Thousands of Dollars)

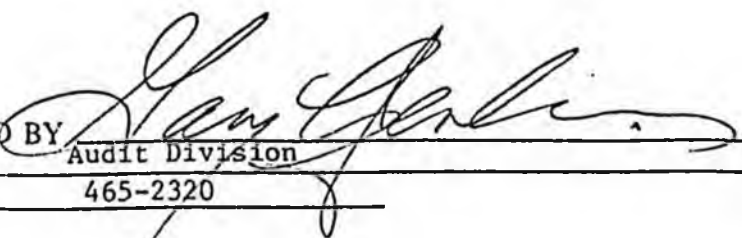
GENERAL FUND		18.6	18.6	18.6	18.6	18.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached schedule of added costs.

IV. DATE 3/14/79 PREPARED BY 
AGENCY Audit Division
PHONE 465-2320
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

HB 352
Deletion of Requirement to Attach Copy
of Federal Return

Individual Tax Forms - Printing	
Add 1 page to current Booklet	500
Seven New Form @ 15,000 copies each	3,276
Other Forms - Printing	
Add 1 page to Corporate Booklet	250
46 New Forms @ 1,000 copies each	1,748
Staff Costs: Extra expense for collating and special handling of forms	2,000
Postage	
New Forms Booklet (Alternate method) 15,000 @ \$.67 each	10,050
Other Forms and Returns - 5,000 @ \$.15 each	<u>750</u>
Total Cost	<u>18,574</u>



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

3/20/90
Date

(11)

COMMITTEE REPORT

HOUSE

2/25/80

FURTHER:

Date: 4/16/80

Mr. Speaker:

The Committee on FINANCE has had HB 354

"An Act making miscellaneous amendments to the revenue statutes; eff.date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached ^{technical} amendments (\$)
- replace with CS for HR 354 same title
- new title
- and recommends w/amendment
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Freeman

Duncan

McKinnon

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

97 110 acc

Freeman
Vice CHAIRMAN

Original sponsor: Rules/Governor

Offered: 2/25/80
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 354

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to taxes and making miscellaneous
7 amendments to the revenue and tax laws; and providing
8 for an effective date."

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

10 * Section 1. AS 43.05.220 is amended to read:

11 Sec. 43.05.220. CIVIL PENALTIES [PENALTY]. (a) Five percent
12 shall be added to a tax for each 30-day period or fraction of the period
13 during which the taxpayer fails to file at the time or times required
14 by law or regulation a return or report, or pay the full amount of the
15 tax, or a portion or a deficiency of the tax, as finally determined by
16 the department and required by this title, unless it is shown that the
17 failure is due to a reasonable cause and not to wilful neglect. The
18 penalty shall not exceed 25 percent in the aggregate. [THE PENALTY
19 SHALL BE COLLECTED AT THE SAME TIME, IN THE SAME MANNER AND AS A PART OF
20 THE ORIGINAL TAX; BUT IF THE ORIGINAL TAX IS PAID BEFORE THE NEGLECT IS
21 DISCOVERED, THE PENALTY SHALL BE COLLECTED IN THE SAME MANNER AS THE
22 ORIGINAL TAX.] The department shall prescribe by regulation circum-
23 stances which constitute reasonable cause for purposes of this section.

24 (b) If a tax deficiency or part of a tax deficiency is due to
25 negligence or intentional disregard of law or regulation without intent
26 to defraud, five percent of the total amount of the tax deficiency
27 shall be assessed, collected, and paid in the same manner as a tax
28 deficiency.

29 (c) If a tax deficiency or part of a tax deficiency is due to

1 fraud, a civil fraud penalty equal to 50 percent of the tax due or \$500,
2 whichever is greater shall be added to the tax. This penalty is in
3 addition to penalties determined under (a) or (b) of this section.

4 (d) A person required to collect or account for a tax imposed by
5 this title who wilfully fails to collect the tax or to truthfully
6 account for and pay over the tax, or wilfully attempts to evade payment
7 of the tax is, in addition to other penalties provided by law, liable
8 for a civil penalty equal to the total amount of the tax not collected,
9 not accounted for, not paid over or evaded. The penalty imposed by this
10 subsection is in place of the tax not paid to the state. This penalty
11 shall be paid upon demand by the commissioner or his designee, and shall
12 be assessed and collected in the same manner as taxes are assessed and
13 collected under this title.

14 (e) A penalty imposed by this section shall be collected at the
15 same time, in the same manner, and as a part of the original tax.
16 However, if the original tax is paid before neglect or fraud is
17 discovered, the penalty shall be collected in the same manner as the
18 original tax. Interest may not be collected on a penalty imposed by
19 this section.

20 * Sec. 2. AS 43.05.230(a) is amended to read:

21 (a) Except in connection with official investigations or proceed-
22 ings of the department, whether judicial or administrative, involving
23 taxes due under this title, except in connection with official investi-
24 gations or proceedings of the child support enforcement agency, whether
25 judicial or administrative, involving child support obligations imposed
26 or imposable under AS 25 or AS 47, and except as otherwise provided in
27 this section, it is unlawful for a current or former [AN] officer,
28 employee or agent of the state to divulge the amount of income or the
29 particulars set out or disclosed in a report or return made under this

1 title.

2 * Sec. 3. AS 43.05.230 is amended by adding a new subsection to read:

3 (g) The information contained in a license issued by the com-
4 missioner of revenue under AS 43.50, AS 43.60, AS 43.65, AS 43.70, and
5 AS 43.75 is public information.

6 * Sec. 4. AS 43.05 is amended by adding new sections to read:

7 Sec. 43.05.245. ASSESSMENT AND COLLECTION OF TAX, PENALTIES AND
8 INTEREST. If a taxpayer fails to file a return or report required by
9 this title in the time required by law or regulation, or makes an erro-
10 neous or fraudulent return, the department shall proceed to assess the
11 license fees, tax, penalties, or interest and make a return from informa-
12 tion which it obtains. A return made and subscribed by the department
13 in accordance with this section is prima facie sufficient for all legal
14 purposes. The assessment of license fees, tax, penalties, or interest
15 under this section occurs when the department issues a notice and demand
16 for payment of the license fees, tax, penalties, or interest. The
17 notice and demand for payment is issued when the notice and demand is
18 delivered to the taxpayer in person or placed in the United States mail,
19 addressed to his last known address. Penalties and interest assessed
20 under this title shall be collected in the same manner as provided in
21 this title for the collection of tax or license fees.

22 Sec. 43.05.275. CREDIT AND REFUND CLAIMS. (a) Except as provided
23 in AS 43.20.021, a claim for credit or refund of a tax in this title for
24 which a taxpayer is required to file a return or pay a tax may be filed
25 by the taxpayer

26 (1) before the later of

27 (A) three years from the time the return was filed; or

28 (B) two years from the time the tax was paid; or

29 (2) within two years from the time the tax was paid, if no

1 return was filed.

2 (b) If the department and the taxpayer have consented to extend
3 the period for assessment of tax as provided in AS 43.05.260(c)(3), a
4 tax refund claim may be filed at any time before the expiration of the
5 period agreed upon.

6 * Sec. 5. AS 43.05 is amended by adding a new section to read:

7 Sec. 43.05.290. CRIMINAL PENALTIES. (a) A person who wilfully
8 attempts to evade a tax imposed by this title is, in addition to other
9 penalties provided by this title, guilty of a class C felony.

10 (b) A person required under this title to collect, account for,
11 and pay over a tax imposed by this title who wilfully fails to collect
12 or truthfully account for and pay over the tax at the time or times
13 required by law or regulation is, in addition to other penalties pro-
14 vided by this title, guilty of a class C felony.

15 (c) A person required under this title to pay a tax, make a re-
16 turn, keep records, or supply information, who wilfully fails to pay the
17 tax or estimated tax, make the return, keep the records, or supply the
18 information at the time or times required by law or regulation is, in
19 addition to other penalties provided by this title, guilty of a class A
20 misdemeanor.

21 (d) A person who wilfully makes and subscribes a return or other
22 document required under this title which contains or is verified by a
23 written declaration that it is made under the penalties of perjury which
24 he does not believe to be true and correct as to every material matter
25 is, in addition to other penalties provided by this title, guilty of a
26 felony and, upon conviction, punishable by a fine of not more than
27 \$25,000, or by imprisonment for not more than three years, or by both.

28 (e) A person who wilfully and knowingly aids or assists in, or
29 procures, or counsels the preparation or presentation in connection with

1 a matter arising under this title of a return, affidavit, claim, or
2 other document which is fraudulent or is false as to a material matter
3 is guilty of a felony whether or not the falsity or fraud is with the
4 knowledge or consent of the person required to present the return,
5 affidavit, claim, or document. Upon conviction, the person is punish-
6 able by a fine of not more than \$25,000, or by imprisonment for not more
7 than three years, or by both.

8 (f) A person who wilfully delivers or discloses to the commis-
9 sioner or the department a list, return, account, statement, or other
10 document known by him to be fraudulent or to be false as to a material
11 matter is guilty of a class A misdemeanor.

12 (g) When required to provide information under AS 43.20.170 or
13 AS 43.45, a person who wilfully supplies false information or who wil-
14 fully fails to supply information which would require an increase in a
15 tax to be withheld under this title is, in addition to other penalties
16 specified in this chapter, guilty of a class A misdemeanor.

17 (h) A person engaging in or attempting to engage in a business,
18 trade, profession or occupation for which a license is required under
19 this title, who wilfully fails to obtain the license, is guilty of a
20 misdemeanor, and, upon conviction, is punishable by a fine of not more
21 than \$2,000, or by imprisonment for not more than six months, or by
22 both.

23 (i) In this section "person" includes, but is not limited to, an
24 officer or employee of a corporation or a member or employee of a part-
25 nership, who, as officer, employee, or member, is under a duty to perform
26 the act in respect to which the violation occurs.

27 * Sec. 6. AS 43.10 is amended by adding new sections to read:

28 Sec. 43.10.032. ENFORCEMENT. (a) Each of the following is a debt
29 to the state:

- 1 (1) a tax levied by this title which is due and unpaid;
- 2 (2) the interest, penalty, additional amount, or addition to
- 3 the tax under (1) of this subsection;
- 4 (3) a tax levied by this title which has been erroneously
- 5 refunded; and
- 6 (4) the interest, penalty, additional amount or addition to
- 7 the tax which has been erroneously refunded.
- 8 (b) A debt under (a) of this section may be
- 9 (1) collected by lien foreclosure; or
- 10 (2) recovered in a civil action brought by the state.

11 Sec. 43.10.042. RECORDING LIEN AND CERTIFICATE OF DISCHARGE. (a)

12 A lien imposed under this title is not valid as against a mortgagee or

13 other lien holder, pledgee, purchaser, or judgment creditor until notice

14 of it is filed in the office of the recorder of the recording district

15 where the property subject to the lien is situated. However regardless

16 of the date the liens are recorded, a lien arising out of a tax due

17 under AS 43.56 and AS 43.75, including the penalties and interest on the

18 tax is a lien prior, paramount, and superior to all other liens, mort-

19 gages, hypothecations, conveyances, and assignments, upon all the real

20 and personal property of the person liable for the tax, and upon all the

21 real and personal property used with the permission of the owner to

22 carry on the business which is subject to the tax.

23 (b) When a notice of a lien is filed, the recorder shall immedi-

24 ately enter the notice in an alphabetical state tax lien index, showing

25 on one line the name and residence of the taxpayer named in the notice,

26 the department's serial number of the notice, the date and hour of

27 filing, and the amount of tax, including interest, penalty, additional

28 amount, or addition to the tax, and costs. The recorder shall file and

29 keep all original notices in numerical order in a file designated as

1 state tax lien notices.

2 (c) When a certificate of discharge of a tax lien issued by the
3 department is filed in the office of the recorder where the notice of
4 lien is filed, the recorder shall enter the certificate of discharge and
5 the date of its filing in the state tax lien index on the line where
6 notice of the discharged lien is entered. The original certificate of
7 discharge shall be permanently attached to the original notice of lien.

8 (d) The state tax lien index and file of state tax lien notices
9 shall be furnished by the department to the recorder in the state in the
10 manner provided by law for the furnishing of books in which deeds are
11 recorded.

12 Sec. 43.10.045. SUSPENSION OF LICENSES. In addition to the other
13 penalties imposed in this title, if a person who is authorized to con-
14 duct a business by a license issued under the laws of the state fails to
15 pay a tax levied under this title, the license of the person is sus-
16 pended until the tax imposed by this title, together with interest and
17 penalties, is paid in full.

