

LEG. FINANCE - BILLS 1979 - 1980 1245

SSSB47 cont. 1245



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:

April 12, 1979

Date: April 12, 1979

Mr. Speaker:

The Committee on FINANCE has had SB 26

"An Act relating to credited service under the public employees' retirement system; eff. date"

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

- do pass 2.1 FN 3/17/79 do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Freeman

McKinnon

Amth

Rosen

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

No Rec. J. M. Taylor

Freeman
CHAIRMAN

Vice

Introduced: 1/16/79
Referred: Labor & Management
and Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 26

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 credited service under the public
7 employees' retirement system; and providing for an
8 effective date."

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

10 * Section 1. AS 39.35 is amended by adding a new section to article 2 to
11 read:

12 Sec. 39.35.156. TEMPORARY SERVICE CREDIT. (a) A vested employee
13 is entitled to credited service for periods in which he regularly ren-
14 dered full-time personal service to an employer but was not qualified to
15 participate in the system because of the exclusion of temporary workers
16 as described in AS 39.35.680(21)(C)(iii). Benefits are not payable on
17 this credited service unless the employee makes retroactive contribu-
18 tions to the system for the period of time that credited service is
19 claimed. The retroactive contribution is the full actuarial cost of
20 providing benefits for the credited service claimed.

21 (b) To obtain credited service under this section, an employee
22 must make an election to do so and must verify his period of temporary
23 service before July 1, 1980 or within one year following the date when
24 the employee first becomes vested under this chapter, if later. When
25 eligibility for temporary service credit has been established, an in-
26 debtedness shall be determined as provided in (a) of this section.
27 Interest as prescribed by regulation accrues on that indebtedness com-
28 mencing July 1, 1980 or one year following the date an employee first
29 becomes vested, whichever is later. Any outstanding indebtedness which

1 exists at the time an employee retires will require an actuarial adjust-
2 ment to the benefits payable based on the temporary service.

3 (c) A deferred vested employee on July 1, 1979 is eligible to
4 claim credited service under (a) of this section. To obtain credited
5 service under this section, a deferred vested employee must make an
6 election to do so and must verify his period of temporary service before
7 July 1, 1980. When eligibility for temporary service credit has been
8 established, an indebtedness shall be determined as provided in (a) of
9 this section. Interest as prescribed by regulation accrues on that
10 indebtedness commencing July 1, 1980. Any outstanding indebtedness
11 which exists at the time a person is appointed to retirement will neces-
12 sitate an actuarial adjustment to the benefits payable based upon the
13 temporary service.

14 (d) The credited service granted under this section may not be
15 used to satisfy the credited service requirements for normal or early
16 retirement.

17 * Sec. 2. This Act takes effect July 1, 1979.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate Bill 26
 Title Temporary Service Credit Under the Public Employees' Retirement System
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01
 (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 | | 22.3 | 23.6 | 25.0 | 26.5 | 28.1 |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | 161.4 | | | | |
| 400 COMMODITIES | | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| 500 EQUIPMENT | | 0.5 | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 TRS STATE MATCH | | | | | | |
| 100 BENEFITS | | | | | | |
| TOTAL | | 127.5 23.1 | 23.9 | 25.3 | 26.8 | 28.4 |

FUNDING (Thousands of Dollars)

| | | | | | | |
|------------------|--|------------------|------|------|------|------|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| VETERAN'S FUND | | | | | | |
| FISH & GAME FUND | | | | | | |
| HIGHWAY FUND | | | | | | |
| AIRPORT FUND | | | | | | |
| CAPITAL FUND | | 23.1 | | | | |
| PERS | | 127.5 | 23.9 | 25.3 | 26.8 | 28.4 |
| TRS | | | | | | |

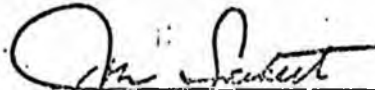
POSITIONS

| | | | | | | |
|-----------|--|---|---|---|---|---|
| FULL TIME | | 1 | 1 | 1 | 1 | 1 |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

See Attachments (Pages 2 through 4)

The temporary employees should be incorporated in the existing record system. No new program development costs allowed.


 John C. Sackett, Chairman
 Senate Finance Committee

IV. DATE 2/01/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Senator Ray
 Office of the Governor (Keith Specking)

ATTACHMENT - SB 26

1. The following administrative funds would be required from the Public Employees' Retirement System to implement the provisions of this bill.

- a) Personal service - one full-time Accounting Technician I (range 12) salary and merit increases at 6%.

| | | |
|------------------------|--------------|-------------------|
| FY 80 monthly salary | \$1,426 X 12 | = \$17,112 |
| Plus benefits at 25.5% | | = <u>\$ 5,173</u> |
| | | \$22,285 |

- b) Miscellaneous Expenses - Initial cost office equipment and annual commodities and replacement costs.

| | |
|-----------------|---------|
| FY 80 | = \$800 |
| Succeeding FY's | = \$300 |

- c) Contractual Services - \$104,387 to establish new indebtedness records (program modification, program documentation updating and system testing), onetime only, per attached worksheets.

| PROGRAM DESCRIPTION | ANALYSIS | | | PROGRAMMING | | | COMPILE AND DEBUG - RUN TIME | | | | EXECUTION AND TEST - RUN TIME | | | | TOTAL COST |
|--|--------------|-----------|------------|--------------|-----------|------------|------------------------------|---------------|----------------|------------|-------------------------------|---------------|----------------|------------|------------|
| | BILLING RATE | EST. TIME | TOTAL COST | BILLING RATE | EST. TIME | TOTAL COST | BILLING RATE | EST. RUN TIME | EST. # OF RUNS | TOTAL COST | BILLING RATE | EST. RUN TIME | EST. # OF RUNS | TOTAL COST | |
| Pre Programming Systems Impact Analysis | \$28.50/hour | 4 months | \$17,120 | | | | | | | | | | | | \$17,120 |
| Segment Address Calculation Subroutine, and IO Programs Using This Routine | | | | \$28.50/hour | 15 Days | \$3,210 | \$110/hour | 10 Min. | 20 | \$367 | \$110/hour | 1 Hour | 10 | \$1,100 | \$4,310 |
| PERS Master COBOL File Description and Programs Using This Routine | | | | \$28.50/hour | 5 Days | \$1,070 | \$110/hour | 10 Min. | 10 | \$183 | \$110/hour | 10 Min. | 15 | \$275 | \$1,443 |
| PERS Master Bal File Description and Programs Using This Routine | | | | \$28.50/hour | 5 Days | \$1,070 | \$110/hour | 10 Min. | 20 | \$367 | \$110/hour | 1 Hour | 10 | \$1,100 | \$2,140 |
| I/O Bal Sub-routine Called in COBOL to Read Tape Master and Ppms. Using This Routine | | | | \$28.50/hour | 7 Days | \$1,498 | \$110/hour | 10 Min. | 10 | \$183 | \$110/hour | 15 Min. | 12 | \$330 | \$2,081 |
| I/O Bal Sub-routine Called in COBOL to Read Disk Master and Ppms. Using This Routine | | | | \$28.50/hour | 7 Days | \$1,498 | \$110/hour | 10 Min. | 5 | \$92 | \$110/hour | 15 Min. | 6 | \$165 | \$1,690 |
| I/O Bal Sub-Routine Called in Bal to Process All PERS Files and Ppms. Using This | | | | \$28.50/hour | 15 Days | \$3,210 | \$110/hour | 10 Min. | 15 | \$275 | \$110/hour | 1 Hour | 5 | \$550 | \$4,035 |
| PERS - Purge Report | | | | \$28.50/hour | 5 Days | \$1,070 | \$110/hour | 10 Min. | 3 | \$55 | \$110/hour | 20 Min. | 2 | \$73 | \$1,198 |
| PERS Card Audit | | | | \$28.50/hour | 5 Days | \$1,070 | \$110/hour | 10 Min. | 5 | \$92 | \$110/hour | 30 Min. | 3 | \$165 | \$1,327 |
| PERS File Maintenance | | | | \$28.50/hour | 30 Days | \$6,420 | \$110/hour | 10 Min. | 10 | \$183 | \$110/hour | 1 Hour | 5 | \$550 | \$7,153 |
| PERS Financial Update | | | | \$28.50/hour | 30 Days | \$6,420 | \$110/hour | 10 Min. | 10 | \$183 | \$110/hour | 1 Hour | 5 | \$550 | \$7,153 |
| PERS Financial Report Writer | | | | \$28.50/hour | 35 Days | \$7,490 | \$110/hour | 15 Min. | 15 | \$413 | \$110/hour | 1 Hour | 5 | \$550 | \$8,453 |
| PERS Indebtedness Payment Receipt | | | | \$28.50/hour | 20 Days | \$4,280 | \$110/hour | 10 Min. | 5 | \$92 | \$110/hour | 1 Hour | 2 | \$220 | \$4,572 |
| PERS - 22 Statements | | | | \$28.50/hour | 10 Days | \$2,140 | \$110/hour | 10 Min. | 5 | \$92 | \$110/hour | 1 Hour | 5 | \$550 | \$2,782 |

Introduced: 1/16/79
Referred: Labor & Management
and Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 26

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 credited service under the public
7 employees' retirement system; and providing for an
8 effective date."

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15 participate in the system because of the exclusion of temporary workers
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18 tions to the system for the period of time that credited service is
19 claimed. The retroactive contribution is the full actuarial cost of
20 providing benefits for the credited service claimed.

21 (b) To obtain credited service under this section, an employee
22 must make an election to do so and must verify his period of temporary
23 service before July 1, 1980 or within one year following the date when
24 the employee first becomes vested under this chapter, if later. When
25 eligibility for temporary service credit has been established, an in-
26 debtedness shall be determined as provided in (a) of this section.
27 Interest as prescribed by regulation accrues on that indebtedness com-
28 mencing July 1, 1980 or on year following the date an employee first
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15 used to satisfy the credited service requirements for normal or early
16 retirement.

17 * Sec. 2. This Act takes effect July 1, 1979.
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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 26
 Title Temporary Service Credit Under the Public Employees' Retirement System
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
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| 100 PERSONAL SERVICES | | 22.3 | 23.6 | 25.0 | 26.5 | 28.1 |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | 104.7 | | | | |
| 400 COMMODITIES | | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| 500 EQUIPMENT | | 0.5 | | | | |
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| 700 TRS STATE MATCH | | | | | | |
| 100 BENEFITS | | | | | | |
| TOTAL | | 127.5 23.1 | 23.9 | 25.3 | 26.8 | 28.4 |

FUNDING (Thousands of Dollars)

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| PERS | | 127.5 | 23.9 | 25.3 | 26.8 | 28.4 |
| TRS | | | | | | |

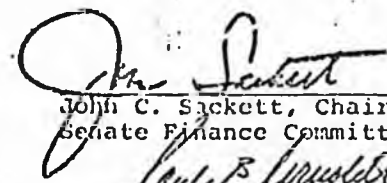
POSITIONS

| | | | | | | |
|-----------|--|---|---|---|---|---|
| FULL TIME | | 1 | 1 | 1 | 1 | 1 |
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III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See Attachments (Pages 2 through 4)

The temporary employees should be incorporated in the existing record system. No new program development costs allowed.


 John C. Sackett, Chairman
 Senate Finance Committee

IV. DATE 2/01/79 PREPARED BY Paul B. Arnoldt, Director
 AGEN Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Senator Ray
 Office of the Governor (Keith Specking)

ATTACHMENT - SB 26

1. The following administrative funds would be required from the Public Employees' Retirement System to implement the provisions of this bill.

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| PROGRAM DESCRIPTION | ANALYSIS | | | PROGRAMMING | | | COMPILE AND DEBUG - RUN TIME | | | | EXECUTION AND TEST - RUN TIME | | | | TOTAL COST |
|--|--------------|-----------|------------|--------------|-----------|------------|------------------------------|---------------|----------------|------------|-------------------------------|---------------|----------------|------------|------------|
| | BILLING RATE | EST. TIME | TOTAL COST | BILLING RATE | EST. TIME | TOTAL COST | BILLING RATE | EST. RUN TIME | EST. # OF RUNS | TOTAL COST | BILLING RATE | EST. RUN TIME | EST. # OF RUNS | TOTAL COST | |
| Pre Programming Systems Impact Analysis | \$28.50/hour | 4 months | \$17,120 | | | | | | | | | | | | \$17,120 |
| Serment Address Calculation Subroutine, and IO Programs Using This Routine | | | | \$28.50/hour | 15 Days | \$3,210 | \$110/hour | 10 Min. | 20 | \$367 | \$110/hour | 1 Hour | 10 | \$1,100 | \$4,310 |
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| PERS - Purge Report | | | | \$28.50/hour | 5 Days | \$1,070 | \$110/hour | 10 Min. | 3 | \$55 | \$110/hour | 20 Min. | 2 | \$73 | \$1,198 |
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| PERS File Maintenance | | | | \$28.50/hour | 30 Days | \$6,420 | \$110/hour | 10 Min. | 10 | \$183 | \$110/hour | 1 Hour | 5 | \$550 | \$7,153 |
| PERS Financial Update | | | | \$28.50/hour | 30 Days | \$6,420 | \$110/hour | 10 Min. | 10 | \$183 | \$110/hour | 1 Hour | 5 | \$550 | \$7,153 |
| PERS Financial Report Writer | | | | \$28.50/hour | 35 Days | \$7,490 | \$110/hour | 15 Min. | 15 | \$413 | \$110/hour | 1 Hour | 5 | \$550 | \$8,453 |
| PERS Indebtedness Payment Receipt | | | | \$28.50/hour | 20 Days | \$4,280 | \$110/hour | 10 Min. | 5 | \$92 | \$110/hour | 1 Hour | 2 | \$220 | \$4,792 |
| PERS - P2 Statements | | | | \$28.50/hour | 10 Days | \$2,140 | \$110/hour | 10 Min. | 5 | \$92 | \$110/hour | 1 Hour | 5 | \$550 | \$2,782 |



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

SENATE FINANCE COMMITTEE
BILL CHECKLIST

- 1. Original Bill Document ✓
- 2. History Cover Form ✓
- 3. Printed Copies:
 - Original Bill ✓
 - Committee Substitutes or Amendments
- 4. Committee Report Form ✓
- 5. Fiscal Note:
 - In File ✓
 - Requested Date
- 6. Backup:
 - Handouts
 - Letter from Governor
 - Letter from Sponsor
 - Other

- Committee Report - HCSS w/amendments
- Memo from Gary Jenkins
- Examples of Net Benefits to Recipients
- Memo discussion of current benefits
- Copy of Current Statutes.

EFFECTIVE DATE SHOULD
BE CHANGED TO '80

COMMITTEE REPORT
SENATE

1/16/79

FURTHER:

Judiciary
~~FINANCE~~ - 1/16/79

Date: _____

Mr. President:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had SB 41

relating to exemption from income tax for senior citizens

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

- do 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:

Coletta

Rayson

Alan Haden

CHAIRMAN

A M E N D M E N T

OFFERED IN THE SENATE:

By: SENATE HESS

To: _____ SENATE BILL No. SB 41

HOUSE BILL No. _____

PAGE: 1

LINE: 12

line 12: change "65" to "62"

A M E N D M E N T

OFFERED IN THE SENATE:

By: SENATE HESS

To: _____ SENATE BILL No. SB 41

HOUSE BILL No. _____

PAGE: 1

LINE: 16

line 16: after "years" delete "." and insert ", provided that only one exemption may be claimed by a married couple filing jointly or separately."