18 * Sec. 7. AS 43.10.160(b) is amended to read:

19 (b) If the value of the taxpayer's interest in the real estate is
20 not equal to twice the amount of the estimated tax and license fees for
21 which the taxpayer will be liable to the state, the taxpayer shall file
22 with the department [DEPARTMENT OF REVENUE] a bond or other security
23 approved by the commissioner of revenue [ATTORNEY GENERAL] in a sum
24 equal to twice the estimated amount of the taxes and license fees, but
25 in no event less than \$1,000. However, the bond requirement may be
26 waived, in whole or in part, if the taxpayer shows in writing to the
27 satisfaction of the commissioner of revenue [ATTORNEY GENERAL] that
28 there is good cause for the waiver [THE AMOUNT OF THE BOND WOULD BE AN
29 UNDUE HARDSHIP]. For purposes of this subsection, the department shall

1 adopt a regulation defining "good cause."

2 * Sec. 8. AS 43.20.011(c) is amended to read:

3 (c) There is imposed for each taxable year upon the taxable income
4 of every resident, nonresident and part-year resident head of a house-
5 hold (as defined in section 2(b) of the Internal Revenue Code), taxes
6 computed according to the following table.

7 If the taxable income is:	Then the tax is:
8 Not over \$2,000	3 percent of the taxable 9 income
10 Over \$2,000 but not over \$4,000	\$60 plus 3.5 percent of 11 excess over \$2,000
12 Over \$4,000 but not over \$6,000	\$130 plus 4.0 percent of 13 excess over \$4,000
14 Over \$6,000 but not over \$8,000	\$210 plus <u>4.0</u> [4.5] percent 15 of excess over \$6,000
16 Over \$8,000 but not over \$10,000	<u>\$290</u> [\$300] plus 5.0 percent 17 of excess over \$8,000
18 Over \$10,000 but not over \$12,000	<u>\$390</u> [\$400] plus <u>5.0</u> [5.5] per- 19 cent of excess over \$10,000
20 Over \$12,000 but not over \$14,000	<u>\$490</u> [\$510] plus 6.0 percent 21 of excess over \$12,000
22 Over \$14,000 but not over \$16,000	<u>\$610</u> [\$630] plus <u>6.0</u> [6.5] per 23 cent of excess over \$14,000
24 Over \$16,000 but not over \$18,000	<u>\$730</u> [\$760] plus <u>6.5</u> [7.0] per 25 cent of excess over \$16,000
26 Over \$18,000 but not over \$20,000	<u>\$860</u> [\$900] plus 7.0 percent 27 of excess over \$18,000
28 Over \$20,000 but not over \$22,000	<u>\$1,000</u> [\$1,040] plus 7.5 per 29 cent of excess over \$20,000

1	Over \$22,000 but not over \$24,000	<u>\$1,150</u> [\$1,190] plus 8.0 per
2		cent of excess over \$22,000
3	Over \$24,000 but not over \$28,000	<u>\$1,310</u> [\$1,350] plus 8.5 per
4		cent of excess over \$24,000
5	Over \$28,000 but not over \$32,000	<u>\$1,650</u> [\$1,690] plus <u>8.5</u> [9.0]
6		percent of excess over \$28,000
7	Over \$32,000 but not over \$38,000	<u>\$1,990</u> [\$2,050] plus <u>9.0</u> [9.5]
8		percent of excess over \$32,000
9	Over \$38,000 but not over \$44,000	<u>\$2,530</u> [\$2,430] plus 10.0 per
10		cent of excess over \$38,000
11	Over \$44,000 but not over \$50,000	<u>\$3,130</u> [\$3,030] plus 10.5 per
12		cent of excess over \$44,000
13	Over \$50,000 but not over \$60,000	<u>\$3,760</u> [\$3,660] plus 11.0 per
14		cent of excess over \$50,000
15	Over \$60,000 but not over \$70,000	<u>\$4,860</u> [\$4,760] plus 11.5 per
16		cent of excess over \$60,000
17	Over \$70,000 but not over \$80,000	<u>\$6,010</u> [\$5,910] plus <u>11.5</u> [12.0]
18		percent of excess over \$70,000
19	Over \$80,000 but not over \$90,000	<u>\$7,160</u> [\$7,110] plus <u>12.0</u> [12.5]
20		percent of excess over \$80,000
21	Over \$90,000 but not over \$100,000	\$8,360 plus 13.0 percent of
22		excess over \$90,000
23	Over \$100,000 but not over \$150,000	\$9,660 plus <u>13.0</u> [13.5] percent
24		of excess over \$100,000
25	Over \$150,000 but not over \$200,000	<u>\$16,160</u> [\$16,410] plus 14.0 per-
26		cent of excess over \$150,000
27	Over \$200,000 but not over \$300,000	<u>\$23,160</u> [\$23,410] plus 14.5 per-
28		cent of excess over \$200,000
29	Over \$300,000	<u>\$37,660</u> [\$37,910] plus 14.5 per-

cent of excess over \$300,000

* Sec. 9. AS 43.20.011(d) is repealed and re-enacted to read:

(d) The department shall compute and publish Alaska income tax liability tables for taxpayers.

* Sec. 10. AS 43.20.011(e) is repealed and re-enacted to read:

(e) There is imposed for each taxable year upon the entire taxable income of every corporation derived from sources within the state a tax consisting of a normal tax equal to 5.4 percent of taxable income, and a surtax which is equal to 4.0 percent of taxable income, except that the tax on a corporation engaged in the production or transportation of crude oil or natural gas shall be determined and paid in accordance with AS 43.21. For tax years beginning after December 31, 1979, the surtax exemption is \$50,000. For controlled corporations described in secs. 1561 - 1563 of the Internal Revenue Code only one surtax exemption may be allowed for the controlled group.

* Sec. 11. AS 43.20.021(d) is amended to read:

(d) Where a credit allowed under the Internal Revenue Code is also allowed in computing Alaska income tax, it is limited to 16 percent [OF THE AMOUNT OF THE CREDIT DETERMINED FOR FEDERAL INCOME TAX PURPOSES] for individuals and fiduciaries and 18 percent for corporations of the amount of credit determined for federal income tax purposes which is attributable to Alaska.

* Sec. 12. AS 43.20.021 is amended by adding a new subsection to read:

(g) For purposes of calculating the accumulated earnings tax as provided in the Internal Revenue Code, sec. 531, the rate is 4.95 percent of the first \$100,000 of accumulated taxable income and 6.93 percent of accumulated taxable income in excess of \$100,000.

* Sec. 13. AS 43.20.031(a)(3) is amended to read:

(3) the benefits of nonrecognition of gain on the sale, [OR]

1 exchange, or other disposition of certain property under secs. 1031,
2 1033, and 1034 of the Internal Revenue Code (26 U.S.C. secs. 1031, 1033
3 and 1034) are allowed only to taxpayers who purchase or exchange the
4 property within the state, except that the benefits of sec. 1034 shall
5 be allowed regardless of the location of the property for taxpayers who
6 have attained the age of 65 on or before the time of the purchase or
7 exchange; for purposes of this paragraph,

8 (A) the gain that results is subject to the benefits of
9 secs. 1201, 1202, 1221, and 1231 of the Internal Revenue Code as
10 if the gain had been recognized for federal tax purposes; and

11 (B) the basis of the acquired property shall be adjusted
12 as provided in sec. 1016 of the Internal Revenue Code as if the
13 gain had been recognized for federal tax purposes;

14 * Sec. 14. AS 43.20.031(e) is amended to read:

15 (e) An affiliated group of corporations may make or the commis-
16 sioner may require them to make a consolidated [OR COMBINED] return for
17 the taxable year in place of separate returns. For purposes of calcu-
18 lating the amount of tax payable by the group under a consolidated
19 filing, Internal Revenue Code secs. 1501 - 1552, as amended, apply.

20 * Sec. 15. AS 43.20.031(h) is amended to read:

21 (h) A taxpayer who purchases an entry permit under AS 16.43 in
22 carrying on a trade or business is entitled to a deduction of the amount
23 of the price paid during the tax year as if it were allowable under sec.
24 162 of the Internal Revenue Code (26 U.S.C. sec. 162). The basis of
25 the entry permit shall be reduced by the amount of the deduction which
26 the taxpayer is entitled to claim under this subsection.

27 * Sec. 16. AS 43.20.031 is amended by adding a new subsection to read:

28 (i) A corporation which is a member of a group of unitary cor-
29 porations which collectively has income from business activity taxable

1 both inside and outside the state, or income from other sources both
2 inside and outside the state, shall determine its income from sources in
3 this state by use of the combined method of accounting.

4 * Sec. 17. AS 43.20 is amended by adding a new section to read:

5 Sec. 43.20.033. TAXABLE INCOME OF FIDUCIARY. The taxable income
6 of a fiduciary is its taxable income as determined under AS 43.20.031
7 when attributable to sources in the state as provided in AS 43.20.040.

8 * Sec. 18. AS 43.20.035(a) is amended to read:

9 (a) The taxable income of nonresidents or part-year residents of
10 this state is taxable income as determined under AS 43.20.031 when
11 attributable to sources in the state as provided in AS 43.20.040 with
12 the following modifications:

13 (i) a nonresident or part-year resident of this state shall
14 be allowed a deduction, in place of the deductions [WHO HAS NO EXCESS
15 ALASKA ITEMIZED DEDUCTIONS AS DEFINED IN (4) OF THIS SUBSECTION IS
16 ALLOWED THE MINIMUM DEDUCTION] provided by AS 43.20.031(a)(4) and excess
17 itemized deductions provided under the Internal Revenue Code, in the
18 amount of the minimum deduction and excess itemized deductions in the
19 proportion provided in (b) of this section;

20 (2) a nonresident or part-year resident is allowed a deduc-
21 tion equal to the personal exemption deduction as defined in sec. 151 of
22 the Internal Revenue Code in the proportion provided in (b) of this
23 section[;

24 (3) A NONRESIDENT OR PART-YEAR RESIDENT WHO HAS EXCESS ALASKA
25 ITEMIZED DEDUCTIONS IS ALLOWED HIS ENTIRE ALASKA ITEMIZED DEDUCTIONS;

26 (4) "ALASKA ITEMIZED DEDUCTIONS" AS USED IN THIS SECTION ARE
27 THOSE ITEMIZED DEDUCTIONS ALLOWED UNDER THE INTERNAL REVENUE CODE WHICH
28 ARISE FROM SOURCES IN THE STATE EXCEPT THOSE ITEMS DESCRIBED IN AS 43.-
29 20.031(c); "EXCESS ALASKA ITEMIZED DEDUCTIONS" MEANS THE EXCESS (IF ANY)

1 OF:

2 (A) ALASKA ITEMIZED DEDUCTIONS, OVER

3 (B) THE MINIMUM DEDUCTION AS DEFINED IN AS 43.20.031-

4 (a)(4)].

5 * Sec. 19. AS 43.20.038(a) is amended to read:

6 (a) An individual is allowed as a credit against the tax due under
7 this chapter five percent of his residential fuel expenses paid during
8 the year, but not less than a minimum credit of \$10. For married tax-
9 payers filing separate returns, the minimum credit is \$5 for each re-
10 turn. Part-year resident and nonresident individual taxpayers shall
11 prorate the credit allowed in this section as provided by AS 43.20.-
12 035(b) [ACCORDING TO THE NUMBER OF MONTHS RESIDED IN THE STATE].

13 * Sec. 20. AS 43.20.039(c) is amended to read:

14 (c) Part-year resident and nonresident individuals shall prorate
15 the credits provided in this section as provided by AS 43.20.035(b)
16 [ACCORDING TO THE NUMBER OF MONTHS DURING WHICH THE TAXPAYER RESIDED IN
17 THE STATE].

18 * Sec. 21. AS 43.20 is amended by adding a new section to read:

19 Sec. 43.20.045. PRORATION OF PART-YEAR RESIDENT AND NONRESIDENT
20 INDIVIDUAL CREDITS. Unless otherwise provided by this chapter, a credit
21 allowable to a part-year resident and nonresident individual is limited
22 to the amount of the credit computed according to AS 43.20.021(d), if
23 that section applies, and shall be prorated as provided by AS 43.20.-
24 035(b).

25 * Sec. 22. AS 43.20.065 is amended to read:

26 Sec. 43.20.065. ALLOCATION AND APPORTIONMENT. A taxpayer who has
27 income from business activity which is taxable both inside and outside
28 the state or income from other sources both inside and outside the state
29 shall allocate and apportion his net income as provided in [ART. IV OF]

1 the Multistate Tax Compact (AS 43.19 [43.19.010]), or [AND] as provided
2 by this chapter [IN AS 43.20.071 FOR WATER TRANSPORTATION CARRIERS].

3 * Sec. 23. AS 43.20.071 is repealed and re-enacted to read:

4 Sec. 43.20.071. TRANSPORTATION CARRIERS. (a) All business income
5 of water transportation carriers shall be apportioned to this state in
6 accordance with the Multistate Tax Compact (AS 43.19) as modified by the
7 following:

8 (1) the numerator of the property factor is the sum of the
9 value for property in a fixed location, including buildings and land
10 used in the business, and intrastate equipment and personal property
11 determined according to the Multistate Tax Compact (AS 43.19), and the
12 value of interstate mobile property determined on a days-spent-in-ports
13 basis as provided in (4) of this subsection; the denominator of the
14 property factor is determined according to the Multistate Tax Compact
15 (AS 43.19);

16 (2) the numerator of the payroll factor is the sum of the
17 wages and salaries of employees assigned to fixed locations determined
18 according to the Multistate Tax Compact (AS 43.19) and the wages and
19 salaries of employees assigned to interstate mobile property determined
20 on a days-spent-in-ports basis as provided in (4) of this subsection;
21 the denominator of the payroll factor is determined in accordance with
22 the Multistate Tax Compact (AS 43.19);

23 (3) the numerator of the sales factor is the sum of all
24 revenues from intrastate activities and revenues from interstate activi-
25 ties determined on a days-spent-in-ports basis as provided in (4) of
26 this subsection; the denominator is determined in accordance with the
27 Multistate Tax Compact (AS 43.19);

28 (4) the portions of the numerator of the property, payroll,
29 and sales factors which are directly related to interstate mobile pro-

1 perty operations are determined by a ratio which the number of days
2 spent in ports inside the state bears to the total number of days spent
3 in ports inside and outside the state; the term "days spent in ports"
4 does not include periods when ships are tied up because of strikes or
5 withheld from Alaska service for repairs, or because of seasonal re-
6 duction of service; days in port are computed by dividing the total
7 number of hours in all ports by 24.

8 (b) The department shall, by regulation, adopt formulas to ensure
9 that the total income subject to apportionment under this chapter has
10 been apportioned only to those states having jurisdiction to ~~tax~~ ^{tax the} income.

11 ~~Transportation~~ Transportation carriers other than water carriers shall apportion
12 their income to the state by means of the formulas adopted by the depart-
13 ment.

14 * Sec. 24. AS 43.20.170(b) is amended to read:

15 (b) The rules with respect to withholding of tax set out in sec.
16 [SECS.] 3402(a) - (e), (f)(1)(A) - (E) and (G), (f)(2) - (7), (g) -
17 (1), and (o) - (r) [(i)]; sec. 3502(b); and sec. 6414 of the Internal
18 Revenue Code of 1954, as amended, apply with respect to this section as
19 though fully set out in this section. Remittance of taxes withheld
20 shall be accompanied by returns on forms prescribed by the department.

21 * Sec. 25. AS 43.20.200(a) is amended to read:

22 (a) As soon as practicable after a return is filed, the department
23 may [SHALL] examine it and determine the correct amount of the tax. If
24 an error is disclosed by the examination, the department shall so notify
25 the taxpayer by first-class mail. The taxpayer may petition for re-
26 determination of deficiency as provided in AS 43.05.240 [AS 43.20.280].

27 * Sec. 26. AS 43.20.270(f) is amended to read:

28 (f) The property distrained shall be restored to the owner or
29 possessor if, before the sale, payment of the amount due is made to the

CORRECTION

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HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

1 perty operations are determined by a ratio which the number of days
2 spent in ports inside the state bears to the total number of days spent
3 in ports inside and outside the state; the term "days spent in ports"
4 does not include periods when ships are tied up because of strikes or
5 withheld from Alaska service for repairs, or because of seasonal re-
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18 Revenue Code of 1954, as amended, apply with respect to this section as
19 though fully set out in this section. Remittance of taxes withheld
20 shall be accompanied by returns on forms prescribed by the department.

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23 may [SHALL] examine it and determine the correct amount of the tax. If
24 an error is disclosed by the examination, the department shall so notify
25 the taxpayer by first-class mail. The taxpayer may petition for re-
26 determination of deficiency as provided in AS 43.05.240 [AS 43.20.280].

27 * Sec. 26. AS 43.20.270(f) is amended to read:

28 (f) The property distrained shall be restored to the owner or
29 possessor if, before the sale, payment of the amount due is made to the

1 deputy or agent charged with the collection, together with the fees and
2 other charges; but in case of nonpayment, the [SAID] deputy or agent
3 shall proceed to sell the property at public auction. The owner of real
4 property sold under this section, his heir, executor, or administrator,
5 or a person in his behalf may redeem the property sold or a particular
6 tract of the property at any time within 120 days [TWO YEARS] after the
7 sale of the property or tract [THEREOF]. The property or tract may be
8 redeemed upon payment to the purchaser or, if he cannot be found in the
9 state, then to the commissioner of revenue for the use of the purchaser,
10 his heirs, or assigns, the amount paid by the purchaser and interest on
11 it at the rate of 12 [SIX] percent a year. If land sold is redeemed
12 under this subsection, the commissioner shall cause entry of the fact to
13 be made upon the record mentioned in (g)(6) of this section and the
14 entry shall be evidence of such redemption.

15 * Sec. 27. AS 43.31.141 is amended to read:

16 Sec. 43.31.141. WHEN TAX DUE, EXTENSION AND INTEREST. The tax
17 imposed by this chapter is due and payable 15 months after the dece-
18 dent's death, and shall be paid by the executor to the department. If
19 the department finds that the payment on the due date of tax or any part
20 of the tax would impose undue hardship upon the estate, the department
21 may extend the time for payment of any part, but no extension may be for
22 more than one year and the aggregate of extensions with respect to an
23 estate may not exceed five years from the due date. In that case the
24 amount in respect of which the extension is granted shall be paid on or
25 before the date of the expiration of the period of the extension unless
26 a further extension is granted. If the time for the payment is extended
27 there shall be collected, as part of this amount, interest on the tax at
28 the rate provided in AS 43.05.225 [OF SEVEN PERCENT A YEAR] from the due
29 date of the tax to the date the tax is paid.

1 * Sec. 28. AS 43.40.030(b) is amended to read:

2 (b) The entire tax levied by this chapter [AS 43.40.010 - 43.40.-
3 100] shall be refunded to the purchaser on that part of the motor fuel
4 used in a foreign country on which duty is paid when the fuel is sold
5 and delivered in the state for nonhighway use in a foreign country.

6 * Sec. 29. AS 43.40.030 is amended by adding a new subsection to read:

7 (d) If a person obtains motor fuel on which the tax levied by this
8 chapter has been paid and the motor fuel is exempt from the tax, the
9 person is entitled to a refund of the tax paid.

10 * Sec. 30. AS 43.40.050(a) is amended to read:

11 (a) A person who claims a refund as provided in this chapter
12 [AS 43.40.010 - 43.40.100] shall present his claim to the commissioner
13 of revenue by affidavit upon a form provided by the commissioner. The
14 claim shall include the name, address and occupation of the applicant,
15 the nature of the business of the applicant, and a description suffi-
16 cient to identify the machinery or equipment in which the motor fuel
17 for which the refund is claimed was used [WITH THE INFORMATION THE
18 COMMISSIONER REQUIRES]. The claim shall be accompanied by each invoice
19 issued to the claimant at the time the motor fuel was [IS] purchased.
20 The commissioner may require any additional information which he con-
21 sidered necessary for the administration of this chapter [AS 43.40.010 -
22 43.40.100].

23 * Sec. 31. AS 43.50.010 is amended by adding a new subsection to read:

- 24 (e) A license issued under this chapter shall include
- 25 (1) the name and address of the licensee;
 - 26 (2) the type of business to be conducted; and
 - 27 (3) the year for which the license is issued.

28 * Sec. 32. AS 43.50.150 is amended to read:

29 Sec. 43.50.150. ADMINISTRATION. (a) The department shall (1)

1 administer this chapter [AS 43.50.010 - 43.50.180], and (2) collect,
2 supervise, and enforce the collection of taxes [AND PENALTIES] due under
3 this chapter and penalties as provided in AS 43.05 [AS 43.50.010 - 43.-
4 50.180].

5 (b) The department may adopt [PUBLISH] regulations necessary for
6 the administration of this chapter [AS 43.50.010 - 43.50.180], [(1) TO
7 ENFORCE AS 43.50.010 - 43.50.180, AND (2) TO COLLECT THE TAXES, FEES,
8 AND PENALTIES IMPOSED BY AS 43.50.010 - 43.50.180].

9 * Sec. 33. AS 43.50.190(b) is amended to read:

10 (b) The tax levied by this section is in addition to the tax
11 levied by AS 43.50.010 - 43.50.180. The tax shall be administered and
12 collected in the same manner as the tax levied by AS 43.50.010 - 43.50.-
13 180, except that receipts from the tax shall be deposited in the general
14 fund. The penalties provided in AS 43.05 [ESTABLISHED IN AS 43.50.010 -
15 43.50.180] apply to the tax levied in this section.

16 * Sec. 34. AS 43.60.040 is amended by adding a new subsection to read:

17 (h) A license issued under this section shall include

18 (1) the name and address of the licensee;

19 (2) the nature or type of liquor business to be conducted;

20 and

21 (3) the year for which the license is issued.

22 * Sec. 35. AS 43.65.010 is amended by adding a new subsection to read:

23 (i) A license issued under this section shall include

24 (1) the name and address of the licensee;

25 (2) the nature or type of mining activity to be conducted;

26 and

27 (3) the year for which the license is issued.

28 * Sec. 36. AS 43.70.020(a) is amended to read:

29 (a) For the privilege of engaging in a business in the state, a

1 person shall first apply, upon forms prescribed by the commissioner, and
2 obtain a license [SO TO DO], and pay the license fee provided for in
3 AS 43.70.030. A license issued to a firm for a particular line of
4 business covers all its operations in the state in the line of business
5 regardless of the number of its establishments. A license issued under
6 this subsection shall include

7 (1) the name and address of the licensee;

8 (2) the line of business to be conducted; and

9 (3) the year for which the license is issued.

10 * Sec. 37. The following laws are repealed: AS 43.05.100(a); AS 43.10.-
11 040, 43.10.050; AS 43.20.150, 43.20.160(b), 43.20.220, 43.20.240, 43.20.260;
12 AS 43.31.171; AS 43.40.040; AS 43.50.100(a), (c), and (e); AS 43.58.120,
13 43.58.130; AS 43.65.050(b) and (c); AS 43.70.060; AS 43.75.050(c), 43.75.-
14 140(8); and AS 43.80.030.

15 * Sec. 38. The following laws are repealed: AS 43.20.335; AS 43.26.060;
16 AS 43.31.360; AS 43.31.370, 43.31.380, 43.31.390; AS 43.35.080; AS 43.40.020,
17 43.40.080(b), 43.40.090; AS 43.45.060; AS 43.50.160; AS 43.55.120, 43.55.130;
18 AS 43.56.190; AS 43.60.040(d), (e), and (f); AS 43.65.050(f), (g), and (h);
19 AS 43.70.100; AS 43.75.050(f), (g), and (h), 43.75.120; and AS 43.80.020.

20 * Sec. 39. Section 15 of this Act is retroactive to January 1, 1977 and
21 applies to tax years beginning after December 31, 1976.

22 * Sec. 40. Sections 1 - 4, 6 - 14, 16 - 30, 32, 33 and 37 of this Act are
23 retroactive to January 1, 1980, and apply to tax years beginning after
24 December 31, 1979.

25 * Sec. 41. Sections 1 - 30, 32, 33, 37, 38, and 39 of this Act take
26 effect immediately in accordance with AS 01.10.070(c). Sections 31, and 34 -
27 36 of this Act take effect January 1, 1981.

Alaska State Legislature

LIBERTARIAN
REPRESENTATIVE
RICHARD (DICK) L. RANDOLPH
1105 CUSHMAN ST.
FAIRBANKS, ALASKA 99701
Phone (907) 452-2206



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
Phone (907) 465-4955

House of Representatives
February 25, 1980

Russ Meekins
Chairman
House Finance Committee

Dear Russ,

House bill number 354, making miscellaneous amendments to the revenue statutes, is being transmitted to your committee for review in the near future. HB 354 was requested by the governor and includes some provisions at Page 15, line 20, which are fully contrary to elements of my HB 675, which is currently in the House State Affairs Committee.

The intent of my HB 675 is to nullify a regulation promulgated by the Department of Revenue at 15 AAC 10.615(a)(2) which is contrary in law to AS 43.20.170(b). AS 43.20.170(b) specifically allows Alaskan taxpayers the same withholding allowances for estimated itemized deductions on Alaska personal income tax W-4 forms as they are allowed on their federal taxes. The Department of Revenue adopted the above referenced regulation which does not allow such withholding exemptions.