584!

Introduced: 1/16/79
Referred: Health, Education
& Social Services and
Judiciary & FINANCE 1-18-79

1 IN THE SENATE

BY BRADLEY

2 SENATE BILL NO. 41

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISL. PER - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to exemption from the income tax for
7 senior citizens; and providing for an effective date."

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

9 * Section 1. AS 43.20.031(b) is amended by adding a new paragraph to
10 read:

11 (4) \$10,000 of the gross income as defined in sec. 61 of the
12 Internal Revenue Code of a person who is 65 years of age or older who
13 has continuously maintained a domicile in the territory or state for 25
14 years, or who has intermittently maintained a domicile in the territory
15 or state for a cumulative total of 35 years with no period of absence
16 longer than two years.

17 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c) and is retroactive to January 1, 1979.

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ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

SENATE ...BILL..... NO.41.

By .BRADLEY.....

"An Act relating to exemption from the income tax for senior citizens; and providing for an effective date."

exemption income tax/senior citizen

Introduced in the Senate ..1/16..., 19...79

HISTORY IN THE SENATE

| | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|----------------|---|------|----------------|------|------|------|------|--------|--------|---------|---------|-----------------|--|------|----------------|------|------|------|------|--------|--------|---------|---------|
| 19 | 79 | Read first time and referred to Committee on | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 16 | Health, Education & Social Services and | | | | | | | | | | | | | | | | | | | | | | |
| | 1/18 | Reported back with Judiciary recommendation that <i>Finance</i> | | | | | | | | | | | | | | | | | | | | | | |
| | 2/15 | <i>Hess - 3 do pass/w am to Gov</i> | | | | | | | | | | | | | | | | | | | | | | |
| | 2/16 | <i>and W am to Gov - 10 passed</i> | | | | | | | | | | | | | | | | | | | | | | |
| | | 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> <tr> <td colspan="2">Reconsideration</td> </tr> <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 | Reconsideration | | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused |
| PASS | Effective Date | | | | | | | | | | | | | | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | | | | | | | | | | | | | | |
| Nays | Nays | | | | | | | | | | | | | | | | | | | | | | | |
| Absent | Absent | | | | | | | | | | | | | | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | | | | | | | | | | | | | | |
| Reconsideration | | | | | | | | | | | | | | | | | | | | | | | | |
| PASS | Effective Date | | | | | | | | | | | | | | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | | | | | | | | | | | | | | |
| Nays | Nays | | | | | | | | | | | | | | | | | | | | | | | |
| Absent | Absent | | | | | | | | | | | | | | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | | | | | | | | | | | | | | |
| | | Reported correctly engrossed | | | | | | | | | | | | | | | | | | | | | | |
| | | Signed by President | | | | | | | | | | | | | | | | | | | | | | |
| | | Sent to House | | | | | | | | | | | | | | | | | | | | | | |
| SECRETARY OF THE SENATE | | | | | | | | | | | | | | | | | | | | | | | | |

HISTORY IN THE HOUSE

| | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|----------------|---|------|----------------|------|------|------|------|--------|--------|---------|---------|-----------------|--|------|----------------|------|------|------|------|--------|--------|---------|---------|
| 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> <tr> <td colspan="2">Reconsideration</td> </tr> <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 | Reconsideration | | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused |
| PASS | Effective Date | | | | | | | | | | | | | | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | | | | | | | | | | | | | | |
| Nays | Nays | | | | | | | | | | | | | | | | | | | | | | | |
| Absent | Absent | | | | | | | | | | | | | | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | | | | | | | | | | | | | | |
| Reconsideration | | | | | | | | | | | | | | | | | | | | | | | | |
| PASS | Effective Date | | | | | | | | | | | | | | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | | | | | | | | | | | | | | |
| Nays | Nays | | | | | | | | | | | | | | | | | | | | | | | |
| Absent | Absent | | | | | | | | | | | | | | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | | | | | | | | | | | | | | |
| | | Reported correctly engrossed | | | | | | | | | | | | | | | | | | | | | | |
| | | Signed by Speaker | | | | | | | | | | | | | | | | | | | | | | |
| | | Returned to Senate | | | | | | | | | | | | | | | | | | | | | | |
| CHIEF CLERK OF THE HOUSE | | | | | | | | | | | | | | | | | | | | | | | | |

HISTORY IN THE SENATE

| | | |
|----|--|-----------------------------|
| 19 | | Received from House |
| | | To enrolling |
| | | Reported correctly enrolled |
| | | Sent to Governor |
| | | by Governor |
| | | Filed with Lt. Governor |
| | | Chapter No. |

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 99811

February 9, 1979

The Honorable Glenn Hackney
Chairman
Senate Health, Education and
Social Services Committee
Room 105 - Assembly Building
Juneau, Alaska

Re: Senate Bill No. 41.

Dear Senator Hackney:

Senate Bill No. 41, an Act relating to exemption from the income tax for senior citizens, was introduced in the Senate on January 16, 1979 and was referred to the Senate Health, Education and Social Services and Judiciary Committees. The bill was given a further referral to the Senate Finance Committee on January 18, 1979.

For the consideration of the Senate Health, Education and Social Services Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Gary Jenkins, Director, Audit Division, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable Robert Ziegler
Chairman
Senate Judiciary Committee

The Honorable John C. Sackett
Chairman
Senate Finance Committee

John Messenger
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 41
 Title An Act relating to exemption from the income tax for senior citizens
 Requested by Health, Education & Social Services and Date 2/8/79
Judiciary Committees.

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)

See attached memo to R. D. Stevenson dated 2/8/79

IV. DATE February 8, 1979 PREPARED BY
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

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

DATE: February 8, 1979

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 41

The proposed bill would exempt \$10,000 of gross income from Alaska income tax of an individual 65 years of age or older who meets the domicile test stated in the bill. There are several points which I think the Legislature should consider in dealing with this proposal. First, the way it is currently structured, if a husband and wife were age 65 and over and both meet the domiciliary requirements, it would appear that they could exempt up to \$20,000 of income from the individual income tax.

In its deliberations, I think the Legislature should also consider the tax benefits which are already provided to the elderly either through the Internal Revenue Code or by Alaska Statutes. These benefits include such things as, (1) the elderly tax credit, which for Alaska purposes has an effective rate of 2.4% of applicable income; (2) the recently enacted \$100,000 capital gain exemption from the sale of a residence for those age 65 and over; (3) the elderly currently receive the Alaska longevity bonus which is tax free for Alaska purposes; (4) any qualified pensions and annuities currently received by the elderly are exempt from Alaska taxation; (5) the recently enacted \$100 individual tax credit would operate to exempt up to \$12,500, of gross income which would normally be taxable, from being taxed.

Obviously, this is a question of public policy on which the Legislature must decide. There would appear, however, to be a question whether this additional exemption from tax is really necessary.

H. return

R. D. Stevenson
Special Assistant
Department of Revenue

February 16, 1979

Gary L. Jenkins
Director
Audit Division

CSSB 41

At the hearing held by the Senate HESS Committee, two amendments were made to Senate Bill 41. One would lower the age of a qualified individual from 65 to 62, while the second provides that only one exemption could be claimed by a married couple. I was requested by the Chairman of that committee to prepare an estimate of the maximum possible effect of the passage of this legislation, taking into consideration those amendments.

Based on the information available from the Office of Aging as well as information available from the office handling the Alaska longevity bonus, it appears that there are an estimated 10,500 residents in the State of Alaska who would meet the requirements of this bill. Further, an estimated 15 percent of that group are married, thus reducing the total possible returns which could be filed claiming this exemption from 10,500 down to 9,712. For an individual filing as a single person, this bill would result in a \$420 tax savings if they had \$10,000 of taxable income. For a married couple, this would result in a tax reduction of \$340. The total potential loss of revenue to the State treasury would be \$4,016,000. As I explained to the HESS Committee, there are a substantial number of variables which could make this figure incorrect. However, we have no statistics on which to make any adjustments to this estimate.

abuse from out-of-staters

1978

Alaska Individual Income Tax Return
(Or other taxable year beginning _____ 1978 ending _____ 19 __)

RESIDENT

| | | | |
|----------------------|--|---------------------------------|---|
| Please type or print | First Name and Initial (if joint return, use both first names and initials) EXAMPLE 1. | Last Name (or names) | Exemptions (from federal form) 2 |
| | Mailing Address figures in Black - current | Your Social Security Number | Filing Status: A <input checked="" type="checkbox"/> Single B <input type="checkbox"/> Married filing jointly |
| | City, Town or Post Office, State and Zip Code figures in Red - SB41 | Spouse's Social Security Number | C <input type="checkbox"/> Married filing separately D <input type="checkbox"/> Unmarried head of household E <input type="checkbox"/> Qualifying widow(er) |
| | | | |

NOTE
A copy of your federal return and supporting schedules must be attached to this return

ATTACH COPY OF ALL WAGE STATEMENTS HERE

Please attach check or money order here

| | | |
|---|----|-------------------------|
| 1. Federal adjusted gross income (line 31, Form 1040 or line 10, Form 1040A) | 1 | 12,500 |
| 2. Federal cost of living allowance (C.O.L.A.) | 2 | |
| 3. Add lines 1 and 2 | 3 | 12,500 |
| Adjustments to Income | | |
| 4. Exempt pensions and annuities received | 4 | |
| 5. State income tax refund from Federal Form 1040, line 11. | 5 | |
| 6. Other adjustments from Part I, line 32. SB41 | 6 | 10,000 |
| 7. Add lines 4 through 6, enter here | 7 | 0 10,000 |
| 8. Subtract line 7 from line 3. This is your Alaska adjusted gross income | 8 | 12,500 2,500 |
| 9. Multiply number of exemptions by \$750. | 9 | 1500 |
| 10. Subtract line 9 from line 8. | 10 | 11,000 1,000 |
| 11. If you DO NOT itemize deductions, enter minimum deduction on line 12 as follows. If you checked filing status Box B or E, enter \$3200; box A or D, enter \$2200; Box C, enter \$1600. If you DO itemize deductions, complete a, b, and c below: | | |
| a. Enter amount from form 1040, Schedule A, line 39. | a | |
| b. Enter state income tax from Form 1040, Schedule A, line 11. | b | |
| c. Subtract 11b from 11a. | c | |
| 12. Enter either 11c or minimum deduction. | 12 | 2,200 |
| 13. Subtract line 12 from line 10. This is your Alaska taxable income | 13 | 8,800 -0- |

Take figure on line 13 and determine your tax from the tax tables or alternative schedules. Enter tax on line 14 and check appropriate block.

| | | | |
|--|-----|-----|-----|
| 14. Enter amount from tax tables <input checked="" type="checkbox"/> ; or Schedule X, Y, Z <input type="checkbox"/> ; or from Sch. D <input type="checkbox"/> ; Alaska Maximum Tax Form <input type="checkbox"/> ; Sch. G <input type="checkbox"/> | 14 | 355 | -0- |
| 15. TAX CREDITS—SEE INSTRUCTIONS PAGE 6. | | | |
| a. Residential fuel credit | a | | |
| b. Residential fuel conservation credit | b | | |
| c. Other credits from Part II, line 35 or Part III, line 42. | c | | |
| Add lines 15a, b, and c. | 15 | | |
| 16. Subtract line 15 from line 14. If less than zero, enter zero. | 16 | 355 | -0- |
| 17. Individual Income Tax Credit. Enter \$100.00 (\$200.00 if married filing jointly) | 17 | 100 | |
| 18. Subtract line 17 from line 16. If less than zero, enter zero. | 18 | 255 | -0- |
| 19. Other taxes from Part IV, line 47. | 19 | | |
| 20. Enter \$10 school tax for each taxpayer employed in 1978. | 20 | | |
| 21. Add lines 18, 19, and 20 to determine your total Alaska tax. | 21 | 255 | -0- |
| 22. Total Alaska income tax withheld. | 22 | | |
| 23. School tax withheld. | 23 | | |
| 24. 1978 estimated tax prepayments. | 24 | | |
| 25. Total (Add lines 22, 23, and 24). | 25 | | |
| 26. If line 21 is less than line 25, we owe you. Enter amount to be refunded and send us your return. | 26 | | |
| 27. If line 21 is greater than line 25, you owe us. Enter amount and send check with your return. | 27 | | |
| 28. You can credit part or all of your refund to your 1979 estimated tax. Make no entry if you want all of the amount on line 26 refunded to you. | 28a | | 28b |

Under penalty of perjury, I/wo attest tax return is true and complete.

Signature of the Preparer: _____ Yours signature: _____ Date: _____

Identifying number: _____ Spouse's signature (if filing jointly, BOTH Must sign even if only one had income): _____

If paying additional taxes send return to:
Alaska Department of Revenue
Pouch SA
Juneau, Alaska 99811

If you have a refund coming send return to:
Alaska Department of Revenue
Pouch SR
Juneau, Alaska 99811

OFFICE USE ONLY

NET BENEFIT — \$ 255

| | | | |
|----------------------|--|---------------------------------|---|
| Please type or print | First Name and Initial (if joint return, use both first names and initials) EXAMPLE 2. | Last Name (or names) | Exemptions (from federal form) 2 |
| | Mailing Address Figures in Black - current | Your Social Security Number | Filing Status: A <input checked="" type="checkbox"/> Single B <input type="checkbox"/> Married filing jointly |
| | City, Town or Post Office, State and Zip Code Figures in Red - SB41 | Spouse's Social Security Number | C <input type="checkbox"/> Married filing separately D <input type="checkbox"/> Unmarried head of household E <input type="checkbox"/> Qualifying widow(er) |

NOTE:
A copy of your federal return and supporting schedules must be attached to this return

ATTACH COPY OF ALL WAGE STATEMENTS HERE

Please attach check or money order here

| | | |
|---|----|----------------|
| 1. Federal adjusted gross income (line 31, Form 1040 or line 10, Form 1040A) | 1 | 18,000 |
| 2. Federal cost of living allowance (C.O.L.A.) | 2 | |
| 3. Add lines 1 and 2 | 3 | 18,000 |
| Adjustments to Income | | |
| 4. Exempt pensions and annuities received | 4 | |
| 5. State income tax refund from Federal Form 1040, line 11. | 5 | |
| 6. Other adjustments from Part I, line 32. SB41 | 6 | 10,000 |
| 7. Add lines 4 through 6, enter here. | 7 | 0 |
| 8. Subtract line 7 from line 3. This is your Alaska adjusted gross income..... | 8 | 18,000 / 8,000 |
| 9. Multiply number of exemptions by \$750. | 9 | 1,500 |
| 10. Subtract line 9 from line 8. | 10 | 16,500 / 6,500 |
| 11. If you DO NOT itemize deductions, enter minimum deduction on line 12 as follows. If you checked filing status Box B or E, enter \$3200; box A or D, enter \$2200; Box C, enter \$1600. If you DO itemize deductions, complete a, b, and c below: | | |
| a. Enter amount from form 1040, Schedule A, line 39 | a | |
| b. Enter state income tax from Form 1040, Schedule A, line 11..... | b | |
| c. Subtract 11b from 11a. | c | |
| 12. Enter either 11c or minimum deduction. | 12 | 2,200 |
| 13. Subtract line 12 from line 10. This is your Alaska taxable income. | 13 | 14,300 / 4,300 |