My bill specifically nullifies the Department of Revenue regulation and makes AS 43.20.170(b) clear in its intent to give Alaskans the same breaks on state taxes as they are allowed on federal taxes. The governor's HB 354 changes the statutes so that they legitimize the illegal regulation under which they have been operating for some time.

In October, the Department of Revenue, based on their illegal regulation, sent notices to many employees that they were prepared to unilaterally change the employee's W-4 form to a single person with no dependents, because the employees were suspected of having claimed withholding exemptions based on estimated itemized deductions. This situation led to many unhappy constituent complaints. In addition, there is a well publicized trial of three state employees going on in Juneau at this time involving this basic issue.

In addition to clearly nullifying the discriminatory and illegal Department of Revenue regulation, my HB 675 specifically

AGO 797923

Meekins
Page 2

provides that neither an employer nor the Department of Revenue may unilaterally or arbitrarily change the number of withholding exemptions claimed by an employee on their W-4 forms. The only exception would be if an employee completely fails to fill out a W-4 form, in which case the withholding exemptions shall be set at those of a single person with no dependents.

I request that you notify me when your committee will be considering HB 354 so that I can present testimony on this issue.

Although my HB 675 is not in your committee at this time, your consideration of its bearing on HB 354 would be appreciated.

Regards,

Dick Randolph

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 354
 Title An Act making miscellaneous amendments to the Revenue Statutes
 Requested by _____ Date 2/27/79

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ Fiscal Services _____
 BRU, Program, or Subprogram(s) Affected _____ Audit Division _____

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

EXPENDITURES (Thousands of Dollars) None

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars) None

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 2/27/79

PREPARED BY
 AGENCY Department of Revenue Audit Division
 PHONE 465-2320

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

Original sponsor: Rules/Governor

Offered: 2/25/80
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 354

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to taxes and making miscellaneous
7 amendments to the revenue and tax laws; and providing
8 for an effective date."

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

10 * Section 1. AS 43.05.220 is amended to read:

11 Sec. 43.05.220. CIVIL PENALTIES [PENALTY]. (a) Five percent
12 shall be added to a tax for each 30-day period or fraction of the period
13 during which the taxpayer fails to file at the time or times required
14 by law or regulation a return or report, or pay the full amount of the
15 tax, or a portion or a deficiency of the tax, as finally determined by
16 the department and required by this title, unless it is shown that the
17 failure is due to a reasonable cause and not to wilful neglect. The
18 penalty shall not exceed 25 percent in the aggregate. [THE PENALTY
19 SHALL BE COLLECTED AT THE SAME TIME, IN THE SAME MANNER AND AS A PART OF
20 THE ORIGINAL TAX; BUT IF THE ORIGINAL TAX IS PAID BEFORE THE NEGLECT IS
21 DISCOVERED, THE PENALTY SHALL BE COLLECTED IN THE SAME MANNER AS THE
22 ORIGINAL TAX.] The department shall prescribe by regulation circum-
23 stances which constitute reasonable cause for purposes of this section.

24 (b) If a tax deficiency or part of a tax deficiency is due to
25 negligence or intentional disregard of law or regulation without intent
26 to defraud, five percent of the total amount of the tax deficiency
27 shall be assessed, collected, and paid in the same manner as a tax
28 deficiency.

29 (c) If a tax deficiency or part of a tax deficiency is due to

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Meekins
Page 2

provides that neither an employer nor the Department of Revenue may unilaterally or arbitrarily change the number of withholding exemptions claimed by an employee on their W-4 forms. The only exception would be if an employee completely fails to fill out a W-4 form, in which case the withholding exemptions shall be set at those of a single person with no dependents.

I request that you notify me when your committee will be considering HB 354 so that I can present testimony on this issue.

Although my HB 675 is not in your committee at this time, your consideration of its bearing on HB 354 would be appreciated.

Regards,

Dick Randolph

$$\begin{array}{r} \cancel{31} \\ \hline \textcircled{23} \\ \hline 2.5 \\ \hline 20.5 \end{array}$$

$$\begin{array}{r} \cancel{26.5} \\ \hline 20.5 \end{array}$$

$$\begin{array}{r} \cancel{20} \\ \hline 24 \end{array}$$

$$\underline{16}$$

$$\underline{12}$$

$$\begin{array}{r} 20 \\ .4 \\ \hline 16 \end{array}$$

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 354
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EXPENDITURES (Thousands of Dollars) None

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) None

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 2/27/79 PREPARED BY
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

CATEGORY: GENERAL GOVERNMENT

AGENCY: REVENUE

PROGRAM: REVENUE COLLECTION AND MANAGEMENT

BRU (s): AUDIT; PETROLEUM REVENUE; ENFORCEMENT; TREASURY MANAGEMENT; ADMINISTRATION AND SUPPORT

All Department of Revenue BRU's in the Revenue Collection and Management cover program are included herein. A major emphasis on identifying the "invisible taxpayer" is planned in the FY 81 budget, primarily in the BRUs of Audit, Enforcement, and Administration and Support.

The goals of the Audit BRU are to achieve effective compliance by taxpayers with the tax laws of Alaska, and to raise revenues through an effective audit program. The Revenue Audit staff concentrates on corporate and individual income tax, estate taxes, excise taxes, business license tax, fisheries tax, mining license tax, and the issuance of permits for games or skill or chance.

The goals of the Petroleum Revenue BRU are to administer state taxes on oil and gas production, which includes the State oil and gas property tax, oil and gas production tax and the oil and gas corporate income tax, and also to coordinate with local governments also taxing that property. The Division of Petroleum Revenue also generates revenue estimates for the State of projected oil and gas related revenues.

The goal of the Enforcement BRU is to enforce the collection of taxes from all taxpayers in a fair and equitable manner. The Division is responsible for billing and collecting all delinquent tax accounts.

The goals of the Treasury Management BRU are to manage available funds for a maximum return consistent with statutory limitations; to place general bonded debt as needed for capital projects at minimum cost to the State; and to report the management of funds in accordance with current reporting standards. The Treasury Management Division works closely with the State Bond Committee in performing these functions. Fund management is centralized for the Public Employees Retirement Fund, the Teachers Retirement Fund, and the General Fund, as well as other special funds.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
AUDIT	2461.5	2530.6	2513.1	2691.6			3223.6
PETROLEUM REVENUE	1279.6	1240.1	1187.3	1435.0			1447.2
ENFORCEMENT	1196.5	1335.4	1324.7	1217.0			1366.3
TREASURY MANAGEMENT	1232.3	1227.9	1120.3	1357.1			1436.9
OFFICE OF THE COMMISSIONER	877.3	1077.4	1054.4	757.6			964.5
ADMINISTRATIVE SERVICES	1630.0	1783.7	1746.5	1773.6			2361.4
FISH AND GAME LICENSING	572.1	580.6	531.6	259.0			298.0
** TOTAL	9249.3	9775.7	9477.9	9490.9			11097.9
** CHANGE VERSUS 80 AUTH							16.9%
OBJECT DESCRIPTION							
PERS. SERV.	6294.0	6685.5	6654.2	6784.4			7519.5
TRAVEL	336.8	333.8	316.3	315.7			419.6
CONTRACTUAL	2218.2	2320.1	2075.1	2031.5			2728.1
COMMODITIES	68.5	69.3	59.0	58.2			80.9
EQUIPMENT	23.5	58.7	65.3				37.0
LANDS/BLDGS	308.3	308.3	308.0	301.1			312.8
FUNDING SOURCE							
GENERAL FUND	8446.3	9040.7	8835.4	8956.9			10520.7
PGM RECEIPTS	308.0	240.0	217.5				577.2
OTHER FUNDS	495.0	495.0	425.0	534.0			
** GENERAL FUND CHANGE VS. 80 AUTH							17.4%
POSITIONS							
FULL-TIME	220.0	220.0	220.0	224.0			237.0
PART-TIME	8.0	8.0	8.0	8.0			21.0
TEMPORARY	14.0	14.0	14.0	13.0			
STAFF MONTHS	2715.1	2715.1	2715.1	2784.0			2944.2

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1 fraud, a civil fraud penalty equal to 50 percent of the tax due or \$500,
2 whichever is greater shall be added to the tax. This penalty is in
3 addition to penalties determined under (a) or (b) of this section.

4 (d) A person required to collect or account for a tax imposed by
5 this title who wilfully fails to collect the tax or to truthfully
6 account for and pay over the tax, or wilfully attempts to evade payment
7 of the tax is, in addition to other penalties provided by law, liable
8 for a civil penalty equal to the total amount of the tax not collected,
9 not accounted for, not paid over or evaded. The penalty imposed by this
10 subsection is in place of the tax not paid to the state. This penalty
11 shall be paid upon demand by the commissioner or his designee, and shall
12 be assessed and collected in the same manner as taxes are assessed and
13 collected under this title.

14 (e) A penalty imposed by this section shall be collected at the
15 same time, in the same manner, and as a part of the original tax.
16 However, if the original tax is paid before neglect or fraud is
17 discovered, the penalty shall be collected in the same manner as the
18 original tax. Interest may not be collected on a penalty imposed by
19 this section.

20 * Sec. 2. AS 43.05.230(a) is amended to read:

21 (a) Except in connection with official investigations or proceed-
22 ings of the department, whether judicial or administrative, involving
23 taxes due under this title, except in connection with official investi-
24 gations or proceedings of the child support enforcement agency, whether
25 judicial or administrative, involving child support obligations imposed
26 or imposable under AS 25 or AS 47, and except as otherwise provided in
27 this section, it is unlawful for a current or former [AN] officer,
28 employee or agent of the state to divulge the amount of income or the
29 particulars set out or disclosed in a report or return made under this

Original sponsor: Rules/Governor

Offered: 2/25/80
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 354

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to taxes and making miscellaneous
7 amendments to the revenue and tax laws; and providing
8 for an effective date."

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

10 * Section 1. AS 43.05.220 is amended to read:

11 Sec. 43.05.220. CIVIL PENALTIES [PENALTY]. (a) Five percent
12 shall be added to a tax for each 30-day period or fraction of the period
13 during which the taxpayer fails to file at the time or times required
14 by law or regulation a return or report, or pay the full amount of the
15 tax, or a portion or a deficiency of the tax, as finally determined by
16 the department and required by this title, unless it is shown that the
17 failure is due to a reasonable cause and not to wilful neglect. The
18 penalty shall not exceed 25 percent in the aggregate. [THE PENALTY
19 SHALL BE COLLECTED AT THE SAME TIME, IN THE SAME MANNER AND AS A PART OF
20 THE ORIGINAL TAX; BUT IF THE ORIGINAL TAX IS PAID BEFORE THE NEGLECT IS
21 DISCOVERED, THE PENALTY SHALL BE COLLECTED IN THE SAME MANNER AS THE
22 ORIGINAL TAX.] The department shall prescribe by regulation circum-
23 stances which constitute reasonable cause for purposes of this section.

24 (b) If a tax deficiency or part of a tax deficiency is due to
25 negligence or intentional disregard of law or regulation without intent
26 to defraud, five percent of the total amount of the tax deficiency
27 shall be assessed, collected, and paid in the same manner as a tax
28 deficiency.

29 (c) If a tax deficiency or part of a tax deficiency is due to

1 title.

2 * Sec. 3. AS 43.05.230 is amended by adding a new subsection to read:

3 (g) The information contained in a license issued by the com-
4 missioner of revenue under AS 43.50, AS 43.60, AS 43.65, AS 43.70, and
5 AS 43.75 is public information.

6 * Sec. 4. AS 43.05 is amended by adding new sections to read:

7 Sec. 43.05.245. ASSESSMENT AND COLLECTION OF TAX, PENALTIES AND
8 INTEREST. If a taxpayer fails to file a return or report required by
9 this title in the time required by law or regulation, or makes an erro-
10 neous or fraudulent return, the department shall proceed to assess the
11 license fees, tax, penalties, or interest and make a return from informa-
12 tion which it obtains. A return made and subscribed by the department
13 in accordance with this section is prima facie sufficient for all legal
14 purposes. The assessment of license fees, tax, penalties, or interest
15 under this section occurs when the department issues a notice and demand
16 for payment of the license fees, tax, penalties, or interest. The
17 notice and demand for payment is issued when the notice and demand is
18 delivered to the taxpayer in person or placed in the United States mail,
19 addressed to his last known address. Penalties and interest assessed
20 under this title shall be collected in the same manner as provided in
21 this title for the collection of tax or license fees.