Take figure on line 13 and determine your tax from the tax tables or alternative schedules. Enter tax on line 14 and check appropriate block.

| | | | |
|--|----|-----|-----|
| 14. Enter amount from tax tables <input checked="" type="checkbox"/> ; or Schedule X, Y, Z <input type="checkbox"/> ; or from Sch. D <input type="checkbox"/> ; Alaska Maximum Tax Form <input type="checkbox"/> ; Sch. G <input type="checkbox"/> | 14 | 704 | 143 |
| 15. TAX CREDITS—SEE INSTRUCTIONS PAGE 6. | | | |
| a. Residential fuel credit. | a | | |
| b. Residential fuel conservation credit..... | b | | |
| c. Other credits from Part II, line 35 or Part III, line 42. | c | | |
| Add lines 15a, b, and c. | 15 | | |
| 16. Subtract line 15 from line 14. If less than zero, enter zero. | 16 | 704 | 143 |
| 17. Individual Income Tax Credit. Enter \$100.00 (\$200.00 if married filing jointly). | | | |
| 17 | | 100 | |
| 18. Subtract line 17 from line 16. If less than zero, enter zero. | 18 | | |
| 19. Other taxes from Part IV, line 47. | 19 | | |
| 20. Enter \$10 school tax for each taxpayer employed in 1978. | 20 | | |
| 21. Add lines 18, 19, and 20 to determine your total Alaska tax..... | 21 | 604 | 43 |
| 22. Total Alaska income tax withheld.. | 22 | | |
| 23. School tax withheld. | 23 | | |
| 24. 1978 estimated tax prepayments. | 24 | | |
| 25. Total (Add lines 22, 23, and 24). | 25 | | |
| 26. If line 21 is less than line 25, we owe you . Enter amount to be refunded and send us your return. | 26 | | |
| 27. If line 21 is greater than line 25, you owe us . Enter amount and send check with your return. | 27 | | |
| 28. You can credit part or all of your refund to your 1979 estimated tax. Make no entry if you want all of the amount on line 26 refunded to you. | | | |
| 28a | | 28b | |

Do not include employment security contributions (ESC or SUI) withheld

Under penalty of perjury, I/we attest tax return is true and complete.

| | | |
|---------------------------|--|------|
| Signature of the Preparer | Your signature | Date |
| Identifying number | Spouse's signature (if filing jointly, BOTH Must sign even if only one had income) | |

If paying additional taxes send return to:
Alaska Department of Revenue
Pouch SA
Juneau, Alaska 99811

If you have a refund coming send return to:
Alaska Department of Revenue
Pouch SR
Juneau, Alaska 99811

OFFICE USE ONLY

NET BENEFIT - \$561

| | | | | |
|---|----------------------|---|--|---|
| Please type or print First Name and Initial (if joint return, use both first names and initials) | Last Name (or names) | | Exemptions (from federal form) 2 | NOTE A copy of your federal return and supporting schedules must be attached to this return. |
| | Mailing Address | | | |
| Your Social Security Number | | Filing Status: A <input checked="" type="checkbox"/> Single B <input type="checkbox"/> Married filing jointly | | C <input type="checkbox"/> Married filing separately D <input type="checkbox"/> Unmarried head of household E <input type="checkbox"/> Qualifying widow(er) |
| Spouse's Social Security Number | | City, Town or Post Office, State and Zip Code | | |

EXAMPLE 3.
figures in Black - current
figures in Red - 5841

ATTACH COPY OF ALL WAGE STATEMENTS HERE

Please attach check or money order here

| | | |
|---|----|--------------------------|
| 1. Federal adjusted gross income (line 31, Form 1040 or line 10, Form 1040A) | 1 | 25,000 |
| 2. Federal cost of living allowance (C.O.L.A.) | 2 | |
| 3. Add lines 1 and 2. | 3 | 25,000 |
| Adjustments to Income | | |
| 4. Exempt pensions and annuities received. | 4 | |
| 5. State income tax refund from Federal Form 1040, line 11. | 5 | |
| 6. Other adjustments from Part I, line 32. <i>5841</i> | 6 | 10,000 |
| 7. Add lines 4 through 6, enter here. | 7 | 0 10,000 |
| 8. Subtract line 7 from line 3. This is your Alaska adjusted gross income. | 8 | 25,000 15,000 |
| 9. Multiply number of exemptions by \$750. | 9 | 1,500 |
| 10. Subtract line 9 from line 8. | 10 | 23,500 13,500 |
| 11. If you DO NOT itemize deductions, enter minimum deduction on line 12 as follows: If you checked filing status Box B or E, enter \$3200; box A or D, enter \$2200; Box C, enter \$1600. If you DO itemize deductions, complete a, b, and c below: | | |
| a. Enter amount from form 1040, Schedule A, line 39. | a | |
| b. Enter state income tax from Form 1040, Schedule A, line 11. | b | |
| c. Subtract 11b from 11a. | c | |
| 12. Enter either 11c or minimum deduction. | 12 | 2,200 |
| 13. Subtract line 12 from line 10. This is your Alaska taxable income. | 13 | 21,300 11,300 |

Take figure on line 13 and determine your tax from the tax tables or alternative schedules. Enter tax on line 14 and check appropriate block.

| | | |
|--|-----|---------------------|
| 14. Enter amount from tax tables <input checked="" type="checkbox"/> ; or Schedule X, Y, Z <input type="checkbox"/> ; or from Sch. D <input type="checkbox"/> ; Alaska Maximum Tax Form <input type="checkbox"/> ; Sch. G <input type="checkbox"/> | 14 | 1279 499 |
| 15. TAX CREDITS—SEE INSTRUCTIONS PAGE 6. | | |
| a. Residential fuel credit. | a | |
| b. Residential fuel conservation credit. | b | |
| c. Other credits from Part II, line 35 or Part III, line 42. | c | |
| Add lines 15a, b, and c. | 15 | |
| 16. Subtract line 15 from line 14. If less than zero, enter zero. | 16 | 1279 499 |
| 17. Individual Income Tax Credit. Enter \$100.00 (\$200.00 if married filing jointly). | | |
| | 17 | 100 |
| 18. Subtract line 17 from line 16. If less than zero, enter zero. | 18 | |
| 19. Other taxes from Part IV, line 47. | 19 | |
| 20. Enter \$10 school tax for each taxpayer employed in 1978. | 20 | |
| 21. Add lines 18, 19, and 20 to determine your total Alaska tax. | 21 | 1179 399 |
| 22. Total Alaska income tax withheld. | 22 | |
| 23. School tax withheld. | 23 | |
| 24. 1978 estimated tax prepayments. | 24 | |
| 25. Total (Add lines 22, 23, and 24). | 25 | |
| 26. If line 21 is less than line 25, we owe you. Enter amount to be refunded and send us your return. | 26 | |
| 27. If line 21 is greater than line 25, you owe us. Enter amount and send check with your return. | 27 | |
| 28. You can credit part or all of your refund to your 1979 estimated tax. Make no entry if you want all of the amount on line 26 refunded to you. | | |
| 28a | 28b | |

Amount to be credited to 1979 estimated tax Portion to be refunded.

Under penalty of perjury, I/we attest tax return is true and complete.

Signature of the Preparer _____
Your signature _____ Date _____
Identifying number _____
Spouse's signature (if filing jointly, BOTH must sign even if only one had income) _____

If paying additional taxes send return to:
Alaska Department of Revenue
Pouch SA
Juneau, Alaska 99811

If you have a refund coming send return to:
Alaska Department of Revenue
Pouch SR
Juneau, Alaska 99811

OFFICE USE ONLY

(NET BENEFIT ~ \$780)

| | | | |
|--|---------------------------------|---|---|
| Please type or print First Name and Initial (if joint return, use both first names and initials) EXAMPLE 4. | Last Name (or names) | Exemptions (from federal form) 2 | NOTE: A copy of your federal return and supporting schedules must be attached to this return. |
| Mailing Address Signes in Black - current | Your Social Security Number | Filing Status: A <input checked="" type="checkbox"/> Single B <input type="checkbox"/> Married filing jointly | |
| City, Town, Post Office, State and Zip Code Signes in Red - 5341 | Spouse's Social Security Number | C <input type="checkbox"/> Married filing separately D <input type="checkbox"/> Unmarried head of household E <input type="checkbox"/> Qualifying widow(er) | |

ATTACH COPY OF ALL WAGE STATEMENTS HERE

Please attach check or money order here

| | | | |
|--|----|-------------------------------|--|
| 1. Federal adjusted gross income (line 31, Form 1040 or line 10, Form 1040A) | 1 | 500,000 | |
| 2. Federal cost of living allowance (C.O.L.A.) | 2 | | |
| 3. Add lines 1 and 2 | 3 | 500,000 | |
| Adjustments to Income | | | |
| 4. Exempt pensions and annuities received | 4 | | |
| 5. State income tax refund from Federal Form 1040, line 11. | 5 | | |
| 6. Other adjustments from Part I, line 32. | 6 | 10,000 | |
| 7. Add lines 4 through 6, enter here | 7 | 0 10,000 | |
| 8. Subtract line 7 from line 3. This is your Alaska adjusted gross income | 8 | 500,000 490,000 | |
| 9. Multiply number of exemptions by \$750. | 9 | 1,500 | |
| 10. Subtract line 9 from line 8. | 10 | 498,500 488,500 | |
| 11. If you DO NOT itemize deductions, enter minimum deduction on line 12 as follows. If you checked filing status Box B or E, enter \$3200; box A or D, enter \$2200; Box C, enter \$1600. If you DO itemize deductions, complete a, b, and c below: | | | |
| a. Enter amount from form 1040, Schedule A, line 39. | a | | |
| b. Enter state income tax from Form 1040, Schedule A, line 11. | b | | |
| c. Subtract 11b from 11a. | c | | |
| 12. Enter either 11c or minimum deduction. | 12 | 2,200 | |
| 13. Subtract line 12 from line 10. This is your Alaska taxable income. | 13 | 496,300 486,300 | |

Take figure on line 13 and determine your tax from the tax tables or alternative schedules. Enter tax on line 14 and check appropriate block.

| | | | |
|---|-----|---|---|
| 14. Enter amount from tax tables <input type="checkbox"/> ; or Schedule X, Y, Z <input type="checkbox"/> ; or from Sch. D <input type="checkbox"/> ; Alaska Maximum Tax Form <input type="checkbox"/> ; Sch. G <input type="checkbox"/> | 14 | 66,373 64,923 | |
| 15. TAX CREDITS—SEE INSTRUCTIONS PAGE 6. | | | |
| a. Residential fuel credit. | a | | |
| b. Residential fuel conservation credit. | b | | |
| c. Other credits from Part II, line 35 or Part III, line 42. | c | | |
| Add lines 15a, b, and c. | 15 | | |
| 16. Subtract line 15 from line 14. If less than zero, enter zero. | 16 | 66,373 64,923 | |
| 17. Individual Income Tax Credit. Enter \$100.00 (\$200.00 if married filing jointly). | 17 | 100 | |
| 18. Subtract line 17 from line 16. If less than zero, enter zero. | 18 | | |
| 19. Other taxes from Part IV, line 47. | 19 | | |
| 20. Enter \$10 school tax for each taxpayer employed in 1978. | 20 | | |
| 21. Add lines 18, 19, and 20 to determine your total Alaska tax. | 21 | 66,773 64,823 | |
| 22. Total Alaska income tax withheld. | 22 | | Do not include employment security contributions (ESC or SU) withheld |
| 23. School tax withheld. | 23 | | |
| 24. 1978 estimated tax prepayments. | 24 | | |
| 25. Total (Add lines 22, 23, and 24). | 25 | | |
| 26. If line 21 is less than line 25, we owe you. Enter amount to be refunded and send us your return. | 26 | ☺ | |
| 27. If line 21 is greater than line 25, you owe us. Enter amount and send check with your return. | 27 | ☹ | |
| 28. You can credit part or all of your refund to your 1979 estimated tax. Make no entry if you want all of the amount on line 26 refunded to you. | | | |
| | 28a | Amount to be credited to 1979 estimated tax | 28b |
| | | | Portion to be refunded |

| | | |
|---|---|---|
| Signature of the Preparer _____ Identifying number _____ | Under penalty of perjury, I/we attest tax return is true and complete. Yours signature _____ Date _____ Spouse's signature (if filing jointly, BOTH must sign even if only one had income) _____ | If paying additional taxes send return to: Alaska Department of Revenue Pouch SA Juneau, Alaska 99811 If you have a refund coming send return to: Alaska Department of Revenue Pouch SR Juneau, Alaska 99811 OFFICE USE ONLY MAX. NET BENEFIT \$1449 |
|---|---|---|

ALASKA TAX TABLES

| If taxable income is — | | And you are — | | |
|------------------------|-------------------|-------------------------------------|--------------------------------------|-------------------|
| At least | But not more than | Single or married filing separately | Married filing jointly your tax is — | Head of household |
| 0 | 50 | | | |
| 50 | 100 | 2 | 2 | 2 |
| 100 | 150 | 3 | 3 | 3 |
| 150 | 200 | 5 | 5 | 5 |
| 200 | 250 | 6 | 6 | 6 |
| 250 | 300 | 8 | 8 | 8 |
| 300 | 350 | 9 | 9 | 9 |
| 350 | 400 | 11 | 11 | 11 |
| 400 | 450 | 12 | 12 | 12 |
| 450 | 500 | 14 | 14 | 14 |
| 500 | 550 | 15 | 15 | 15 |
| 550 | 600 | 17 | 17 | 17 |
| 600 | 650 | 18 | 18 | 18 |
| 650 | 700 | 20 | 20 | 20 |
| 700 | 750 | 21 | 21 | 21 |
| 750 | 800 | 23 | 23 | 23 |
| 800 | 850 | 24 | 24 | 24 |
| 850 | 900 | 26 | 26 | 26 |
| 900 | 950 | 27 | 27 | 27 |
| 950 | 1,000 | 29 | 29 | 29 |
| 1,000 | 1,050 | 30 | 30 | 30 |
| 1,050 | 1,100 | 32 | 32 | 32 |
| 1,100 | 1,150 | 33 | 33 | 33 |
| 1,150 | 1,200 | 35 | 35 | 35 |
| 1,200 | 1,250 | 36 | 36 | 36 |
| 1,250 | 1,300 | 38 | 38 | 38 |
| 1,300 | 1,350 | 39 | 39 | 39 |
| 1,350 | 1,400 | 41 | 41 | 41 |
| 1,400 | 1,450 | 42 | 42 | 42 |
| 1,450 | 1,500 | 44 | 44 | 44 |
| 1,500 | 1,550 | 45 | 45 | 45 |
| 1,550 | 1,600 | 47 | 47 | 47 |
| 1,600 | 1,650 | 48 | 48 | 48 |
| 1,650 | 1,700 | 50 | 50 | 50 |
| 1,700 | 1,750 | 51 | 51 | 51 |
| 1,750 | 1,800 | 53 | 53 | 53 |
| 1,800 | 1,850 | 54 | 54 | 54 |
| 1,850 | 1,900 | 56 | 56 | 56 |
| 1,900 | 1,950 | 57 | 57 | 57 |
| 1,950 | 2,000 | 59 | 59 | 59 |
| 2,000 | 2,050 | 60 | 60 | 60 |
| 2,050 | 2,100 | 62 | 62 | 62 |
| 2,100 | 2,150 | 64 | 63 | 64 |
| 2,150 | 2,200 | 65 | 65 | 66 |
| 2,200 | 2,250 | 67 | 66 | 67 |
| 2,250 | 2,300 | 69 | 68 | 69 |
| 2,300 | 2,350 | 71 | 69 | 71 |
| 2,350 | 2,400 | 73 | 71 | 73 |
| 2,400 | 2,450 | 74 | 72 | 74 |
| 2,450 | 2,500 | 76 | 74 | 76 |
| 2,500 | 2,550 | 78 | 75 | 78 |
| 2,550 | 2,600 | 80 | 77 | 80 |
| 2,600 | 2,650 | 81 | 78 | 81 |
| 2,650 | 2,700 | 83 | 80 | 83 |
| 2,700 | 2,750 | 85 | 81 | 85 |
| 2,750 | 2,800 | 87 | 83 | 87 |
| 2,800 | 2,850 | 88 | 84 | 88 |
| 2,850 | 2,900 | 90 | 86 | 90 |
| 2,900 | 2,950 | 92 | 87 | 92 |
| 2,950 | 3,000 | 94 | 89 | 94 |
| 3,000 | 3,050 | 95 | 90 | 95 |
| 3,050 | 3,100 | 97 | 92 | 97 |
| 3,100 | 3,150 | 99 | 93 | 99 |
| 3,150 | 3,200 | 101 | 95 | 101 |
| 3,200 | 3,250 | 102 | 96 | 102 |
| 3,250 | 3,300 | 104 | 98 | 104 |

| If taxable income is — | | And you are — | | |
|------------------------|-------------------|-------------------------------------|--------------------------------------|-------------------|
| At least | But not more than | Single or married filing separately | Married filing jointly your tax is — | Head of household |
| 3,300 | 3,350 | 106 | 107 | 106 |
| 3,350 | 3,400 | 108 | 109 | 108 |
| 3,400 | 3,450 | 109 | 109 | 109 |
| 3,450 | 3,500 | 111 | 109 | 111 |
| 3,500 | 3,550 | 113 | 109 | 113 |
| 3,550 | 3,600 | 115 | 107 | 115 |
| 3,600 | 3,650 | 116 | 108 | 116 |
| 3,650 | 3,700 | 118 | 110 | 118 |
| 3,700 | 3,750 | 120 | 111 | 120 |
| 3,750 | 3,800 | 122 | 113 | 122 |
| 3,800 | 3,850 | 123 | 114 | 123 |
| 3,850 | 3,900 | 125 | 116 | 125 |
| 3,900 | 3,950 | 127 | 117 | 127 |
| 3,950 | 4,000 | 129 | 119 | 129 |
| 4,000 | 4,050 | 131 | 120 | 131 |
| 4,050 | 4,100 | 133 | 122 | 132 |
| 4,100 | 4,150 | 135 | 124 | 135 |
| 4,150 | 4,200 | 137 | 126 | 137 |
| 4,200 | 4,250 | 139 | 127 | 139 |
| 4,250 | 4,300 | 141 | 129 | 141 |
| 4,300 | 4,350 | 143 | 131 | 143 |
| 4,350 | 4,400 | 145 | 133 | 145 |
| 4,400 | 4,450 | 147 | 134 | 147 |
| 4,450 | 4,500 | 149 | 136 | 149 |
| 4,500 | 4,550 | 151 | 138 | 151 |
| 4,550 | 4,600 | 153 | 140 | 153 |
| 4,600 | 4,650 | 155 | 141 | 155 |
| 4,650 | 4,700 | 157 | 143 | 157 |
| 4,700 | 4,750 | 159 | 145 | 159 |
| 4,750 | 4,800 | 161 | 147 | 161 |
| 4,800 | 4,850 | 163 | 148 | 163 |
| 4,850 | 4,900 | 165 | 150 | 165 |
| 4,900 | 4,950 | 167 | 152 | 167 |
| 4,950 | 5,000 | 169 | 154 | 169 |
| 5,000 | 5,050 | 171 | 155 | 171 |
| 5,050 | 5,100 | 173 | 157 | 173 |
| 5,100 | 5,150 | 175 | 159 | 175 |
| 5,150 | 5,200 | 177 | 161 | 177 |
| 5,200 | 5,250 | 179 | 162 | 179 |
| 5,250 | 5,300 | 181 | 164 | 181 |
| 5,300 | 5,350 | 183 | 166 | 183 |
| 5,350 | 5,400 | 185 | 168 | 185 |
| 5,400 | 5,450 | 187 | 169 | 187 |
| 5,450 | 5,500 | 189 | 171 | 189 |
| 5,500 | 5,550 | 191 | 173 | 191 |
| 5,550 | 5,600 | 183 | 175 | 193 |
| 5,600 | 5,650 | 195 | 176 | 195 |
| 5,650 | 5,700 | 197 | 178 | 197 |
| 5,700 | 5,750 | 199 | 180 | 199 |
| 5,750 | 5,800 | 201 | 182 | 201 |
| 5,800 | 5,850 | 203 | 183 | 203 |
| 5,850 | 5,900 | 205 | 185 | 205 |
| 5,900 | 5,950 | 207 | 187 | 207 |
| 5,950 | 6,000 | 209 | 189 | 209 |
| 6,000 | 6,050 | 211 | 190 | 211 |
| 6,050 | 6,100 | 213 | 192 | 213 |
| 6,100 | 6,150 | 216 | 194 | 216 |
| 6,150 | 6,200 | 218 | 196 | 217 |
| 6,200 | 6,250 | 221 | 197 | 220 |
| 6,250 | 6,300 | 223 | 199 | 222 |
| 6,300 | 6,350 | 226 | 201 | 224 |
| 6,350 | 6,400 | 229 | 203 | 226 |
| 6,400 | 6,450 | 231 | 204 | 229 |
| 6,450 | 6,500 | 233 | 205 | 231 |
| 6,500 | 6,550 | 236 | 206 | 233 |
| 6,550 | 6,600 | 238 | 210 | 235 |

| If taxable income is — | | And you are — | | |
|------------------------|-------------------|-------------------------------------|--------------------------------------|-------------------|
| At least | But not more than | Single or married filing separately | Married filing jointly your tax is — | Head of household |
| 6,600 | 6,650 | 241 | 211 | 238 |
| 6,650 | 6,700 | 242 | 213 | 240 |
| 6,700 | 6,750 | 246 | 215 | 242 |
| 6,750 | 6,800 | 249 | 217 | 244 |
| 6,800 | 6,850 | 251 | 218 | 247 |
| 6,850 | 6,900 | 253 | 220 | 249 |
| 6,900 | 6,950 | 256 | 222 | 251 |
| 6,950 | 7,000 | 258 | 224 | 253 |
| 7,000 | 7,050 | 261 | 225 | 256 |
| 7,050 | 7,100 | 263 | 227 | 258 |
| 7,100 | 7,150 | 266 | 229 | 260 |
| 7,150 | 7,200 | 268 | 231 | 262 |
| 7,200 | 7,250 | 271 | 232 | 265 |
| 7,250 | 7,300 | 273 | 234 | 267 |
| 7,300 | 7,350 | 275 | 236 | 269 |
| 7,350 | 7,400 | 278 | 238 | 271 |
| 7,400 | 7,450 | 281 | 239 | 274 |
| 7,450 | 7,500 | 283 | 241 | 276 |
| 7,500 | 7,550 | 286 | 243 | 278 |
| 7,550 | 7,600 | 288 | 245 | 280 |
| 7,600 | 7,650 | 291 | 246 | 283 |
| 7,650 | 7,700 | 293 | 248 | 285 |
| 7,700 | 7,750 | 295 | 250 | 287 |
| 7,750 | 7,800 | 298 | 252 | 289 |
| 7,800 | 7,850 | 301 | 253 | 292 |
| 7,850 | 7,900 | 303 | 255 | 294 |
| 7,900 | 7,950 | 306 | 257 | 296 |
| 7,950 | 8,000 | 308 | 259 | 298 |
| 8,000 | 8,050 | 311 | 261 | 301 |
| 8,050 | 8,100 | 314 | 263 | 303 |
| 8,100 | 8,150 | 316 | 265 | 305 |
| 8,150 | 8,200 | 319 | 267 | 308 |
| 8,200 | 8,250 | 322 | 268 | 311 |
| 8,250 | 8,300 | 324 | 271 | 313 |
| 8,300 | 8,350 | 327 | 273 | 315 |
| 8,350 | 8,400 | 330 | 275 | 317 |
| 8,400 | 8,450 | 333 | 277 | 321 |
| 8,450 | 8,500 | 336 | 279 | 323 |
| 8,500 | 8,550 | 338 | 281 | 326 |
| 8,550 | 8,600 | 341 | 283 | 328 |
| 8,600 | 8,650 | 344 | 285 | 331 |
| 8,650 | 8,700 | 347 | 287 | 333 |
| 8,700 | 8,750 | 349 | 289 | 335 |
| 8,750 | 8,800 | 352 | 291 | 338 |
| 8,800 | 8,850 | 355 | 293 | 341 |
| 8,850 | 8,900 | 358 | 295 | 343 |
| 8,900 | 8,950 | 360 | 297 | 346 |
| 8,950 | 9,000 | 363 | 299 | 348 |
| 9,000 | 9,050 | 366 | 301 | 351 |
| 9,050 | 9,100 | 369 | 303 | 353 |
| 9,100 | 9,150 | 371 | 305 | 355 |
| 9,150 | 9,200 | 374 | 307 | 358 |
| 9,200 | 9,250 | 377 | 309 | 361 |
| 9,250 | 9,300 | 379 | 311 | 363 |
| 9,300 | 9,350 | 382 | 313 | 366 |
| 9,350 | 9,400 | 385 | 315 | 368 |
| 9,400 | 9,450 | 388 | 317 | 371 |
| 9,450 | 9,500 | 391 | 319 | 373 |
| 9,500 | 9,550 | 393 | 321 | 376 |
| 9,550 | 9,600 | 396 | 323 | 378 |
| 9,600 | 9,650 | 399 | 325 | 381 |
| 9,650 | 9,700 | 402 | 327 | 383 |
| 9,700 | 9,750 | 404 | 329 | 385 |
| 9,750 | 9,800 | 407 | 331 | 388 |
| 9,800 | 9,850 | 410 | 333 | 391 |
| 9,850 | 9,900 | 413 | 335 | 393 |

Example: Single Person Eligible for Income Exemption Under SB 41
(1978 Income)

| | <u>Current</u> | <u>SB 41</u> |
|---------------------------------|----------------|--------------|
| Federal Adjusted Gross Income | \$18,000 | \$18,000 |
| State Income Exemptions (SB 41) | -0- | 10,000 |
| Personal Exemptions | 1,500 | 1,500 |
| Standard Deduction | <u>2,200</u> | <u>2,200</u> |
| State Taxable Income | \$14,300 | \$ 4,300 |
| State Tax | \$ 704 | \$ 143 |
| <i>Tax Credit (\$100)</i> | <i>604</i> | <i>43</i> |
| Difference | | <u>\$561</u> |

Prepared by:
Legislative Affairs Agency
Research Division
13 March 1979

* The Consumer Price Indexes for Anchorage and Nationwide for the past five years are as follows:

| U.S. Dept. of Labor Bureau of Statistics | ANCHORAGE | NATION-WIDE |
|---|-----------------------|-------------|
| Oct. 72 - Oct. 73 | 5.9% (a little lower) | 7.9% |
| " 73 - " 74 | 13.1% (Higher) | 12.0% |
| " 74 - " 75 | 12.4% (Much higher) | 7.6% |
| " 75 - " 76 | 6.6% (Higher) | 5.3% |
| " 76 - " 77 | 5.7% (Slightly lower) | 6.5% |
| " 77 - Nov. 78 | 10.5% (Much higher) | 8.9% |

* 2.4% Tax Credit

The effective rate of an elderly person's adjusted gross income as shown on IRS Form 1040 is 2.4% if their annual adjusted gross income is less than \$8750 on Schedule "R" of the IRS Form. If the adjusted gross income is \$8750 or more, the elderly tax credit is not applicable.

Schedule R Credit for the Elderly--For Persons 65 or Over Who Had Any Type of Income

If you received nontaxable pensions (social security, etc.) of \$1,875 or more or your adjusted gross income (Form 1040, line 31) was \$8,750 or more, you may not be able to take the credit for the elderly. Before you start to fill out the schedule, please see Schedule R instructions on page 23.

Schedule RP Credit for the Elderly--For persons Under 65 Who Had Pension or Annuity Income from a Public Retirement System

If you received nontaxable pensions (social security, etc.) of \$1,875 or more or your earned income (salaries, wages, etc.) was \$2,775 or more, you may not be able to take the credit for the elderly. Before you start to fill out the schedule, please see Schedule RP instructions on page 23.

THIS THIS DOES NOT SUBSTANTIALLY BENEFIT ALASKA'S ELDERLY PEOPLE

^{SBH/}
THIS BILL, IF ENACTED WILL PUT \$4,000,000 IN THE POCKETS OF ALASKA'S ELDERLY

Based on the information available from the Office of Aging as well as information available from the office handling the Alaska longevity bonus, it appears that there are an estimated 10,500 residents in the State of Alaska who would meet the requirements of this bill. Further, an estimated 15 percent of that group are married, thus reducing the total possible returns which could be filed claiming this exemption from 10,500 down to 9,712. For an individual filing as a single person, this bill would result in a \$420 tax savings if they had \$10,000 of taxable income. For a married couple, this would result in a tax reduction of \$340. The total potential loss of revenue to the State treasury would be \$4,016,000. As I explained to the HESS Committee, there are a substantial number of variables which could make this figure incorrect. However, we have no statistics on which to make any adjustments to this estimate.*

Example: Single Person Eligible for Income Exemption Under HB 41
(1978 Income)

| | <u>Current</u> | <u>HB 41</u> |
|---------------------------------|----------------|--------------|
| Federal Adjusted Gross Income | \$18,000 | \$18,000 |
| State Income Exemptions (HB 41) | -0- | 10,000 |
| Personal Exemptions | 1,500 | 1,500 |
| Standard Deduction | <u>2,200</u> | <u>2,200</u> |
| State Taxable Income | \$14,300 | \$ 4,300 |
| State Tax | \$ 704 | \$ 143 |
| Difference | | \$561 |

Prepared by:
Legislative Affairs Agency
Research Division
13 March 1979

as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

(c) If the amount in the fund at the time of distribution exceeds the base amount to be distributed under (b) of this section, the excess amount shall be distributed to each borough and city on the basis of population. For the purpose of this subsection, the population of a city within an organized borough shall be deducted from the population of the borough. Population, for the purpose of this section, shall be as certified by the commissioner of community and regional affairs.