22 Sec. 43.05.275. CREDIT AND REFUND CLAIMS. (a) Except as provided
23 in AS 43.20.021, a claim for credit or refund of a tax in this title for
24 which a taxpayer is required to file a return or pay a tax may be filed
25 by the taxpayer

26 (1) before the later of

27 (A) three years from the time the return was filed; or

28 (B) two years from the time the tax was paid; or

29 (2) within two years from the time the tax was paid, if no

1 return was filed.

2 (b) If the department and the taxpayer have consented to extend
3 the period for assessment of tax as provided in AS 43.05.260(c)(3), a
4 tax refund claim may be filed at any time before the expiration of the
5 period agreed upon.

6 * Sec. 5. AS 43.05 is amended by adding a new section to read:

7 Sec. 43.05.290. CRIMINAL PENALTIES. (a) A person who wilfully
8 attempts to evade a tax imposed by this title is, in addition to other
9 penalties provided by this title, guilty of a class C felony.

10 (b) A person required under this title to collect, account for,
11 and pay over a tax imposed by this title who wilfully fails to collect
12 or truthfully account for and pay over the tax at the time or times
13 required by law or regulation is, in addition to other penalties pro-
14 vided by this title, guilty of a class C felony.

15 (c) A person required under this title to pay a tax, make a re-
16 turn, keep records, or supply information, who wilfully fails to pay the
17 tax or estimated tax, make the return, keep the records, or supply the
18 information at the time or times required by law or regulation is, in
19 addition to other penalties provided by this title, guilty of a class A
20 misdemeanor.

21 (d) A person who wilfully makes and subscribes a return or other
22 document required under this title which contains or is verified by a
23 written declaration that it is made under the penalties of perjury which
24 he does not believe to be true and correct as to every material matter
25 is, in addition to other penalties provided by this title, guilty of a
26 felony and, upon conviction, punishable by a fine of not more than
27 \$25,000, or by imprisonment for not more than three years, or by both.

28 (e) A person who wilfully and knowingly aids or assists in, or
29 procures, or counsels the preparation or presentation in connection with

1 a matter arising under this title of a return, affidavit, claim, or
2 other document which is fraudulent or is false as to a material matter
3 is guilty of a felony whether or not the falsity or fraud is with the
4 knowledge or consent of the person required to present the return,
5 affidavit, claim, or document. Upon conviction, the person is punish-
6 able by a fine of not more than \$25,000, or by imprisonment for not more
7 than three years, or by both.

8 (f) A person who wilfully delivers or discloses to the commis-
9 sioner or the department a list, return, account, statement, or other
10 document known by him to be fraudulent or to be false as to a material
11 matter is guilty of a class A misdemeanor.

12 (g) When required to provide information under AS 43.20.170 or
13 AS 43.45, a person who wilfully supplies false information or who wil-
14 fully fails to supply information which would require an increase in a
15 tax to be withheld under this title is, in addition to other penalties
16 specified in this chapter, guilty of a class A misdemeanor.

17 (h) A person engaging in or attempting to engage in a business,
18 trade, profession or occupation for which a license is required under
19 this title, who wilfully fails to obtain the license, is guilty of a
20 misdemeanor, and, upon conviction, is punishable by a fine of not more
21 than \$2,000, or by imprisonment for not more than six months, or by
22 both.

23 (i) In this section "person" includes, but is not limited to, an
24 officer or employee of a corporation or a member or employee of a part-
25 nership, who, as officer, employee, or member, is under a duty to perform
26 the act in respect to which the violation occurs.

27 * Sec. 6. AS 43.10 is amended by adding new sections to read:

28 Sec. 43.10.032. ENFORCEMENT. (a) Each of the following is a debt
29 to the state:

- 1 (1) a tax levied by this title which is due and unpaid;
2 (2) the interest, penalty, additional amount, or addition to
3 the tax under (1) of this subsection;
4 (3) a tax levied by this title which has been erroneously
5 refunded; and
6 (4) the interest, penalty, additional amount or addition to
7 the tax which has been erroneously refunded.

8 (b) A debt under (a) of this section may be

- 9 (1) collected by lien foreclosure; or
10 (2) recovered in a civil action brought by the state.

11 Sec. 43.10.042. RECORDING LIEN AND CERTIFICATE OF DISCHARGE. (a)

12 A lien imposed under this title is not valid as against a mortgagee or
13 other lien holder, pledgee, purchaser, or judgment creditor until notice
14 of it is filed in the office of the recorder of the recording district
15 where the property subject to the lien is situated. However regardless
16 of the date the liens are recorded, a lien arising out of a tax due
17 under AS 43.56 and AS 43.75, including the penalties and interest on the
18 tax is a lien prior, paramount, and superior to all other liens, mort-
19 gages, hypothecations, conveyances, and assignments, upon all the real
20 and personal property of the person liable for the tax, and upon all the
21 real and personal property used with the permission of the owner to
22 carry on the business which is subject to the tax.

23 (b) When a notice of a lien is filed, the recorder shall immedi-
24 ately enter the notice in an alphabetical state tax lien index, showing
25 on one line the name and residence of the taxpayer named in the notice,
26 the department's serial number of the notice, the date and hour of
27 filing, and the amount of tax, including interest, penalty, additional
28 amount, or addition to the tax, and costs. The recorder shall file and
29 keep all original notices in numerical order in a file designated as

1 state tax lien notices.

2 (c) When a certificate of discharge of a tax lien issued by the
3 department is filed in the office of the recorder where the notice of
4 lien is filed, the recorder shall enter the certificate of discharge and
5 the date of its filing in the state tax lien index on the line where
6 notice of the discharged lien is entered. The original certificate of
7 discharge shall be permanently attached to the original notice of lien.

8 (d) The state tax lien index and file of state tax lien notices
9 shall be furnished by the department to the recorder in the state in the
10 manner provided by law for the furnishing of books in which deeds are
11 recorded.

12 Sec. 43.10.045. SUSPENSION OF LICENSES. In addition to the other
13 penalties imposed in this title, if a person who is authorized to con-
14 duct a business by a license issued under the laws of the state fails to
15 pay a tax levied under this title, the license of the person is sus-
16 pended until the tax imposed by this title, together with interest and
17 penalties, is paid in full.

18 * Sec. 7. AS 43.10.160(b) is amended to read:

19 (b) If the value of the taxpayer's interest in the real estate is
20 not equal to twice the amount of the estimated tax and license fees for
21 which the taxpayer will be liable to the state, the taxpayer shall file
22 with the department [DEPARTMENT OF REVENUE] a bond or other security
23 approved by the commissioner of revenue [ATTORNEY GENERAL] in a sum
24 equal to twice the estimated amount of the taxes and license fees, but
25 in no event less than \$1,000. However, the bond requirement may be
26 waived, in whole or in part, if the taxpayer shows in writing to the
27 satisfaction of the commissioner of revenue [ATTORNEY GENERAL] that
28 there is good cause for the waiver [THE AMOUNT OF THE BOND WOULD BE AN
29 UNDUE HARDSHIP]. For purposes of this subsection, the department shall

1 adopt a regulation defining "good cause."

2 * Sec. 8. AS 43.20.011(c) is amended to read:

3 (c) There is imposed for each taxable year upon the taxable income
4 of every resident, nonresident and part-year resident head of a house-
5 hold (as defined in section 2(b) of the Internal Revenue Code), taxes
6 computed according to the following table.

7 If the taxable income is:

Then the tax is:

8 Not over \$2,000	3 percent of the taxable 9 income
10 Over \$2,000 but not over \$4,000	\$60 plus 3.5 percent of 11 excess over \$2,000
12 Over \$4,000 but not over \$6,000	\$130 plus 4.0 percent of 13 excess over \$4,000
14 Over \$6,000 but not over \$8,000	\$210 plus <u>4.0</u> [4.5] percent 15 of excess over \$6,000
16 Over \$8,000 but not over \$10,000	<u>\$290</u> [\$300] plus 5.0 percent 17 of excess over \$8,000
18 Over \$10,000 but not over \$12,000	<u>\$390</u> [\$400] plus <u>5.0</u> [5.5] per- 19 cent of excess over \$10,000
20 Over \$12,000 but not over \$14,000	<u>\$490</u> [\$510] plus 6.0 percent 21 of excess over \$12,000
22 Over \$14,000 but not over \$16,000	<u>\$610</u> [\$630] plus <u>6.0</u> [6.5] per 23 cent of excess over \$14,000
24 Over \$16,000 but not over \$18,000	<u>\$730</u> [\$760] plus <u>6.5</u> [7.0] per 25 cent of excess over \$16,000
26 Over \$18,000 but not over \$20,000	<u>\$860</u> [\$900] plus 7.0 percent 27 of excess over \$18,000
28 Over \$20,000 but not over \$22,000	<u>\$1,000</u> [\$1,040] plus 7.5 per 29 cent of excess over \$20,000

1	Over \$22,000 but not over \$24,000	<u>\$1,150</u> [\$1,190] plus 8.0 per
2		cent of excess over \$22,000
3	Over \$24,000 but not over \$28,000	<u>\$1,310</u> [\$1,350] plus 8.5 per
4		cent of excess over \$24,000
5	Over \$28,000 but not over \$32,000	<u>\$1,650</u> [\$1,690] plus <u>8.5</u> [9.0]
6		percent of excess over \$28,000
7	Over \$32,000 but not over \$38,000	<u>\$1,990</u> [\$2,050] plus <u>9.0</u> [9.5]
8		percent of excess over \$32,000
9	Over \$38,000 but not over \$44,000	<u>\$2,530</u> [\$2,430] plus 10.0 per
10		cent of excess over \$38,000
11	Over \$44,000 but not over \$50,000	<u>\$3,130</u> [\$3,030] plus 10.5 per
12		cent of excess over \$44,000
13	Over \$50,000 but not over \$60,000	<u>\$3,760</u> [\$3,660] plus 11.0 per
14		cent of excess over \$50,000
15	Over \$60,000 but not over \$70,000	<u>\$4,860</u> [\$4,760] plus 11.5 per
16		cent of excess over \$60,000
17	Over \$70,000 but not over \$80,000	<u>\$6,010</u> [\$5,910] plus <u>11.5</u> [12.0]
18		percent of excess over \$70,000
19	Over \$80,000 but not over \$90,000	<u>\$7,160</u> [\$7,110] plus <u>12.0</u> [12.5]
20		percent of excess over \$80,000
21	Over \$90,000 but not over \$100,000	\$8,360 plus 13.0 percent of
22		excess over \$90,000
23	Over \$100,000 but not over \$150,000	\$9,660 plus <u>13.0</u> [13.5] percent
24		of excess over \$100,000
25	Over \$150,000 but not over \$200,000	<u>\$16,160</u> [\$16,410] plus 14.0 per-
26		cent of excess over \$150,000
27	Over \$200,000 but not over \$300,000	<u>\$23,160</u> [\$23,410] plus 14.5 per-
28		cent of excess over \$200,000
29	Over \$300,000	<u>\$37,660</u> [\$37,910] plus 14.5 per-

cent of excess over \$300,000

* Sec. 9. AS 43.20.011(d) is repealed and re-enacted to read:

(d) The department shall compute and publish Alaska income tax liability tables for taxpayers.

* Sec. 10. AS 43.20.011(e) is repealed and re-enacted to read:

(e) There is imposed for each taxable year upon the entire taxable income of every corporation derived from sources within the state a tax consisting of a normal tax equal to 5.4 percent of taxable income, and a surtax which is equal to 4.0 percent of taxable income, except that the tax on a corporation engaged in the production or transportation of crude oil or natural gas shall be determined and paid in accordance with AS 43.21. For tax years beginning after December 31, 1979, the surtax exemption is \$50,000. For controlled corporations described in secs. 1561 - 1563 of the Internal Revenue Code only one surtax exemption may be allowed for the controlled group.

* Sec. 11. AS 43.20.021(d) is amended to read:

(d) Where a credit allowed under the Internal Revenue Code is also allowed in computing Alaska income tax, it is limited to 16 percent [OF THE AMOUNT OF THE CREDIT DETERMINED FOR FEDERAL INCOME TAX PURPOSES] for individuals and fiduciaries and 18 percent for corporations of the amount of credit determined for federal income tax purposes which is attributable to Alaska.

* Sec. 12. AS 43.20.021 is amended by adding a new subsection to read:

(g) For purposes of calculating the accumulated earnings tax as provided in the Internal Revenue Code, sec. 531, the rate is 4.95 percent of the first \$100,000 of accumulated taxable income and 6.93 percent of accumulated taxable income in excess of \$100,000.