(d) The intent of (c) of this section is that local governments which levy property taxes reduce those levies in reasonable proportion to the amount of increased state aid received by a local government. The governing body of each local government shall furnish a notice with the tax statement describing its use of this increased state aid. (§ 2 ch 144 SLA 1978)

Effective date. — Section 8, ch. 144, SLA 1978, makes this section effective January 1, 1979.

Editor's note. — Section 6, ch. 144, SLA 1978, effective January 1, 1979, provides: "TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 which relates to the 1978 calendar year (including the \$25 license fee due March 1, 1978 and the fees on the total gross receipts for 1978 which accompany returns filed in

1979 under AS 43.70.030(d)) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time."

Sec. 43.20.030. Returns and payment of taxes.

Subsection (d) of this section creates a duty to speak when it requires a notice of modification of a taxpayer's federal income tax return. *Stevenson v Burgess*, Sup. Ct. Op. No. 1514 (File No. 2791), 570 P.2d 728 (1977).

Taxpayers estopped from asserting statute of limitations due to failure to notify regarding modification of federal tax liability. — The failure of certain taxpayers to notify the department of the modification in their federal income tax liability for two years constitutes a breach

of the duty to give notice of modification pursuant to this section and amounts to the concealment of a material fact. Where the state, to its detriment, relying on that lack of notice, as it reasonably could, failed to institute the statutory mechanism for collection of additional taxes, the taxpayers are estopped from asserting the protection of the statute of limitations embodied in AS 43.20.200(b). *Stevenson v Burgess*, Sup. Ct. Op. No. 1514 (File No. 2791), 570 P.2d 728 (1977).

Sec. 43.20.031. Taxable income of residents; deductions; exemptions. (a) The taxable income of a resident of the state is his entire taxable income as defined in § 63 of the Internal Revenue Code with the following modifications:

(1) a taxpayer whose income includes a cost-of-living allowance which is exempt from federal income tax shall determine and include that amount as part of his income as if the cost-of-living allowance were not exempt;

(2) the benefits allowed to taxpayers under Internal Revenue Code §§ 1301 — 1307, as amended, are allowed only to taxpayers who have been residents of the state for the full base period as well as for the computation year as defined in these sections; the commissioner shall adopt regulations governing benefits under these sections of federal law allowable to spouses eligible to file a joint Alaska return for the computation year when one spouse has not been a resident of Alaska for the full base period;

(3) the benefits of nonrecognition of gain on the sale or exchange of certain property under §§ 1031, 1033 and 1034 of the Internal Revenue Code (26 U.S.C §§ 1031, 1033 and 1034) are allowed only to taxpayers who purchase or exchange the property within the state, except that the benefits of § 1034 shall be allowed regardless of the location of the property for taxpayers who have attained the age of 65 on or before the time of the purchase or exchange;

(4) each taxpayer shall be allowed a minimum deduction equivalent in amount to the "zero bracket amount" defined in § 63(d) of the Internal Revenue Code.

(am § 1 ch 8 SLA 1978)

Revisor's note (1978). — For the specific provisions detailing the handling of the minimum deduction and refund procedures for 1977, see secs. 3—5, ch. 8, SLA 1978, in the 1978 Temporary and Special Acts and Resolutions in Binder 9.

Effect of amendments.

The 1978 amendment, effective February

16, 1978, and retroactive to January 1, 1977, added paragraph (4) of subsection (a).

As the rest of the section was not affected by the amendment, it is not set out.

Legislative history report. — For report on ch. 8, SLA 1978 (HB 662), see 1978 House Journal, pp. 110, 173; Senate Journal, p. 243.

Sec. 43.20.035. Taxable income of nonresidents and part-year residents. (a) The taxable income of nonresidents or part-year residents of this state is taxable income as determined under § 31 of this chapter which is attributable to sources in the state as provided in § 40 of this chapter with the following modifications:

(1) a nonresident or part-year resident who has no excess Alaska itemized deductions as defined in (4) of this subsection is allowed the minimum deduction provided by § 31(a)(4) of this chapter in the proportion provided in (b) of this section;

(2) a nonresident or part-year resident is allowed a deduction equal to the personal exemption deduction as defined in § 151 of the Internal Revenue Code in the proportion provided in (b) of this section;

(3) a nonresident or part-year resident who has excess Alaska itemized deductions is allowed his entire Alaska itemized deductions;

(4) "Alaska itemized deductions" as used in this section are those itemized deductions allowed under the Internal Revenue Code which arise from sources in the state except those items described in § 31(c) of this chapter; "excess Alaska itemized deductions" means the excess (if any) of:

(A) Alaska
(B) the min
(am § 2 ch 8

Revisor's note provisions detail minimum deduct for 1977. sec sec the 1978 Tempo Resolutions in E Effect of ar amendment, eff and retroactive subsection (a), s

Sec. 43.20.

Taxpayers e statute of limi certain taxpaye of the modifia- tax liability fo breach of the modification pu amounts to the fact. Where th

Sec. 43.20

Applied in S Ct. Op. No. 15 728 (1977).

Chap

| |
|---------------|
| Section |
| 10. Applicati |
| 20. Determi |
| oil and |
| 30. Determi |
| gas pip |
| 40. Determi |
| activiti |
| produc |

Effective of 5, ch. 110, SB effective Jul AS 01.10.07

his federal income tax return and of a recomputation of tax or determination of deficiency (whether with or without assessment). A full statement of the facts shall accompany this notice. The notice shall be filed within 60 days after the final determination of the modification, recomputation or deficiency, and the taxpayer shall pay the additional tax or penalty under this chapter. For purposes of this section, a final determination shall mean the time that an amended federal return is filed or a notice of deficiency or an assessment is mailed to the taxpayer by the Internal Revenue Service, except that in no event will there be a final determination for purposes of this section until the taxpayer has exhausted his rights of appeal under federal law.

(e) The department may credit or refund overpayments of taxes, taxes erroneously or illegally assessed or collected, penalties collected without authority, and taxes that are found unjustly assessed or excessive in amount, or otherwise wrongfully collected. The department shall set limitations, specify the manner in which claims for credits or refunds are made, and give notice of allowance or disallowance. When a refund is allowed to a taxpayer, it shall be paid out of the general fund on a warrant issued under a voucher approved by the department. (§ 7 ch 115 SLA 1949; am § 2 ch 132 SLA 1951; am § 4 ch 5 SLA 1953; am § 2 ch 169 SLA 1972; am § 3 ch 70 SLA 1975)

Effect of amendment. — The 1975 amendment so changed this section as to make a detailed comparison impracticable.

Delegation of legislative authority valid. — The legislative authority conferred by this section appears to be within the test laid down in *Bowles v. Willingham*, 321 U. S. 503, 64 S. Ct. 641, 88 L. Ed. 892 (1944), in which the administrator of the Office of Price Administration was empowered to fix maximum rents which, in his judgment, would be generally fair and equitable in any defense rental area whenever in his judgment that action was necessary or proper in order to effectuate the purposes

of the act, and further empowered to make adjustments for such relevant factors as he may determine and deem to be of general applicability, and to provide for such adjustments and reasonable exceptions as in his judgment are necessary and proper in order to effectuate the purposes of the act. *Alaska S.S. Co. v. Mullaney*, 12 Alaska 433, 84 F. Supp. 561 (D. Alas. 1949), aff'd, 12 Alaska 594, 180 F.2d 805 (9th Cir. 1950).

Quoted in *Hickel v. Stevenson*, Sup. Ct. Op. No. 351 (File No. 624), 416 P.2d 236 (1966).

Am. Jur. 2d reference. — 71 Am. Jur. 2d, State and Local Taxation, § 589.

Sec. 43.20.031. Taxable income of residents; deductions; exemptions. (a) The taxable income of a resident of the state is his entire taxable income as defined in § 63 of the Internal Revenue Code with the following modifications:

(1) a taxpayer whose income includes a cost-of-living allowance which is exempt from federal income tax shall determine and include that amount as part of his income as if the cost-of-living allowance were not exempt;

(2) the benefits allowed to taxpayers under Internal Revenue Code §§ 1301 — 1307, as amended, are allowed only to taxpayers who have been residents of the state for the full base period as well as for the

computation year; adopt regulations allowable to spouse computation year for the full base

(3) the benefits certain property under Code (26 U.S.C. §§ who purchase or exchange benefits of § 1034 property for taxpayer time of the purchase

(b) The following income under this section (1) service pay received States or auxiliary benefits under §§ 401 — 415 (1953) as amended;

(3) income of a person waters outside the territorial international body or in the state which is tax executes and submits a separate exemption certificate and the attorney general

(c) In computing the amount entitled to deduct any interest (d) Banks and savings government or the state

(e) An affiliated group may require them to make taxable year in place of the amount of tax payable Internal Revenue Code §

(f) A natural person is the amount of political contributions including but not limited to organization for use except candidates for President or they will be voted on for from Alaska; U.S. Senator or lieutenant governor or to an Alaska congressional or justice of a court or groups seeking to in

computation year as defined in these sections; the commissioner shall adopt regulations governing benefits under these sections of federal law allowable to spouses eligible to file a joint Alaska return for the computation year when one spouse has not been a resident of Alaska for the full base period;

(3) the benefits of nonrecognition of gain on the sale or exchange of certain property under §§ 1031, 1033 and 1034 of the Internal Revenue Code (26 U.S.C. §§ 1031, 1033 and 1034) are allowed only to taxpayers who purchase or exchange the property within the state, except that the benefits of § 1034 shall be allowed regardless of the location of the property for taxpayers who have attained the age of 65 on or before the time of the purchase or exchange.

(b) The following exemptions are allowed in computing taxable income under this section:

(1) service pay received by members of the armed forces of the United States or auxiliary branches of the armed forces;

(2) pensions and annuities received from qualified plans approved under §§ 401 — 415 of the Internal Revenue Code (26 U.S.C. §§ 401 — 415) as amended;

(3) income of a person derived from the sale of halibut taken from waters outside the territorial limits of the state and regulated by an international body or treaty organization if the person selling halibut in the state which is taken from outside the territorial limits of the state executes and submits to the department within 30 days after each sale a separate exemption certificate on a form approved by the department and the attorney general.

(c) In computing the tax under this chapter, the taxpayer is not entitled to deduct any taxes based on or measured by net income.

(d) Banks and savings and loan associations chartered by the federal government or the state are exempt from income tax under this chapter.

(e) An affiliated group of corporations may make or the commissioner may require them to make a consolidated or combined return for the taxable year in place of separate returns. For purposes of calculating the amount of tax payable by the group under a consolidated filing, Internal Revenue Code §§ 1501 — 1552, as amended, apply.

(f) A natural person is entitled to a tax credit not to exceed \$50 for the amount of political campaign contributions made within the tax year, including but not limited to a contribution or gift to a person or organization for use exclusively (1) for political campaigns for candidates for President or Vice President of the United States, whether or not they will be voted on in a primary election in Alaska; United States senator from Alaska; United States representative from Alaska; governor or lieutenant governor of Alaska; the Alaska legislature; delegate to an Alaska constitutional convention; electoral confirmation as a judge or justice of a court in Alaska; and municipal office in Alaska; (2) for groups seeking to influence the outcome of a ballot proposition

or question; or dues to a nonprofit organization organized primarily for the purpose of influencing elections. The credit allowed by this subsection is in place of the credit allowed by § 41 of the Internal Revenue Code and the deduction allowed by § 218 of the Internal Revenue Code for contribution to candidates for public office.

(g) A person who wilfully makes and subscribes to a certificate referred to in (b) (3) of this section which is not true and correct as to every material fact is punishable by a fine of not more than \$10,000, or by imprisonment for not more than five years, or by both.

(h) A taxpayer who purchases an entry permit under AS 16.43 in carrying on a trade or business is entitled to a deduction of the amount of the price paid during the tax year as if it were allowable under § 162 of the Internal Revenue Code (26 U.S.C. § 162). (§ 5 ch 70 SLA 1975; am §§ 3 — 5 ch 125 SLA 1976; am § 8 ch 73 SLA 1977; am § 6 ch 133 SLA 1977)

Cross reference. — As to disclosure of contributions, see AS 24.45.121.

Effect of amendments. — The 1976 amendment added paragraph (3) to subsection (a), rewrote paragraph (2) of subsection (b), and substituted "any taxes based on or measured by net income" for "from the adjusted gross income state income taxes" at the end of subsection (c).

The first 1977 amendment added subsection (h).

The second 1977 amendment, in the first sentence of subsection (f), inserted the item designations, inserted the language beginning "for candidates for President or

Vice-President" and ending "municipal office in Alaska" in present item (1), and inserted "for groups seeking to influence the outcome of a ballot proposition or question" in present item (2).

Editor's note. — Section 1, ch. 115, SLA 1977, provides: "For purposes of AS 43.20.031 for tax years before January 1, 1976, an individual is taxable on his entire income as defined in that section except that income does not include wages earned outside the United States."

Am. Jur. 2d reference. — 71 Am. Jur. 2d State and Local Taxation, § 518 et seq.

Sec. 43.20.035. Taxable income of nonresidents and part-year residents. (a) The taxable income of nonresidents or part-year residents of this state is taxable income as determined under § 31 of this chapter when attributable to sources in the state as provided in § 40 of this chapter with the following adjustments:

(1) a nonresident or part-year resident who claims the standard deduction as defined in Internal Revenue Code § 141 is allowed the deduction in the proportion provided in (b) of this section;

(2) a nonresident or part-year resident is entitled to claim the personal exemptions as defined in § 151 of the Internal Revenue Code in the proportion provided in (b) of this section;

(3) a nonresident or part-year resident who itemizes deductions is allowed a deduction for those items deductible under the Internal Revenue Code which arise from sources in the state.

(b) The ratio for prorating allowed by this section is the taxpayer's adjusted gross income from Alaska sources divided by the taxpayer's adjusted gross income from all sources. The ratio may not exceed 100 per cent. The adjusted gross income for purposes of this subsection

means adjust
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(c) Deducti
income in arri
Code are allow
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Am. Jur. 2d refe
State and Local T

Sec. 43.20.03
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§ 33).

(b) For purpo
chapter, the tax
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Internal Revenue
investment put
limitation does n
meets the definit
under Internal Re
effective date of
does not apply.

(c) For purpose
chapter, the taxpa
the tax exemption
Internal Revenue
who are engaged

(d) For purposes
refund of 1974 inc
§ 6428 (26 U.S.C. §

(e) For purposes
chapter, the taxpay
the credit for pers
(26 U.S.C. § 42).

(f) For purposes
chapter, the taxpaye
the credit for earn
U.S.C. § 43).

(g) For purposes
the taxpayer may no
for purchase of new
§ 44 (26 U.S.C. § 44)

Introduced: 1/16/79
Referred: Health, Education
& Social Services and
Judiciary

1 IN THE SENATE

BY BRADLEY

2 SENATE BILL NO. 41

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 exemption from the income tax for
7 senior citizens; and providing for an effective date."

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

9 * Section 1. AS 43.20.031(b) is amended by adding a new paragraph to
10 read:

11 (4) \$10,000 of the gross income as defined in sec. 61 of the
12 Internal Revenue Code of a person who is 65 years of age or older who
13 has continuously maintained a domicile in the territory or state for 25
14 years, or who has intermittently maintained a domicile in the territory
15 or state for a cumulative total of 35 years with no period of absence
16 longer than two years.

17 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c) and is retroactive to January 1, 1979.

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COMMITTEE REPORT
SENATE

FURTHER:

Judiciary
FINANCE - 1/18/79

1/16/79

Date: _____

Mr. President:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had SB 41

relating to exemption from income tax for senior citizens

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) same title
- replace with CS for _____ 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:

Colletta

Engerson

Allen Hadley

CHAIRMAN

A M E N D M E N T

OFFERED IN THE SENATE:

By: SENATE HESS

To: _____ SENATE BILL No. SB 41

HOUSE BILL No. _____

PAGE: 1

LINE: 12

line 12: change "65" to "62"

A M E N D M E N T

OFFERED IN THE SENATE:

By: SENATE HESS

To: _____ SENATE BILL No. SB 41

HOUSE BILL No. _____

PAGE: 1

LINE: 16

line 16: after "years" delete "." and insert ", provided that only one exemption may be claimed by a married couple filing jointly or separately."



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

SENATE FINANCE COMMITTEE
BILL CHECKLIST

- 1. Original Bill Document ✓
- 2. History Cover Form ✓
- 3. Printed Copies:
 - Original Bill ✓
 - Committee Substitutes or Amendments ✓
- 4. Committee Report Form ✓
- 5. Fiscal Note:
 - In File ✓
 - Requested
 - Date

2 with
✓ & Memos-questions
- 6. Backup:
 - Handouts
 - Letter from Governor
 - Letter from Sponsor
 - Other

[Handwritten signature]



From The
**SENATE
FINANCE COMMITTEE**

*EFFECTIVE DATE SHOULD
BE CHANGED TO '80*

Introduced: 2/13/79
Referred: Finance

1 IN THE SENATE

BY BRADLEY

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 47

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 taxes on individuals; and providing
7 for an effective date."

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

9 * Section 1. AS 43.20.011(a) is amended to read:

10 (a) There is imposed for each taxable year upon the taxable income
11 of every resident, nonresident and part-time resident individual and
12 fiduciary of the state, except those qualifying for the rates in (b) or
13 (c) of this section, taxes computed according to the following table.

14 If the taxable income is:

Then the tax is:

| | |
|--|---|
| 15 Not over \$2,000 | 3 per cent of the taxable income |
| 16 Over \$2,000 but not over \$4,000 | \$60 plus 3.5 per cent of excess 17 over \$2,000 |
| 18 Over \$4,000 but not over \$6,000 | \$130 plus 4.0 per cent of excess 19 over \$4,000 |
| 20 Over \$6,000 but not over \$8,000 | \$210 plus 5.0 per cent of excess 21 over \$6,000 |
| 22 Over \$8,000 but not over \$10,000 | \$310 plus 5.5 per cent of excess 23 over \$8,000 |
| 24 Over \$10,000 [BUT NOT OVER \$12,000] | \$420 plus 6.0 per cent of excess 25 over \$10,000 |
| 26 [OVER \$12,000 BUT NOT OVER \$14,000 | \$540 PLUS 7.0 PER CENT OF EXCESS 27 OVER \$12,000 |
| 28 OVER \$14,000 BUT NOT OVER \$16,000 | \$680 PLUS 7.5 PER CENT OF EXCESS 29 OVER \$14,000 |

| | | |
|----|---------------------------------------|-----------------------------------|
| 1 | OVER \$16,000 BUT NOT OVER \$18,000 | \$830 PLUS 3.0 PER CENT OF EXCESS |
| 2 | | OVER \$16,000 |
| 3 | OVER \$18,000 BUT NOT OVER \$20,000 | \$990 PLUS 8.5 PER CENT OF EXCESS |
| 4 | | OVER \$18,000 |
| 5 | OVER \$20,000 BUT NOT OVER \$22,000 | \$1,160 PLUS 9.0 PER CENT OF EX- |
| 6 | | CESS OVER \$20,000 |
| 7 | OVER \$22,000 BUT NOT OVER \$26,000 | \$1,340 PLUS 9.5 PER CENT OF EX- |
| 8 | | CESS OVER \$22,000 |
| 9 | OVER \$26,000 BUT NOT OVER \$32,000 | \$1,720 PLUS 10.0 PER CENT OF EX- |
| 10 | | CESS OVER \$26,000 |
| 11 | OVER \$32,000 BUT NOT OVER \$38,000 | \$2,320 PLUS 10.5 PER CENT OF EX- |
| 12 | | CESS OVER \$32,000 |
| 13 | OVER \$38,000 BUT NOT OVER \$44,000 | \$2,950 PLUS 11.0 PER CENT OF EX- |
| 14 | | CESS OVER \$38,000 |
| 15 | OVER \$44,000 BUT NOT OVER \$50,000 | \$3,610 PLUS 11.5 PER CENT OF EX- |
| 15 | | CESS OVER \$44,000 |
| 17 | OVER \$50,000 BUT NOT OVER \$60,000 | \$4,300 PLUS 12.0 PER CENT OF EX- |
| 18 | | CESS OVER \$50,000 |
| 19 | OVER \$60,000 BUT NOT OVER \$70,000 | \$5,500 PLUS 12.5 PER CENT OF EX- |
| 20 | | CESS OVER \$60,000 |
| 21 | OVER \$70,000 BUT NOT OVER \$80,000 | \$6,750 PLUS 13.0 PER CENT OF EX- |
| 22 | | CESS OVER \$70,000 |
| 23 | OVER \$80,000 BUT NOT OVER \$90,000 | \$8,050 PLUS 13.5 PER CENT OF EX- |
| 24 | | CESS OVER \$80,000 |
| 25 | OVER \$90,000 BUT NOT OVER \$100,000 | \$9,400 PLUS 14.0 PER CENT OF EX- |
| 26 | | CESS OVER \$90,000 |
| 27 | OVER \$100,000 BUT NOT OVER \$150,000 | \$10,800 PLUS 14.0 PER CENT OF |
| 28 | | EXCESS OVER \$100,000 |
| 29 | OVER \$150,000 BUT NOT OVER \$200,000 | \$17,800 PLUS 14.5 PER CENT OF |

1
2 OVER \$200,000

EXCESS OVER \$150,000
\$25,050 PLUS 14.5 PER CENT OF
EXCESS OVER \$200,000]

3
4 * Sec. 2. AS 43.20.011(b) is amended to read:

5 (b) There is imposed for each taxable year upon the taxable income
6 of every resident, nonresident and part-year resident married individual
7 who makes a single return jointly with his spouse (as provided in sec-
8 tion 6013 of the Internal Revenue Code) and upon every resident, non-
9 resident and part-year resident surviving spouse (as defined in section
10 2(a) of the Internal Revenue Code) taxes computed according to the
11 following table.

12 If the taxable income is:

Then the tax is:

| | |
|--|---|
| 13 Not over \$4,000 | 3 per cent of the taxable income |
| 14 Over \$4,000 but not over \$8,000 | \$120 plus 3.5 per cent of excess 15 over \$4,000 |
| 16 Over \$8,000 but not over \$12,000 | \$260 plus 4.0 per cent of excess 17 over \$8,000 |
| 18 Over \$12,000 but not over \$16,000 | \$420 plus 5.0 per cent of excess 19 over \$12,000 |
| 20 Over \$16,000 but not over \$20,000 | \$620 plus 5.5 per cent of excess 21 over \$16,000 |
| 22 Over \$20,000 [BUT NOT OVER \$24,000] | \$840 plus 6.0 per cent of excess 23 over \$20,000 |
| 24 [OVER \$24,000 BUT NOT OVER \$28,000 | \$1,080 PLUS 7.0 PER CENT OF EX- 25 CESS OVER \$24,000 |
| 26 OVER \$28,000 BUT NOT OVER \$32,000 | \$1,320 PLUS 7.5 PER CENT OF EX- 27 CESS OVER \$28,000 |
| 28 OVER \$32,000 BUT NOT OVER \$36,000 | \$1,660 PLUS 8.0 PER CENT OF EX- 29 CESS OVER \$32,000 |

| | | |
|----|---------------------------------------|------------------------------------|
| 1 | OVER \$36,000 BUT NOT OVER \$40,000 | \$1,980 PLUS 8.5 PER CENT OF EX- |
| 2 | | CESS OVER \$36,000 |
| 3 | OVER \$40,000 BUT NOT OVER \$44,000 | \$2,320 PLUS 9.0 PER CENT OF EX- |
| 4 | | CESS OVER \$40,000 |
| 5 | OVER \$44,000 BUT NOT OVER \$52,000 | \$2,680 PLUS 9.5 PER CENT OF EX- |
| 6 | | CESS OVER \$44,000 |
| 7 | OVER \$52,000 BUT NOT OVER \$64,000 | \$3,440 PLUS 10.0 PER CENT OF EX- |
| 8 | | CESS OVER \$52,000 |
| 9 | OVER \$64,000 BUT NOT OVER \$76,000 | \$4,640 PLUS 10.5 PER CENT OF EX- |
| 10 | | CESS OVER \$64,000 |
| 11 | OVER \$76,000 BUT NOT OVER \$88,000 | \$5,900 PLUS 11.0 PER CENT OF EX- |
| 12 | | CESS OVER \$76,000 |
| 13 | OVER \$88,000 BUT NOT OVER \$100,000 | \$7,220 PLUS 11.5 PER CENT OF EX- |
| 14 | | CESS OVER \$88,000 |
| 15 | OVER \$100,000 BUT NOT OVER \$120,000 | \$8,600 PLUS 12.0 PER CENT OF EX- |
| 16 | | CESS OVER \$100,000 |
| 17 | OVER \$120,000 BUT NOT OVER \$140,000 | \$11,000 PLUS 12.5 PER CENT OF EX- |
| 18 | | CESS OVER \$120,000 |
| 19 | OVER \$140,000 BUT NOT OVER \$160,000 | \$13,500 PLUS 13.0 PER CENT OF EX- |
| 20 | | CESS OVER \$140,000 |
| 21 | OVER \$160,000 BUT NOT OVER \$180,000 | \$16,100 PLUS 13.5 PER CENT OF EX- |
| 22 | | CESS OVER \$160,000 |
| 23 | OVER \$180,000 BUT NOT OVER \$200,000 | \$18,800 PLUS 14.0 PER CENT OF EX- |
| 24 | | CESS OVER \$180,000 |
| 25 | OVER \$200,000 BUT NOT OVER \$300,000 | \$21,600 PLUS 14.0 PER CENT OF EX- |
| 26 | | CESS OVER \$200,000 |
| 27 | OVER \$300,000 BUT NOT OVER \$400,000 | \$35,600 PLUS 14.5 PER CENT OF EX- |
| 28 | | CESS OVER \$300,000 |
| 29 | OVER \$400,000 | \$50,100 PLUS 14.5 PER CENT OF EX- |

CESS OVER \$400,000]

* Sec. 3. AS 43.20.011(c) is amended to read:

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

If the taxable income is:

Then the tax is:

| | |
|---------------------------------------|---|
| Not over \$2,000 | 3 per cent of the taxable income |
| Over \$2,000 but not over \$4,000 | \$60 plus 3.5 per cent of excess over \$2,000 |
| Over \$4,000 but not over \$6,000 | \$130 plus 4.0 per cent of excess over \$4,000 |
| Over \$6,000 but not over \$8,000 | \$210 plus 4.5 per cent of excess over \$6,000 |
| Over \$8,000 but not over \$10,000 | \$300 plus 5.0 per cent of excess over \$8,000 |
| Over \$10,000 but not over \$12,000 | \$400 plus 5.5 per cent of excess over \$10,000 |
| Over \$12,000 [BUT NOT OVER \$14,000] | \$510 plus 6.0 per cent of excess over \$12,000 |
| [OVER \$14,000 BUT NOT OVER \$16,000 | \$630 PLUS 6.5 PER CENT OF EXCESS OVER \$14,000 |
| OVER \$16,000 BUT NOT OVER \$18,000 | \$760 PLUS 7.0 PER CENT OF EXCESS OVER \$16,000 |
| OVER \$18,000 BUT NOT OVER \$20,000 | \$900 PLUS 7.0 PER CENT OF EXCESS OVER \$18,000 |
| OVER \$20,000 BUT NOT OVER \$22,000 | \$1,040 PLUS 7.5 PER CENT OF EXCESS OVER \$20,000 |
| OVER \$22,000 BUT NOT OVER \$24,000 | \$1,190 PLUS 8.0 PER CENT OF EX- |

| | | |
|----|---------------------------------------|------------------------------------|
| 1 | | CESS OVER \$22,000 |
| 2 | OVER \$24,000 BUT NOT OVER \$28,000 | \$1,350 PLUS 8.5 PER CENT OF EX- |
| 3 | | CESS OVER \$24,000 |
| 4 | OVER \$28,000 BUT NOT OVER \$32,000 | \$1,690 PLUS 9.0 PER CENT OF EX- |
| 5 | | CESS OVER \$28,000 |
| 6 | OVER \$32,000 BUT NOT OVER \$38,000 | \$2,050 PLUS 9.5 PER CENT OF EX- |
| 7 | | CESS OVER \$32,000 |
| 8 | OVER \$38,000 BUT NOT OVER \$44,000 | \$2,430 PLUS 10.0 PER CENT OF EX- |
| 9 | | CESS OVER \$38,000 |
| 10 | OVER \$44,000 BUT NOT OVER \$50,000 | \$3,030 PLUS 10.5 PER CENT OF EX- |
| 11 | | CESS OVER \$44,000 |
| 12 | OVER \$50,000 BUT NOT OVER \$60,000 | \$3,660 PLUS 11.0 PER CENT OF EX- |
| 13 | | CESS OVER \$50,000 |
| 14 | OVER \$60,000 BUT NOT OVER \$70,000 | \$4,760 PLUS 11.5 PER CENT OF EX- |
| 15 | | CESS OVER \$60,000 |
| 16 | OVER \$70,000 BUT NOT OVER \$80,000 | \$5,910 PLUS 12.0 PER CENT OF EX- |
| 17 | | CESS OVER \$70,000 |
| 18 | OVER \$80,000 BUT NOT OVER \$90,000 | \$7,110 PLUS 12.5 PER CENT OF EX- |
| 19 | | CESS OVER \$80,000 |
| 20 | OVER \$90,000 BUT NOT OVER \$100,000 | \$8,360 PLUS 13.0 PER CENT OF EX- |
| 21 | | CESS OVER \$90,000 |
| 22 | OVER \$100,000 BUT NOT OVER \$150,000 | \$9,660 PLUS 13.5 PER CENT OF EX- |
| 23 | | CESS OVER \$100,000 |
| 24 | OVER \$150,000 BUT NOT OVER \$200,000 | \$16,410 PLUS 14.0 PER CENT OF EX- |
| 25 | | CESS OVER \$150,000 |
| 26 | OVER \$200,000 BUT NOT OVER \$300,000 | \$23,410 PLUS 14.5 PER CENT OF EX- |
| 27 | | CESS OVER \$200,000 |
| 28 | OVER \$300,000 | \$37,910 PLUS 14.5 PER CENT OF EX- |
| 29 | | CESS OVER \$300,000] |

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

2 Sec. 43.20.037. EXCESS TAX CREDIT. (a) An individual is allowed
3 as a credit against the tax levied under this chapter the amount by
4 which the combined taxes payable by that individual to the state for the
5 taxable year exceeds six per cent of his taxable income exclusive of
6 capital gains as determined under this chapter. An amount by which the
7 credit allowed under this section exceeds the amount of tax due under
8 this chapter is an overpayment of taxes which shall be refunded to the
9 taxpayer under the provisions of AS 43.20.030(e).