* Sec. 13. AS 43.20.031(a)(3) is amended to read:

(3) the benefits of nonrecognition of gain on the sale, [OR]

1 exchange, or other disposition of certain property under secs. 1031,
2 1033, and 1034 of the Internal Revenue Code (26 U.S.C. secs. 1031, 1033
3 and 1034) are allowed only to taxpayers who purchase or exchange the
4 property within the state, except that the benefits of sec. 1034 shall
5 be allowed regardless of the location of the property for taxpayers who
6 have attained the age of 65 on or before the time of the purchase or
7 exchange; for purposes of this paragraph,

8 (A) the gain that results is subject to the benefits of
9 secs. 1201, 1202, 1221, and 1231 of the Internal Revenue Code as
10 if the gain had been recognized for federal tax purposes; and

11 (B) the basis of the acquired property shall be adjusted
12 as provided in sec. 1016 of the Internal Revenue Code as if the
13 gain had been recognized for federal tax purposes;

14 * Sec. 14. AS 43.20.031(e) is amended to read:

15 (e) An affiliated group of corporations may make or the commis-
16 sioner may require them to make a consolidated [OR COMBINED] return for
17 the taxable year in place of separate returns. For purposes of calcu-
18 lating the amount of tax payable by the group under a consolidated
19 filing, Internal Revenue Code secs. 1501 - 1552, as amended, apply.

20 * Sec. 15. AS 43.20.031(h) is amended to read:

21 (h) A taxpayer who purchases an entry permit under AS 16.43 in
22 carrying on a trade or business is entitled to a deduction of the amount
23 of the price paid during the tax year as if it were allowable under sec.
24 162 of the Internal Revenue Code (26 U.S.C. sec. 162). The basis of
25 the entry permit shall be reduced by the amount of the deduction which
26 the taxpayer is entitled to claim under this subsection.

27 * Sec. 16. AS 43.20.031 is amended by adding a new subsection to read:

28 (i) A corporation which is a member of a group of unitary cor-
29 porations which collectively has income from business activity taxable

1 both inside and outside the state, or income from other sources both
2 inside and outside the state, shall determine its income from sources in
3 this state by use of the combined method of accounting.

4 * Sec. 17. AS 43.20 is amended by adding a new section to read:

5 Sec. 43.20.033. TAXABLE INCOME OF FIDUCIARY. The taxable income
6 of a fiduciary is its taxable income as determined under AS 43.20.031
7 when attributable to sources in the state as provided in AS 43.20.040.

8 * Sec. 18. AS 43.20.035(a) is amended to read:

9 (a) The taxable income of nonresidents or part-year residents of
10 this state is taxable income as determined under AS 43.20.031 when
11 attributable to sources in the state as provided in AS 43.20.040 with
12 the following modifications:

13 (1) a nonresident or part-year resident of this state shall
14 be allowed a deduction, in place of the deductions [WHO HAS NO EXCESS
15 ALASKA ITEMIZED DEDUCTIONS AS DEFINED IN (4) OF THIS SUBSECTION IS
16 ALLOWED THE MINIMUM DEDUCTION] provided by AS 43.20.031(a)(4) and excess
17 itemized deductions provided under the Internal Revenue Code, in the
18 amount of the minimum deduction and excess itemized deductions in the
19 proportion provided in (b) of this section;

20 (2) a nonresident or part-year resident is allowed a deduc-
21 tion equal to the personal exemption deduction as defined in sec. 151 of
22 the Internal Revenue Code in the proportion provided in (b) of this
23 section[;

24 (3) A NONRESIDENT OR PART-YEAR RESIDENT WHO HAS EXCESS ALASKA
25 ITEMIZED DEDUCTIONS IS ALLOWED HIS ENTIRE ALASKA ITEMIZED DEDUCTIONS;

26 (4) "ALASKA ITEMIZED DEDUCTIONS" AS USED IN THIS SECTION ARE
27 THOSE ITEMIZED DEDUCTIONS ALLOWED UNDER THE INTERNAL REVENUE CODE WHICH
28 ARISE FROM SOURCES IN THE STATE EXCEPT THOSE ITEMS DESCRIBED IN AS 43.-
29 20.031(c); "EXCESS ALASKA ITEMIZED DEDUCTIONS" MEANS THE EXCESS (IF ANY)

1 OF:

2 (A) ALASKA ITEMIZED DEDUCTIONS, OVER

3 (B) THE MINIMUM DEDUCTION AS DEFINED IN AS 43.20.031-

4 (a)(4)].

5 * Sec. 19. AS 43.20.038(a) is amended to read:

6 (a) An individual is allowed as a credit against the tax due under
7 this chapter five percent of his residential fuel expenses paid during
8 the year, but not less than a minimum credit of \$10. For married tax-
9 payers filing separate returns, the minimum credit is \$5 for each re-
10 turn. Part-year resident and nonresident individual taxpayers shall
11 prorate the credit allowed in this section as provided by AS 43.20.-
12 035(b) [ACCORDING TO THE NUMBER OF MONTHS RESIDED IN THE STATE].

13 * Sec. 20. AS 43.20.039(c) is amended to read:

14 (c) Part-year resident and nonresident individuals shall prorate
15 the credits provided in this section as provided by AS 43.20.035(b)
16 [ACCORDING TO THE NUMBER OF MONTHS DURING WHICH THE TAXPAYER RESIDED IN
17 THE STATE].

18 * Sec. 21. AS 43.20 is amended by adding a new section to read:

19 Sec. 43.20.045. PRORATION OF PART-YEAR RESIDENT AND NONRESIDENT
20 INDIVIDUAL CREDITS. Unless otherwise provided by this chapter, a credit
21 allowable to a part-year resident and nonresident individual is limited
22 to the amount of the credit computed according to AS 43.20.021(d), if
23 that section applies, and shall be prorated as provided by AS 43.20.-
24 035(b).

25 * Sec. 22. AS 43.20.065 is amended to read:

26 Sec. 43.20.065. ALLOCATION AND APPORTIONMENT. A taxpayer who has
27 income from business activity which is taxable both inside and outside
28 the state or income from other sources both inside and outside the state
29 shall allocate and apportion his net income as provided in [ART. IV OF]

1 the Multistate Tax Compact (AS 43.19 [43.19.010]), or [AND] as provided
2 by this chapter [IN AS 43.20.071 FOR WATER TRANSPORTATION CARRIERS].

3 * Sec. 23. AS 43.20.071 is repealed and re-enacted to read:

4 Sec. 43.20.071. TRANSPORTATION CARRIERS. (a) All business income
5 of water transportation carriers shall be apportioned to this state in
6 accordance with the Multistate Tax Compact (AS 43.19) as modified by the
7 following:

8 (1) the numerator of the property factor is the sum of the
9 value for property in a fixed location, including buildings and land
10 used in the business, and intrastate equipment and personal property
11 determined according to the Multistate Tax Compact (AS 43.19), and the
12 value of interstate mobile property determined on a days-spent-in-ports
13 basis as provided in (4) of this subsection; the denominator of the
14 property factor is determined according to the Multistate Tax Compact
15 (AS 43.19);

16 (2) the numerator of the payroll factor is the sum of the
17 wages and salaries of employees assigned to fixed locations determined
18 according to the Multistate Tax Compact (AS 43.19) and the wages and
19 salaries of employees assigned to interstate mobile property determined
20 on a days-spent-in-ports basis as provided in (4) of this subsection;
21 the denominator of the payroll factor is determined in accordance with
22 the Multistate Tax Compact (AS 43.19);

23 (3) the numerator of the sales factor is the sum of all
24 revenues from intrastate activities and revenues from interstate activi-
25 ties determined on a days-spent-in-ports basis as provided in (4) of
26 this subsection; the denominator is determined in accordance with the
27 Multistate Tax Compact (AS 43.19);

28 (4) the portions of the numerator of the property, payroll,
29 and sales factors which are directly related to interstate mobile pro-

1 perty operations are determined by a ratio which the number of days
2 spent in ports inside the state bears to the total number of days spent
3 in ports inside and outside the state; the term "days spent in ports"
4 does not include periods when ships are tied up because of strikes or
5 withheld from Alaska service for repairs, or because of seasonal re-
6 duction of service; days in port are computed by dividing the total
7 number of hours in all ports by 24.

8 (b) The department shall, by regulation, adopt formulas to ensure
9 that the total income subject to apportionment under this chapter has
10 been apportioned only to those states having jurisdiction to the income
11 tax. Transportation carriers other than water carriers shall apportion
12 their income to the state by means of the formulas adopted by the depart-
13 ment.

14 * Sec. 24. AS 43.20.170(b) is amended to read:

15 (b) The rules with respect to withholding of tax set out in sec.
16 [SECS.] 3402(a) - (e), (f)(1)(A) - (E) and (G), (f)(2) - (7), (g) -
17 (1), and (o) - (r) [(1)]; sec. 3502(b); and sec. 6414 of the Internal
18 Revenue Code of 1954, as amended, apply with respect to this section as
19 though fully set out in this section. Remittance of taxes withheld
20 shall be accompanied by returns on forms prescribed by the department.

21 * Sec. 25. AS 43.20.200(a) is amended to read:

22 (a) As soon as practicable after a return is filed, the department
23 may [SHALL] examine it and determine the correct amount of the tax. If
24 an error is disclosed by the examination, the department shall so notify
25 the taxpayer by first-class mail. The taxpayer may petition for re-
26 determination of deficiency as provided in AS 43.05.240 [AS 43.20.280].

27 * Sec. 26. AS 43.20.270(f) is amended to read:

28 (f) The property distrained shall be restored to the owner or
29 possessor if, before the sale, payment of the amount due is made to the

1 deputy or agent charged with the collection, together with the fees and
2 other charges; but in case of nonpayment, the [SAID] deputy or agent
3 shall proceed to sell the property at public auction. The owner of real
4 property sold under this section, his heir, executor, or administrator,
5 or a person in his behalf may redeem the property sold or a particular
6 tract of the property at any time within 120 days [TWO YEARS] after the
7 sale of the property or tract [THEREOF]. The property or tract may be
8 redeemed upon payment to the purchaser or, if he cannot be found in the
9 state, then to the commissioner of revenue for the use of the purchaser,
10 his heirs, or assigns, the amount paid by the purchaser and interest on
11 it at the rate of 12 [SIX] percent a year. If land sold is redeemed
12 under this subsection, the commissioner shall cause entry of the fact to
13 be made upon the record mentioned in (g)(6) of this section and the
14 entry shall be evidence of such redemption.

15 * Sec. 27. AS 43.31.141 is amended to read:

16 Sec. 43.31.141. WHEN TAX DUE, EXTENSION AND INTEREST. The tax
17 imposed by this chapter is due and payable 15 months after the dece-
18 dent's death, and shall be paid by the executor to the department. If
19 the department finds that the payment on the due date of tax or any part
20 of the tax would impose undue hardship upon the estate, the department
21 may extend the time for payment of any part, but no extension may be for
22 more than one year and the aggregate of extensions with respect to an
23 estate may not exceed five years from the due date. In that case the
24 amount in respect of which the extension is granted shall be paid on or
25 before the date of the expiration of the period of the extension unless
26 a further extension is granted. If the time for the payment is extended
27 there shall be collected, as part of this amount, interest on the tax at
28 the rate provided in AS 43.05.225 [OF SEVEN PERCENT A YEAR] from the due
29 date of the tax to the date the tax is paid.

1 * Sec. 28. AS 43.40.030(b) is amended to read:

2 (b) The entire tax levied by this chapter [AS 43.40.010 - 43.40.-
3 100] shall be refunded to the purchaser on that part of the motor fuel
4 used in a foreign country on which duty is paid when the fuel is sold
5 and delivered in the state for nonhighway use in a foreign country.

6 * Sec. 29. AS 43.40.030 is amended by adding a new subsection to read:

7 (d) If a person obtains motor fuel on which the tax levied by this
8 chapter has been paid and the motor fuel is exempt from the tax, the
9 person is entitled to a refund of the tax paid.

10 * Sec. 30. AS 43.40.050(a) is amended to read:

11 (a) A person who claims a refund as provided in this chapter
12 [AS 43.40.010 - 43.40.100] shall present his claim to the commissioner
13 of revenue by affidavit upon a form provided by the commissioner. The
14 claim shall include the name, address and occupation of the applicant,
15 the nature of the business of the applicant, and a description suffi-
16 cient to identify the machinery or equipment in which the motor fuel
17 for which the refund is claimed was used [WITH THE INFORMATION THE
18 COMMISSIONER REQUIRES]. The claim shall be accompanied by each invoice
19 issued to the claimant at the time the motor fuel was [IS] purchased.
20 The commissioner may require any additional information which he con-
21 siders necessary for the administration of this chapter [AS 43.40.010 -
22 43.40.100].

23 * Sec. 31. AS 43.50.010 is amended by adding a new subsection to read:

24 (e) A license issued under this chapter shall include

- 25 (1) the name and address of the licensee;
26 (2) the type of business to be conducted; and
27 (3) the year for which the license is issued.

28 * Sec. 32. AS 43.50.150 is amended to read:

29 Sec. 43.50.150. ADMINISTRATION. (a) The department shall (1)

1 administer this chapter [AS 43.50.010 - 43.50.180], and (2) collect,
2 supervise, and enforce the collection of taxes [AND PENALTIES] due under
3 this chapter and penalties as provided in AS 43.05 [AS 43.50.010 - 43.-
4 50.180].

5 (b) The department may adopt [PUBLISH] regulations necessary for
6 the administration of this chapter [AS 43.50.010 - 43.50.180], [(1) TO
7 ENFORCE AS 43.50.010 - 43.50.180, AND (2) TO COLLECT THE TAXES, FEES,
8 AND PENALTIES IMPOSED BY AS 43.50.010 - 43.50.180].

9 * Sec. 33. AS 43.50.190(b) is amended to read:

10 (b) The tax levied by this section is in addition to the tax
11 levied by AS 43.50.010 - 43.50.180. The tax shall be administered and
12 collected in the same manner as the tax levied by AS 43.50.010 - 43.50.-
13 180, except that receipts from the tax shall be deposited in the general
14 fund. The penalties provided in AS 43.05 [ESTABLISHED IN AS 43.50.010 -
15 43.50.180] apply to the tax levied in this section.

16 * Sec. 34. AS 43.60.040 is amended by adding a new subsection to read:

17 (h) A license issued under this section shall include

18 (1) the name and address of the licensee;

19 (2) the nature or type of liquor business to be conducted;

20 and

21 (3) the year for which the license is issued.

22 * Sec. 35. AS 43.65.010 is amended by adding a new subsection to read:

23 (i) A license issued under this section shall include

24 (1) the name and address of the licensee;

25 (2) the nature or type of mining activity to be conducted;

26 and

27 (3) the year for which the license is issued.

28 * Sec. 36. AS 43.70.020(a) is amended to read:

29 (a) For the privilege of engaging in a business in the state, a

1 person shall first apply, upon forms prescribed by the commissioner, and
2 obtain a license [SO TO DO], and pay the license fee provided for in
3 AS 43.70.030. A license issued to a firm for a particular line of
4 business covers all its operations in the state in the line of business
5 regardless of the number of its establishments. A license issued under
6 this subsection shall include

- 7 (1) the name and address of the licensee;
- 8 (2) the line of business to be conducted; and
- 9 (3) the year for which the license is issued.

10 * Sec. 37. The following laws are repealed: AS 43.05.100(a); AS 43.10.-
11 040, 43.10.050; AS 43.20.150, 43.20.160(b), 43.20.220, 43.20.240, 43.20.260;
12 AS 43.31.171; AS 43.40.040; AS 43.50.100(a), (c), and (e); AS 43.58.120,
13 43.58.130; AS 43.65.050(b) and (c); AS 43.70.060; AS 43.75.050(c), 43.75.-
14 140(8); and AS 43.80.030.

15 * Sec. 38. The following laws are repealed: AS 43.20.335; AS 43.26.060;
16 AS 43.31.360; AS 43.31.370, 43.31.380, 43.31.390; AS 43.35.080; AS 43.40.020,
17 43.40.080(b), 43.40.090; AS 43.45.060; AS 43.50.160; AS 43.55.120, 43.55.130;
18 AS 43.56.190; AS 43.60.040(d), (e), and (f); AS 43.65.050(f), (g), and (h);
19 AS 43.70.100; AS 43.75.050(f), (g), and (h), 43.75.120; and AS 43.80.020.

20 * Sec. 39. Section 15 of this Act is retroactive to January 1, 1977 and
21 applies to tax years beginning after December 31, 1976.

22 * Sec. 40. Sections 1 - 4, 6 - 14, 16 - 30, 32, 33 and 37 of this Act are
23 retroactive to January 1, 1980, and apply to tax years beginning after
24 December 31, 1979.

25 * Sec. 41. Sections 1 - 30, 32, 33, 37, 38, and 39 of this Act take
26 effect immediately in accordance with AS 01.10.070(c). Sections 31, and 34 -
27 36 of this Act take effect January 1, 1981.

21-354

March 7, 1979

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill which makes several miscellaneous amendments to the taxation statutes in AS 43.

Most of these amendments are of a very technical nature and are for the most part, self-explanatory. Perhaps the most significant aspect of this bill is the establishment of uniform criminal penalties for all tax violations. This is accomplished in sec. 4 of the bill which transfers the criminal penalties from the income tax provisions in AS 43.20 and adapts them to the broader range of tax and licensing violations encompassed by the entire title.

Another important part of this amendment is the substantial increase in the criminal fines which can be imposed on defendants found guilty of wilful violations of the revenue statutes. These fines have been increased from \$5,000 to either \$25,000 or \$50,000 in the case of felonies. The fines for the misdemeanor violations are increased to \$2,000 or \$5,000 to reflect the department's judgment as to the relative seriousness of each type of offense.

The increase in the criminal fines is thought to have a greater deterrent value than an increase in the potential term of imprisonment. It is felt that superior court judges would be more likely to impose a heavy criminal fine for tax fraud than they would be to impose substantial terms of imprisonment. Unfortunately, this latter reluctance is typical of trial court judges throughout the nation involved in sentencing defendants for tax fraud for white collar crimes in general.

The bill would also make two significant additions to the provision which requires strict confidentiality of tax returns and reports filed under AS 43. AS 43.05.230(a) would be amended to expressly make it unlawful for former officers, employees, or agents of the state to divulge any of the particulars set out on tax returns or reports. In addition, a new subsection (g) would be added, which would clarify the application of the provision to information found on the face of licenses issued by the department, such as business licenses, and fish processing licenses. Since this information is also found on reports and returns, this subsection would make it clear that that information is in fact public information and can be released by the Department of Revenue to any interested party who might inquire as to the proper licensure of a particular business or firm.

Section 6 of the bill would incorporate provisions formerly contained in AS 43.20 to make it expressly applicable to the liens recordation and filing procedures under AS 43 as a whole.

Section 8 of the bill would transfer the review of bonding and bond waiver applications to the Department of Revenue from the Department of Law. In addition, AS 43.10.160(b) would be amended to allow waiver of the bonding requirement when there is "good cause" rather than "undue hardship." Good cause is a more appropriate standard since it would more clearly authorize waiver in the cases of dutiful and good faith taxpayers who have a history of compliance with the state tax and revenue laws. These taxpayers frequently could not meet the undue hardship standard if literally and strictly construed. The Department of Revenue is required to adopt regulations defining good cause for the purposes of the bond waiver applications.

Section 9 of the bill would amend the tax tables contained in AS 43.20.011(c). This change would correct a series of translation errors (from the federal tables) reflected in the previous version. It would have the indirect effect of decreasing tax liability in the lower income tax brackets and increasing tax liability of those in the higher income tax brackets and subject to that provision as head of household.

The bill would also amend AS 43.20.031(h) which presently allows fishermen a deduction for the purchase price of a limited entry permit. That section would be changed to make it clear that the taxpayer would not be given the double benefit of both a deduction and an increase in the basis of that asset.

AS 43.20.071 would be amended by sec. 23, to clarify the apportionment rules pertaining to water transportation carriers, and expand the application of that section to transportation carriers other than water transportation carriers. These latter were previously treated under the standard three-factor apportionment formula.

AS 43.20.170(b) would be modified to reflect that the State of Alaska incorporates sec. 3402 of the Internal Revenue Code of 1954 in its entirety with the exceptions of subsecs. m and n and other sections referring to those sections. Those sections provide that taxpayers may, under certain circumstances, file excess exemptions on the basis of itemized deductions. The Department of Revenue has concluded that this device has been abused by taxpayers who wish to wilfully or fraudulently evade the tax. This was especially true during the pipeline construction years when high-income taxpayers would claim an inordinate number of exemptions in order to maximize their paycheck, while at the same time intending to leave the state in the near future and to avoid paying proper Alaska state income taxes.

Finally, another change which is of some note is the reduction in the redemption period for real property distrained by the Department of Revenue pursuant to AS 43.20.270(f). That redemption period has been reduced from two years to 120 days.

Sincerely,

S/SSH

Jay S. Hammond
Governor

Introduced: 3/7/79
Referred: Judiciary and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 354

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making miscellaneous amendments to the revenue
7 statutes; and providing for an effective date."

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

9 * Section 1. AS 43.05.220 is amended to read:

10 Sec. 43.05.220. CIVIL PENALTIES [PENALTY]. (a) Five per cent
11 shall be added to a tax for each 30-day period or fraction of the
12 period during which the taxpayer fails to file at the time or times
13 required by law or regulation a return or report, or pay the full
14 amount of the tax, or a portion or a deficiency of the tax, as finally
15 determined by the department and required by this title, unless it is
16 shown that the failure is due to a reasonable cause and not to wilful
17 neglect. The penalty shall not exceed 25 per cent in the aggregate.
18 [THE PENALTY SHALL BE COLLECTED AT THE SAME TIME, IN THE SAME MANNER
19 AND AS A PART OF THE ORIGINAL TAX; BUT IF THE ORIGINAL TAX IS PAID
20 BEFORE THE NEGLECT IS DISCOVERED, THE PENALTY SHALL BE COLLECTED IN
21 THE SAME MANNER AS THE ORIGINAL TAX.] The department shall prescribe
22 by regulation circumstances which constitute reasonable cause for
23 purposes of this section.

24 (b) If any part of a deficiency due under this title is due to
25 negligence or intentional disregard of law or regulations, but without
26 intent to defraud, five per cent of the total amount of the deficiency,
27 in addition to the deficiency, shall be assessed, collected, and paid
28 in the same manner as if it were a deficiency.

29 (c) If any part of a deficiency due under this title is due to

1 fraud, there shall be added to the tax a civil fraud penalty in an
2 amount equal to 50 per cent of the tax due and in no event less than
3 \$500. This penalty is in addition to any amount determined under (a)
4 or (b) of this section.

5 (d) A penalty imposed by this section shall be collected at the
6 same time, in the same manner and as a part of the original tax; but
7 if the original tax is paid before the neglect or fraud is discovered,
8 the penalty shall be collected in the same manner as the original tax.
9 No interest may be collected upon the amount of a penalty imposed by
10 this section.

11 * Sec. 2. AS 43.05.230(a) is amended to read:

12 (a) Except in connection with official investigations or proceed-
13 ings of the department, whether judicial or administrative, involving
14 taxes due under this title, except in connection with official investi-
15 gations or proceedings of the child support enforcement agency, whether
16 judicial or administrative, involving child support obligations imposed
17 or imposable under AS 25 or AS 47, and except as otherwise provided in
18 this section, it is unlawful for a current or former [AN] officer,
19 employee or agent of the state to divulge the amount of income or the
20 particulars set out or disclosed in a report or return made under this
21 title.

22 * Sec. 3. AS 43.05.230 is amended by adding a new subsection to read:

23 (g) The information contained in any license issued in accordance
24 with AS 43.50, 43.60, 43.65, 43.70, and 43.75 by the commissioner of
25 revenue is public information. The licenses issued under these chapters
26 must contain (1) the name and address of the licensee; (2) the type of
27 business to be conducted; (3) the year of the license; and (4) any
28 other information specifically required by statute.

29 * Sec. 4. AS 43.05 is amended by adding new sections to read:

1 Sec. 43.05.245. ASSESSMENT OF TAX, PENALTIES AND INTEREST. If
2 a taxpayer fails to file a return or report required by this title in
3 the time required by law or by regulation adopted under authority of
4 law, or makes an erroneous or fraudulent return, the department shall
5 proceed to assess the license fees, tax, penalties, or interest and
6 make a return from information which it obtains. A return made and
7 subscribed by the department is prima facie good and sufficient for
8 all legal purposes. The assessment of license fees, tax, penalties,
9 or interest occurs at the time the department issues a notice and
10 demand for payment of the license fees, tax, penalties, or interest.
11 The notice and demand for payment are issued when the notice is
12 delivered in person to the taxpayer or placed in the United States
13 mail, addressed to his last known address. Penalties and interest
14 assessed under this title must be collected in the same manner and
15 using the same procedures as provided in this title for the collection
16 of tax or license fees.

17 Sec. 43.05.275. LIMITATION ON PROCESSING REFUND CLAIMS. (a)
18 Except as provided in AS 43.20.021, a claim for credit or refund of
19 any tax in this title, for which the taxpayer is required to file a
20 return, may be filed by the taxpayer within three years from the time
21 the return was filed or two years from the time the tax was paid
22 whichever of those periods expires later, or if no return was filed,
23 within two years from the time the tax was paid.