10 (b) For purposes of this section, the term "combined taxes"
11 includes all taxes and licenses payable directly to the state. The term
12 does not include rent or royalties payable to the state for the use,
13 development, or exploitation of a natural resource of the state.

14 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c) and is retroactive to January 1, 1979.

Introduced: 1/16/79
Referred: Finance

1 IN THE SENATE

BY BRADLEY

2 SENATE BILL NO. 47

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 taxes on individuals; and providing
7 for an effective date."

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

9 * Section 1. AS 43.20.011(a) is amended to read:

10 (a) There is imposed for each taxable year upon the taxable income
11 of every resident, nonresident and part-time resident individual and
12 fiduciary of the state, except those qualifying for the rates in (b) or
13 (c) of this section, taxes computed according to the following table.

| 14 If the taxable income is: | Then the tax is: |
|---|---|
| 15 Not over \$2,000 | 3 per cent of the taxable income |
| 16 Over \$2,000 but not over \$4,000 | \$60 plus 3.5 per cent of excess 17 over \$2,000 |
| 18 Over \$4,000 but not over \$6,000 | \$130 plus 4.0 per cent of excess 19 over \$4,000 |
| 20 Over \$6,000 but not over \$8,000 | \$210 plus 5.0 per cent of excess 21 over \$6,000 |
| 22 Over \$8,000 but not over \$10,000 | \$310 plus 5.5 per cent of excess 23 over \$8,000 |
| 24 Over \$10,000 but not over \$12,000 | \$420 plus 6.0 per cent of excess 25 over \$10,000 |
| 26 [OVER \$12,000 BUT NOT OVER \$14,000 | \$540 PLUS 7.0 PER CENT OF EXCESS 27 OVER \$12,000 |
| 28 OVER \$14,000 BUT NOT OVER \$16,000 | \$680 PLUS 7.5 PER CENT OF EXCESS 29 OVER \$14,000 |

| | | |
|----|---------------------------------------|-----------------------------------|
| 1 | OVER \$16,000 BUT NOT OVER \$18,000 | \$830 PLUS 3.0 PER CENT OF EXCESS |
| 2 | | OVER \$16,000 |
| 3 | OVER \$18,000 BUT NOT OVER \$20,000 | \$990 PLUS 8.5 PER CENT OF EXCESS |
| 4 | | OVER \$18,000 |
| 5 | OVER \$20,000 BUT NOT OVER \$22,000 | \$1,160 PLUS 9.0 PER CENT OF EX- |
| 6 | | CESS OVER \$20,000 |
| 7 | OVER \$22,000 BUT NOT OVER \$26,000 | \$1,340 PLUS 9.5 PER CENT OF EX- |
| 8 | | CESS OVER \$22,000 |
| 9 | OVER \$26,000 BUT NOT OVER \$32,000 | \$1,720 PLUS 10.0 PER CENT OF EX- |
| 10 | | CESS OVER \$26,000 |
| 11 | OVER \$32,000 BUT NOT OVER \$38,000 | \$2,320 PLUS 10.5 PER CENT OF EX- |
| 12 | | CESS OVER \$32,000 |
| 13 | OVER \$38,000 BUT NOT OVER \$44,000 | \$2,950 PLUS 11.0 PER CENT OF EX- |
| 14 | | CESS OVER \$38,000 |
| 15 | OVER \$44,000 BUT NOT OVER \$50,000 | \$3,610 PLUS 11.5 PER CENT OF EX- |
| 16 | | CESS OVER \$44,000 |
| 17 | OVER \$50,000 BUT NOT OVER \$60,000 | \$4,300 PLUS 12.0 PER CENT OF EX- |
| 18 | | CESS OVER \$50,000 |
| 19 | OVER \$60,000 BUT NOT OVER \$70,000 | \$5,500 PLUS 12.5 PER CENT OF EX- |
| 20 | | CESS OVER \$60,000 |
| 21 | OVER \$70,000 BUT NOT OVER \$80,000 | \$6,750 PLUS 13.0 PER CENT OF EX- |
| 22 | | CESS OVER \$70,000 |
| 23 | OVER \$80,000 BUT NOT OVER \$90,000 | \$8,050 PLUS 13.5 PER CENT OF EX- |
| 24 | | CESS OVER \$80,000 |
| 25 | OVER \$90,000 BUT NOT OVER \$100,000 | \$9,400 PLUS 14.0 PER CENT OF EX- |
| 26 | | CESS OVER \$90,000 |
| 27 | OVER \$100,000 BUT NOT OVER \$150,000 | \$10,800 PLUS 14.0 PER CENT OF |
| 28 | | EXCESS OVER \$100,000 |
| 29 | OVER \$150,000 BUT NOT OVER \$200,000 | \$17,800 PLUS 14.5 PER CENT OF |

| | |
|----------------|--|
| | EXCESS OVER \$150,000 |
| OVER \$200,000 | \$25,050 PLUS 14.5 PER CENT OF EXCESS OVER \$200,000] |

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

(b) There is imposed for each taxable year upon the taxable income of every resident, nonresident and part-year resident married individual who makes a single return jointly with his spouse (as provided in section 6013 of the Internal Revenue Code) and upon every resident, nonresident and part-year resident surviving spouse (as defined in section 2(a) of the Internal Revenue Code) taxes computed according to the following table.

If the taxable income is:

Then the tax is:

| | |
|--------------------------------------|---|
| Not over \$4,000 | 3 per cent of the taxable income |
| Over \$4,000 but not over \$8,000 | \$120 plus 3.5 per cent of excess over \$4,000 |
| Over \$8,000 but not over \$12,000 | \$260 plus 4.0 per cent of excess over \$8,000 |
| Over \$12,000 but not over \$16,000 | \$420 plus 5.0 per cent of excess over \$12,000 |
| Over \$16,000 but not over \$20,000 | \$620 plus 5.5 per cent of excess over \$16,000 |
| Over \$20,000 but not over \$24,000 | \$840 plus 6.0 per cent of excess over \$20,000 |
| [OVER \$24,000 BUT NOT OVER \$28,000 | \$1,080 PLUS 7.0 PER CENT OF EXCESS OVER \$24,000 |
| OVER \$28,000 BUT NOT OVER \$32,000 | \$1,320 PLUS 7.5 PER CENT OF EXCESS OVER \$28,000 |
| OVER \$32,000 BUT NOT OVER \$36,000 | \$1,660 PLUS 8.0 PER CENT OF EXCESS OVER \$32,000 |

| | | |
|----|---------------------------------------|------------------------------------|
| 1 | OVER \$36,000 BUT NOT OVER \$40,000 | \$1,980 PLUS 8.5 PER CENT OF EX- |
| 2 | | CESS OVER \$36,000 |
| 3 | OVER \$40,000 BUT NOT OVER \$44,000 | \$2,320 PLUS 9.0 PER CENT OF EX- |
| 4 | | CESS OVER \$40,000 |
| 5 | OVER \$44,000 BUT NOT OVER \$52,000 | \$2,680 PLUS 9.5 PER CENT OF EX- |
| 6 | | CESS OVER \$44,000 |
| 7 | OVER \$52,000 BUT NOT OVER \$64,000 | \$3,440 PLUS 10.0 PER CENT OF EX- |
| 8 | | CESS OVER \$52,000 |
| 9 | OVER \$64,000 BUT NOT OVER \$76,000 | \$4,640 PLUS 10.5 PER CENT OF EX- |
| 10 | | CESS OVER \$64,000 |
| 11 | OVER \$76,000 BUT NOT OVER \$88,000 | \$5,900 PLUS 11.0 PER CENT OF EX- |
| 12 | | CESS OVER \$76,000 |
| 13 | OVER \$88,000 BUT NOT OVER \$100,000 | \$7,220 PLUS 11.5 PER CENT OF EX- |
| 14 | | CESS OVER \$88,000 |
| 15 | OVER \$100,000 BUT NOT OVER \$120,000 | \$8,600 PLUS 12.0 PER CENT OF EX- |
| 16 | | CESS OVER \$100,000 |
| 17 | OVER \$120,000 BUT NOT OVER \$140,000 | \$11,000 PLUS 12.5 PER CENT OF EX- |
| 18 | | CESS OVER \$120,000 |
| 19 | OVER \$140,000 BUT NOT OVER \$160,000 | \$13,500 PLUS 13.0 PER CENT OF EX- |
| 20 | | CESS OVER \$140,000 |
| 21 | OVER \$160,000 BUT NOT OVER \$180,000 | \$16,100 PLUS 13.5 PER CENT OF EX- |
| 22 | | CESS OVER \$160,000 |
| 23 | OVER \$180,000 BUT NOT OVER \$200,000 | \$19,800 PLUS 14.0 PER CENT OF EX- |
| 24 | | CESS OVER \$180,000 |
| 25 | OVER \$200,000 BUT NOT OVER \$300,000 | \$21,600 PLUS 14.0 PER CENT OF EX- |
| 26 | | CESS OVER \$200,000 |
| 27 | OVER \$300,000 BUT NOT OVER \$400,000 | \$35,600 PLUS 14.5 PER CENT OF EX- |
| 28 | | CESS OVER \$300,000 |
| 29 | OVER \$400,000 | \$50,100 PLUS 14.5 PER CENT OF EX- |

CESS OVER \$400,000]

* Sec. 3. AS 43.20.011(c) is amended to read:

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

If the taxable income is:

Then the tax is:

| | |
|-------------------------------------|---|
| Not over \$2,000 | 3 per cent of the taxable income |
| Over \$2,000 but not over \$4,000 | \$60 plus 3.5 per cent of excess over \$2,000 |
| Over \$4,000 but not over \$6,000 | \$130 plus 4.0 per cent of excess over \$4,000 |
| Over \$6,000 but not over \$8,000 | \$210 plus 4.5 per cent of excess over \$6,000 |
| Over \$8,000 but not over \$10,000 | \$300 plus 5.0 per cent of excess over \$8,000 |
| Over \$10,000 but not over \$12,000 | \$400 plus 5.5 per cent of excess over \$10,000 |
| Over \$12,000 but not over \$14,000 | \$510 plus 6.0 per cent of excess over \$12,000 |
| OVER \$14,000 BUT NOT OVER \$16,000 | \$630 PLUS 6.5 PER CENT OF EXCESS OVER \$14,000 |
| OVER \$16,000 BUT NOT OVER \$18,000 | \$760 PLUS 7.0 PER CENT OF EXCESS OVER \$16,000 |
| OVER \$18,000 BUT NOT OVER \$20,000 | \$900 PLUS 7.0 PER CENT OF EXCESS OVER \$18,000 |
| OVER \$20,000 BUT NOT OVER \$22,000 | \$1,040 PLUS 7.5 PER CENT OF EXCESS OVER \$20,000 |
| OVER \$22,000 BUT NOT OVER \$24,000 | \$1,190 PLUS 8.0 PER CENT OF EX- |

| | | |
|----|---------------------------------------|------------------------------------|
| 1 | | CESS OVER \$22,000 |
| 2 | OVER \$24,000 BUT NOT OVER \$28,000 | \$1,350 PLUS 8.5 PER CENT OF EX- |
| 3 | | CESS OVER \$24,000 |
| 4 | OVER \$28,000 BUT NOT OVER \$32,000 | \$1,690 PLUS 9.0 PER CENT OF EX- |
| 5 | | CESS OVER \$28,000 |
| 6 | OVER \$32,000 BUT NOT OVER \$38,000 | \$2,050 PLUS 9.5 PER CENT OF EX- |
| 7 | | CESS OVER \$32,000 |
| 8 | OVER \$38,000 BUT NOT OVER \$44,000 | \$2,430 PLUS 10.0 PER CENT OF EX- |
| 9 | | CESS OVER \$38,000 |
| 10 | OVER \$44,000 BUT NOT OVER \$50,000 | \$3,030 PLUS 10.5 PER CENT OF EX- |
| 11 | | CESS OVER \$44,000 |
| 12 | OVER \$50,000 BUT NOT OVER \$60,000 | \$3,660 PLUS 11.0 PER CENT OF EX- |
| 13 | | CESS OVER \$50,000 |
| 14 | OVER \$60,000 BUT NOT OVER \$70,000 | \$4,760 PLUS 11.5 PER CENT OF EX- |
| 15 | | CESS OVER \$60,000 |
| 16 | OVER \$70,000 BUT NOT OVER \$80,000 | \$5,910 PLUS 12.0 PER CENT OF EX- |
| 17 | | CESS OVER \$70,000 |
| 18 | OVER \$80,000 BUT NOT OVER \$90,000 | \$7,110 PLUS 12.5 PER CENT OF EX- |
| 19 | | CESS OVER \$80,000 |
| 20 | OVER \$90,000 BUT NOT OVER \$100,000 | \$8,360 PLUS 13.0 PER CENT OF EX- |
| 21 | | CESS OVER \$90,000 |
| 22 | OVER \$100,000 BUT NOT OVER \$150,000 | \$9,660 PLUS 13.5 PER CENT OF EX- |
| 23 | | CESS OVER \$100,000 |
| 24 | OVER \$150,000 BUT NOT OVER \$200,000 | \$16,410 PLUS 14.0 PER CENT OF EX- |
| 25 | | CESS OVER \$150,000 |
| 26 | OVER \$200,000 BUT NOT OVER \$300,000 | \$23,410 PLUS 14.5 PER CENT OF EX- |
| 27 | | CESS OVER \$200,000 |
| 28 | OVER \$300,000 | \$37,910 PLUS 14.5 PER CENT OF EX- |
| 29 | | CESS OVER \$300,000] |

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

2 Sec. 43.20.037. EXCESS TAX CREDIT. (a) An individual is allowed
3 as a credit against the tax levied under this chapter the amount by
4 which the combined taxes payable by that individual to the state for the
5 taxable year exceeds six per cent of his taxable income exclusive of
6 capital gains as determined under this chapter. An amount by which the
7 credit allowed under this section exceeds the amount of tax due under
8 this chapter is an overpayment of taxes which shall be refunded to the
9 taxpayer under the provisions of AS 43.20.030(e).

10 (b) For purposes of this section, the term "combined taxes"
11 includes all taxes, local improvement assessments, user fees, and
12 licenses payable directly to the state. The term does not include rent
13 or royalties payable to the state for the use, development, or exploita-
14 tion of a natural resource of the state.

15 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c) and is retroactive to January 1, 1979.

ALASKA STATE LEGISLATURE

ELEVENTH Legislature . FIRST Session

SENATE BILL NO. 47.....

By BRADLEY.....

"An Act relating to taxes on individuals; and providing for an effective date."

taxes on individuals

Introduced in the Senate ... 1/16, 1979.

HISTORY IN THE SENATE

19 79

1 16

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reconsideration

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reconsideration

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

February 20, 1979

The Honorable John C. Sackett
Chairman
Senate Finance Committee
State Capitol
Juneau, Alaska

Re: Sponsor Substitute for Senate Bill No. 47

Dear Senator Sackett:

Sponsor Substitute for Senate Bill No. 47, an Act relating to taxes on individuals, was introduced in the Senate on February 13, 1979 and was referred to the Senate Finance Committee.