24 (b) Where the department and the taxpayer have consented to
25 extend the period for assessment of tax as provided in AS 43.05.260(c)-
26 (3), the tax may be refunded at any time before the expiration of the
27 period agreed upon.

28 Sec. 43.05.290. PENALTIES. (a) A person who wilfully attempts
29 to evade the tax imposed by this title is, in addition to other penal-

1 ties provided by this title, guilty of a felony and, upon conviction,
2 shall be fined not more than \$50,000, or imprisoned for not more than
3 five years, or both.

4 (b) A person required under this title to collect, account for,
5 and pay over the tax imposed by this title who wilfully fails to
6 collect or truthfully account for and pay over the tax at the time or
7 times required by law or regulation is, in addition to other penalties
8 provided by this title, guilty of a felony and, upon conviction, shall
9 be fined not more than \$50,000, or imprisoned for not more than five
10 years, or b th.

11 (c) A person required under this title to pay a tax, make a
12 return, keep records, or supply information, who wilfully fails to pay
13 the tax or estimated tax, make the return, keep the records, or supply
14 the information at the time or times required by law or regulation is,
15 in addition to other penalties provided by this title, guilty of a
16 misdemeanor and, upon conviction, shall be fined not more than \$5,000,
17 or imprisoned for not more than one year, or both.

18 (d) A person who wilfully makes and subscribes a return, state-
19 ment, or other document required under this title which contains or is
20 verified by a written declaration that it is made under the penalties
21 of perjury which he does not believe to be true and correct as to
22 every material matter is, in addition to other penalties provided by
23 this title, guilty of a felony and, upon conviction, shall be fined
24 not more than \$25,000, or imprisoned for not more than three years, or
25 both.

26 (e) A person who wilfully and knowingly aids or assists in, or
27 procures, or counsels the preparation or presentation in connection
28 with any matter arising under this title of a return, affidavit,
29 claim, or other document, which is fraudulent or is false as to any

1 material matter is guilty of a felony whether or not the falsity or
2 fraud is with the knowledge or consent of the person required to
3 present the return, affidavit, claim, or document, and, upon conviction,
4 shall be fined not more than \$25,000, or imprisoned for not more than
5 three years, or both.

6 (f) A person who wilfully delivers or discloses to the commis-
7 sioner or the department under this title any list, return, account,
8 statement, or other document, known by him to be fraudulent or to be
9 false as to any material matter is guilty of a misdemeanor and, upon
10 conviction, shall be fined not more than \$5,000, or imprisoned for not
11 more than one year, or both.

12 (g) A person required to collect or truthfully account for a tax
13 imposed by this title who wilfully fails to collect the tax or to
14 truthfully account for and pay over the tax, or wilfully attempts in
15 any manner to evade the tax or the payment of it is, in addition to
16 other penalties provided by law, liable for a civil penalty equal to
17 the total amount of the tax evaded, not collected, not accounted for,
18 or not paid over. This penalty is in place of the tax not otherwise
19 paid to the state. The civil penalty shall be paid upon demand by the
20 commissioner or his designee, and shall be assessed and collected in
21 the same manner as taxes are assessed and collected under this title.
22 Any reference in (a) - (f) of this section to "tax" imposed refers
23 also to the civil penalty provided under this subsection.

24 (h) The penalties and liabilities provided in (g) of this section
25 shall be paid upon notice and demand by the commissioner of revenue or
26 his designee or agent and shall be assessed and collected in the same
27 manner as taxes. A reference to "tax" imposed also refers to the
28 penalties and liabilities provided by this section.

29 (i) A person required to supply information to his employer under

1 this title who wilfully supplies false information or who wilfully
2 fails to supply information under that section which would require an
3 increase in the tax to be withheld under that section is, in addition
4 to other penalties specified in this chapter, guilty of a misdemeanor
5 and, upon conviction, is punishable by a fine of not more than \$5,000,
6 or imprisonment for not more than one year, or both.

7 (j) A person engaging in or carrying on or attempting to engage
8 in or carry on a business, trade, profession or occupation for which
9 a license is required as a condition precedent, without obtaining the
10 license, is guilty of a misdemeanor, and, upon conviction, is punish-
11 able by a fine of not more than \$2,000, or by imprisonment for not
12 more than six months, or both.

13 (k) In this section "person" includes, but is not limited to, an
14 officer or employee of a corporation or a member or employee of a
15 partnership, who, as officer, employee, or member, is under a duty to
16 perform the act in respect to which the violation occurs.

17 * Sec. 5. AS 43.10 is amended by adding a new section to read:

18 Sec. 43.10.031. ENFORCEMENT. A tax due and unpaid under this
19 title, the interest, penalty, additional amount, or addition to the
20 tax, and the tax (or interest, penalty, additional amount, or addition
21 to the tax) which has been erroneously refunded is a debt to the state
22 and may be collected by lien foreclosure or sued for and recovered in
23 an action by the state.

24 * Sec. 6. AS 43.10.040 is repealed and re-enacted to read:

25 Sec. 43.10.040. RECORDING LIEN AND CERTIFICATE OF DISCHARGE.

26 (a) The lien is not valid as against a mortgagee or other lien holder,
27 pledgee, purchaser, or judgment creditor until notice of it is filed
28 in the office of the recorder of the recording district where the
29 property subject to the lien is situated; except that a lien arising

1 out of a tax due under AS 43.56 and 43.75 and the penalties and interest
2 on the tax are a lien prior, paramount, and superior to all other
3 liens, mortgages, hypothecations, conveyances, and assignments, upon
4 all the real and personal property of the person liable for the tax,
5 and upon all the real and personal property used with the permission
6 of the owner to carry on the business, regardless of the date the
7 liens are recorded.

8 (b) When a notice of the lien is filed, the recorder shall
9 immediately enter the notice in an alphabetical state tax lien index,
10 showing on one line the name and residence of the taxpayer named in
11 the notice, the department's serial number of the notice, the date and
12 hour of filing, and the amount of tax, including interest, penalty,
13 additional amount, or addition to the tax, and costs. The recorder
14 shall file and keep all original notices so filed in numerical order
15 in a file or files, designated state tax lien notices.

16 (c) When a certificate of discharge of a tax lien issued by the
17 department is filed in the office of the recorder, where the original
18 notice of lien is filed, the recorder shall enter the certificate with
19 the date of filing in the state tax lien index on the line where
20 notice of the lien so discharged is entered, and permanently attach
21 the original certificate of discharge to the original notice of lien.

22 (d) The state tax lien index and file for state tax lien notices
23 shall be furnished to the recorder in this state in the manner provided
24 by law for the furnishing of books in which deeds are recorded.

25 * Sec. 7. AS 43.10 is amended by adding a new section to read:

26 Sec. 43.10.045. SUSPENSION OF LICENSES. In addition to the
27 other penalties imposed in this title, the license of a person who is
28 authorized to conduct a business by a license issued under the laws of
29 the state, whether he is a resident or not, is, if he fails to pay the

1 tax levied under this title, suspended until the tax imposed by this
2 chapter, together with interest and penalties, is paid in full.

3 * Sec. 8. AS 43.10.160(b) is amended to read:

4 (b) If the value of the taxpayer's interest in the real estate
5 is not equal to twice the amount of the estimated tax and license fees
6 for which the taxpayer will be liable to the state, the taxpayer shall
7 file with the Department of Revenue a bond or other security approved
8 by the commissioner [ATTORNEY GENERAL] in a sum equal to twice the
9 estimated amount of the taxes and license fees, but in no event less
10 than \$1,000. However, the bond requirement may be waived, in whole or
11 in part, if the taxpayer shows in writing to the satisfaction of the
12 commissioner [ATTORNEY GENERAL] that there is good cause for such a
13 waiver [THE AMOUNT OF THE BOND WOULD BE AN UNDUE HARDSHIP]. The
14 Department of Revenue shall adopt regulations defining good cause for
15 the purposes of this section.

16 * Sec. 9. AS 43.20.011(c) is amended to read:

17 (c) There is imposed for each taxable year upon the taxable
18 income of every resident, nonresident and part-year resident head of
19 a household (as defined in section 2(b) of the Internal Revenue Code),
20 taxes computed according to the following table.

21 If the taxable income is:	Then the tax is:
22 Not over \$2,000	3 per cent of the taxable 23 income
24 Over \$2,000 but not over \$4,000	\$60 plus 3.5 per cent of 25 excess over \$2,000
26 Over \$4,000 but not over \$6,000	\$130 plus 4.0 per cent of 27 excess over \$4,000
28 Over \$6,000 but not over \$8,000	\$210 plus <u>4.0</u> [4.5] per cent 29 of excess over \$6,000

1	Over \$8,000 but not over \$10,000	<u>\$290</u> [\$300] plus 5.0 per cent
2		of excess over \$8,000
3	Over \$10,000 but not over \$12,000	<u>\$390</u> [\$400] plus <u>5.0</u> [5.5] per
4		cent of excess over \$10,000
5	Over \$12,000 but not over \$14,000	<u>\$490</u> [\$510] plus 6.0 per cent
6		of excess over \$12,000
7	Over \$14,000 but not over \$16,000	<u>\$610</u> [\$630] plus <u>6.0</u> [6.5] per
8		cent of excess over \$14,000
9	Over \$16,000 but not over \$18,000	<u>\$730</u> [\$760] plus <u>6.5</u> [7.0] per
10		cent of excess over \$16,000
11	Over \$18,000 but not over \$20,000	<u>\$860</u> [\$900] plus 7.0 per cent
12		of excess over \$18,000
13	Over \$20,000 but not over \$22,000	<u>\$1,000</u> [\$1,040] plus 7.5 per
14		cent of excess over \$20,000
15	Over \$22,000 but not over \$24,000	<u>\$1,150</u> [\$1,190] plus 8.0 per
16		cent of excess over \$22,000
17	Over \$24,000 but not over \$28,000	<u>\$1,310</u> [\$1,350] plus 8.5 per
18		cent of excess over \$24,000
19	Over \$28,000 but not over \$32,000	<u>\$1,650</u> [\$1,690] plus <u>8.5</u> [9.0]
20		per cent of excess over \$28,000
21	Over \$32,000 but not over \$38,000	<u>\$1,990</u> [\$2,050] plus <u>9.0</u> [9.5]
22		per cent of excess over \$32,000
23	Over \$38,000 but not over \$44,000	<u>\$2,530</u> [\$2,430] plus 10.0 per
24		cent of excess over \$38,000
25	Over \$44,000 but not over \$50,000	<u>\$3,130</u> [\$3,030] plus 10.5 per
26		cent of excess over \$44,000
27	Over \$50,000 but not over \$60,000	<u>\$3,760</u> [\$3,660] plus 11.0 per
28		cent of excess over \$50,000
29	Over \$60,000 but not over \$70,000	<u>\$4,860</u> [\$4,760] plus 11.5 per

	cent of excess over \$60,000
1	
2	Over \$70,000 but not over \$80,000 <u>\$6,010</u> [\$5,910] plus <u>11.5</u> [12.0]
	per cent of excess over \$70,000
4	Over \$80,000 but not over \$90,000 <u>\$7,160</u> [\$7,110] plus <u>12.0</u> [12.5]
5	per cent of excess over \$80,000
6	Over \$90,000 but not over \$100,000 \$8,360 plus 13.0 per cent of
7	excess over \$90,000
8	Over \$100,000 but not over \$150,000 \$9,660 plus <u>13.0</u> [13.5] per
9	cent of excess over \$100,000
10	Over \$150,000 but not over \$200,000 <u>\$16,160</u> [\$16,410] plus 14.0 per
11	cent of excess over \$150,000
12	Over \$200,000 but not over \$300,000 <u>\$23,160</u> [\$23,410] plus 14.5 per
13	cent of excess over \$200,000
14	Over \$300,000 <u>\$37,660</u> [\$37,910] plus 14.5 per
15	cent of excess over \$300,000

* Sec. 10. AS 43.20.011(d) is repealed and re-enacted to read:

(d) The department shall compute and publish Alaska income tax liability tables for taxpayers.

* Sec. 11. AS 43.20.021(d) is amended to read:

(d) Where a credit allowed under the Internal Revenue Code is also allowed in computing Alaska income tax, it is limited to 16 per cent [OF THE AMOUNT OF THE CREDIT DETERMINED FOR FEDERAL INCOME TAX PURPOSES] for individuals and fiduciaries and 18 per cent for corporations of the amount of credit determined for federal income tax purposes, which is attributable to Alaska.

* Sec. 12. AS 43.20.021 is amended by adding a new subsection to read:

(g) For purposes of calculating the accumulated earnings tax as provided for in the Internal Revenue Code, sec. 531, the rate is 4.95 per cent of the first \$100,000 of accumulated taxable income and 6.93