For the consideration of the Senate Finance Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Gary Jenkins, Director, Audit Division, Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

cc: John Messenger
Acting Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Sponsor Substitute for Senate Bill No. 47
 Title An Act relating to taxes on individuals
 Requested by Senate Finance Committee Date 2/15/79

II. FISCAL DETAIL
 Agency Affected Revenue
 Program Category Affected Revenue Collection and Management
 Budget Request Unit(s) Affected Audit Division

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

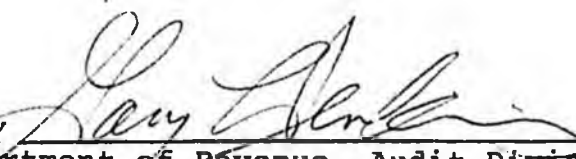
| | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 |
|-----------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify) | | | | | | |
| | | | | | | |

POSITIONS None

| | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 |
|-----------|-------|-------|-------|-------|-------|-------|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

See attached memorandum to R. D. Stevenson dated 2/16/79.

IV. DATE February 16, 1979 PREPARED BY 
 AGENCY Department of Revenue, Audit Division
 Original: Legislative Finance PHONE 465-2320
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

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

DATE: February 16, 1979

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit DivisionSUBJECT: Sponsor Substitute for
Senate Bill No. 47

The Sponsor Substitute for Senate Bill 47 more clearly identifies the specific intention of the bill. In an effort to make a determination of the potential loss of revenue which would result from establishing a maximum individual income tax rate of 6 percent, I have relied on information based on returns filed for the calendar year 1976. Based on our information for 1976, 50 percent of the returns that were filed were by individuals filing on a married joint return basis. I must assume that is a consistent percentage throughout all the returns that were filed. For test purposes I analyzed the returns with taxable income from \$12,000 through \$32,000. There were 64,487 returns in this test group and the anticipated loss of revenue is estimated to be approximately \$6,600,000. There were an additional 25,267 returns filed during that year with income ranging from \$32,000 up through \$852,890. It is anticipated that there would be an additional five to six million dollars of revenue loss for this group of returns if this bill were adopted.

In Sec. 4 the sponsor modified the definition of what would be considered combined taxes and limited it to "all taxes and licenses payable directly to the State". This definition, however, still leaves some question of what is intended by taxes and licenses. Does that phrase include such things as a professional license issued by the Department of Commerce or a motor vehicle license issued by the Department of Public Safety? It is my recommendation that the bill be further clarified to specifically identify those taxes and licenses to which the credit would apply. Since we have no knowledge of how much is paid directly to the State of Alaska in the form of taxes and licenses, it is impossible to estimate what the effect of this credit might be; however, I would anticipate that it would be several million dollars of lost revenue to the treasury. This assumption is made because once a single individual reached a taxable income in excess of \$10,000 any tax or license paid over the amount of individual income tax due would be refundable as a credit.

Introduced: 1/16/79
Referred: Finance

1 IN THE SENATE

BY BRADLEY

2 SENATE BILL NO. 47

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 taxes on individuals; and providing
7 for an effective date."

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

9 * Section 1. AS 43.20.011(a) is amended to read:

10 (a) There is imposed for each taxable year upon the taxable income
11 of every resident, nonresident and part-time resident individual and
12 fiduciary of the state, except those qualifying for the rates in (b) or
13 (c) of this section, taxes computed according to the following table.

14 If the taxable income is:

Then the tax is:

| | |
|---|---|
| 15 Not over \$2,000 | 3 per cent of the taxable income |
| 16 Over \$2,000 but not over \$4,000 | \$60 plus 3.5 per cent of excess 17 over \$2,000 |
| 18 Over \$4,000 but not over \$6,000 | \$130 plus 4.0 per cent of excess 19 over \$4,000 |
| 20 Over \$6,000 but not over \$8,000 | \$110 plus 5.0 per cent of excess 21 over \$6,000 |
| 22 Over \$8,000 but not over \$10,000 | \$310 plus 5.5 per cent of excess 23 over \$8,000 |
| 24 Over \$10,000 but not over \$12,000 | \$420 plus 6.0 per cent of excess 25 over \$10,000 |
| 26 [OVER \$12,000 BUT NOT OVER \$14,000 | \$540 PLUS 7.0 PER CENT OF EXCESS 27 OVER \$12,000 |
| 28 OVER \$14,000 BUT NOT OVER \$16,000 | \$680 PLUS 7.5 PER CENT OF EXCESS 29 OVER \$14,000 |

| | | |
|----|---------------------------------------|---|
| 1 | OVER \$16,000 BUT NOT OVER \$18,000 | \$830 PLUS 3.0 PER CENT OF EXCESS OVER \$16,000 |
| 2 | | |
| 3 | OVER \$18,000 BUT NOT OVER \$20,000 | \$990 PLUS 8.5 PER CENT OF EXCESS OVER \$18,000 |
| 4 | | |
| 5 | OVER \$20,000 BUT NOT OVER \$22,000 | \$1,160 PLUS 9.0 PER CENT OF EX- CESS OVER \$20,000 |
| 6 | | |
| 7 | OVER \$22,000 BUT NOT OVER \$26,000 | \$1,340 PLUS 9.5 PER CENT OF EX- CESS OVER \$22,000 |
| 8 | | |
| 9 | OVER \$26,000 BUT NOT OVER \$32,000 | \$1,720 PLUS 10.0 PER CENT OF EX- CESS OVER \$26,000 |
| 10 | | |
| 11 | OVER \$32,000 BUT NOT OVER \$38,000 | \$2,320 PLUS 10.5 PER CENT OF EX- CESS OVER \$32,000 |
| 12 | | |
| 13 | OVER \$38,000 BUT NOT OVER \$44,000 | \$2,950 PLUS 11.0 PER CENT OF EX- CESS OVER \$38,000 |
| 14 | | |
| 15 | OVER \$44,000 BUT NOT OVER \$50,000 | \$3,610 PLUS 11.5 PER CENT OF EX- CESS OVER \$44,000 |
| 16 | | |
| 17 | OVER \$50,000 BUT NOT OVER \$60,000 | \$4,300 PLUS 12.0 PER CENT OF EX- CESS OVER \$50,000 |
| 18 | | |
| 19 | OVER \$60,000 BUT NOT OVER \$70,000 | \$5,500 PLUS 12.5 PER CENT OF EX- CESS OVER \$60,000 |
| 20 | | |
| 21 | OVER \$70,000 BUT NOT OVER \$80,000 | \$6,750 PLUS 13.0 PER CENT OF EX- CESS OVER \$70,000 |
| 22 | | |
| 23 | OVER \$80,000 BUT NOT OVER \$90,000 | \$8,050 PLUS 13.5 PER CENT OF EX- CESS OVER \$80,000 |
| 24 | | |
| 25 | OVER \$90,000 BUT NOT OVER \$100,000 | \$9,400 PLUS 14.0 PER CENT OF EX- CESS OVER \$90,000 |
| 26 | | |
| 27 | OVER \$100,000 BUT NOT OVER \$150,000 | \$10,800 PLUS 14.0 PER CENT OF EXCESS OVER \$100,000 |
| 28 | | |
| 29 | OVER \$150,000 BUT NOT OVER \$200,000 | \$17,800 PLUS 14.5 PER CENT OF |

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EXCESS OVER \$150,000
OVER \$200,000 \$25,050 PLUS 14.5 PER CENT OF
EXCESS OVER \$200,000]

* Sec. 2. AS 43.20 011(b) is amended to read:

(b) There is imposed for each taxable year upon the taxable income of every resident, nonresident and part-year resident married individual who makes a single return jointly with his spouse (as provided in section 6013 of the Internal Revenue Code) and upon every resident, nonresident and part-year resident surviving spouse (as defined in section 2(a) of the Internal Revenue Code) taxes computed according to the following table.

| If the taxable income is: | Then the tax is: |
|--------------------------------------|---|
| Not over \$4,000 | 3 per cent of the taxable income |
| Over \$4,000 but not over \$8,000 | \$120 plus 3.5 per cent of excess over \$4,000 |
| Over \$8,000 but not over \$12,000 | \$260 plus 4.0 per cent of excess over \$8,000 |
| Over \$12,000 but not over \$16,000 | \$420 plus 5.0 per cent of excess over \$12,000 |
| Over \$16,000 but not over \$20,000 | \$620 plus 5.5 per cent of excess over \$16,000 |
| Over \$20,000 but not over \$24,000 | \$840 plus 6.0 per cent of excess over \$20,000 |
| [OVER \$24,000 BUT NOT OVER \$28,000 | \$1,080 PLUS 7.0 PER CENT OF EXCESS OVER \$24,000 |
| OVER \$28,000 BUT NOT OVER \$32,000 | \$1,320 PLUS 7.5 PER CENT OF EXCESS OVER \$28,000 |
| OVER \$32,000 BUT NOT OVER \$36,000 | \$1,660 PLUS 8.0 PER CENT OF EXCESS OVER \$32,000 |

| | | |
|----|---------------------------------------|------------------------------------|
| 1 | OVER \$36,000 BUT NOT OVER \$40,000 | \$1,980 PLUS 8.5 PER CENT OF EX- |
| 2 | | CESS OVER \$36,000 |
| 3 | OVER \$40,000 BUT NOT OVER \$44,000 | \$2,320 PLUS 9.0 PER CENT OF EX- |
| 4 | | CESS OVER \$40,000 |
| 5 | OVER \$44,000 BUT NOT OVER \$52,000 | \$2,680 PLUS 9.5 PER CENT OF EX- |
| 6 | | CESS OVER \$44,000 |
| 7 | OVER \$52,000 BUT NOT OVER \$64,000 | \$3,440 PLUS 10.0 PER CENT OF EX- |
| 8 | | CESS OVER \$52,000 |
| 9 | OVER \$64,000 BUT NOT OVER \$76,000 | \$4,640 PLUS 10.5 PER CENT OF EX- |
| 10 | | CESS OVER \$64,000 |
| 11 | OVER \$76,000 BUT NOT OVER \$88,000 | \$5,900 PLUS 11.0 PER CENT OF EX- |
| 12 | | CESS OVER \$76,000 |
| 13 | OVER \$88,000 BUT NOT OVER \$100,000 | \$7,220 PLUS 11.5 PER CENT OF EX- |
| 14 | | CESS OVER \$88,000 |
| 15 | OVER \$100,000 BUT NOT OVER \$120,000 | \$8,600 PLUS 12.0 PER CENT OF EX- |
| 16 | | CESS OVER \$100,000 |
| 17 | OVER \$120,000 BUT NOT OVER \$140,000 | \$11,000 PLUS 12.5 PER CENT OF EX- |
| 18 | | CESS OVER \$120,000 |
| 19 | OVER \$140,000 BUT NOT OVER \$160,000 | \$13,500 PLUS 13.0 PER CENT OF EX- |
| 20 | | CESS OVER \$140,000 |
| 21 | OVER \$160,000 BUT NOT OVER \$180,000 | \$16,100 PLUS 13.5 PER CENT OF EX- |
| 22 | | CESS OVER \$160,000 |
| 23 | OVER \$180,000 BUT NOT OVER \$200,000 | \$18,800 PLUS 14.0 PER CENT OF EX- |
| 24 | | CESS OVER \$180,000 |
| 25 | OVER \$200,000 BUT NOT OVER \$300,000 | \$21,600 PLUS 14.0 PER CENT OF EX- |
| 26 | | CESS OVER \$200,000 |
| 27 | OVER \$300,000 BUT NOT OVER \$400,000 | \$35,600 PLUS 14.5 PER CENT OF EX- |
| 28 | | CESS OVER \$300,000 |
| 29 | OVER \$400,000 | \$50,100 PLUS 14.5 PER CENT OF EX- |

CESS OVER \$400,000]

* Sec. 3. AS 43.20.011(c) is amended to read:

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

| If the taxable income is: | Then the tax is: |
|--------------------------------------|---|
| Not over \$2,000 | 3 per cent of the taxable income |
| Over \$2,000 but not over \$4,000 | \$60 plus 3.5 per cent of excess over \$2,000 |
| Over \$4,000 but not over \$6,000 | \$130 plus 4.0 per cent of excess over \$4,000 |
| Over \$6,000 but not over \$8,000 | \$210 plus 4.5 per cent of excess over \$6,000 |
| Over \$8,000 but not over \$10,000 | \$300 plus 5.0 per cent of excess over \$8,000 |
| Over \$10,000 but not over \$12,000 | \$400 plus 5.5 per cent of excess over \$10,000 |
| Over \$12,000 but not over \$14,000 | \$510 plus 6.0 per cent of excess over \$12,000 |
| [OVER \$14,000 BUT NOT OVER \$16,000 | \$630 PLUS 6.5 PER CENT OF EXCESS OVER \$14,000 |
| OVER \$16,000 BUT NOT OVER \$18,000 | \$760 PLUS 7.0 PER CENT OF EXCESS OVER \$16,000 |
| OVER \$18,000 BUT NOT OVER \$20,000 | \$900 PLUS 7.0 PER CENT OF EXCESS OVER \$18,000 |
| OVER \$20,000 BUT NOT OVER \$22,000 | \$1,040 PLUS 7.5 PER CENT OF EXCESS OVER \$20,000 |
| OVER \$22,000 BUT NOT OVER \$24,000 | \$1,190 PLUS 8.0 PER CENT OF EX- |

| | | |
|----|---------------------------------------|------------------------------------|
| 1 | | CESS OVER \$22,000 |
| 2 | OVER \$24,000 BUT NOT OVER \$28,000 | \$1,350 PLUS 8.5 PER CENT OF EX- |
| 3 | | CESS OVER \$24,000 |
| 4 | OVER \$28,000 BUT NOT OVER \$32,000 | \$1,690 PLUS 9.0 PER CENT OF EX- |
| 5 | | CESS OVER \$28,000 |
| 6 | OVER \$32,000 BUT NOT OVER \$38,000 | \$2,050 PLUS 9.5 PER CENT OF EX- |
| 7 | | CESS OVER \$32,000 |
| 8 | OVER \$38,000 BUT NOT OVER \$44,000 | \$2,430 PLUS 10.0 PER CENT OF EX- |
| 9 | | CESS OVER \$38,000 |
| 10 | OVER \$44,000 BUT NOT OVER \$50,000 | \$3,030 PLUS 10.5 PER CENT OF EX- |
| 11 | | CESS OVER \$44,000 |
| 12 | OVER \$50,000 BUT NOT OVER \$60,000 | \$3,660 PLUS 11.0 PER CENT OF EX- |
| 13 | | CESS OVER \$50,000 |
| 14 | OVER \$60,000 BUT NOT OVER \$70,000 | \$4,760 PLUS 11.5 PER CENT OF EX- |
| 15 | | CESS OVER \$60,000 |
| 16 | OVER \$70,000 BUT NOT OVER \$80,000 | \$5,910 PLUS 12.0 PER CENT OF EX- |
| 17 | | CESS OVER \$70,000 |
| 18 | OVER \$80,000 BUT NOT OVER \$90,000 | \$7,110 PLUS 12.5 PER CENT OF EX- |
| 19 | | CESS OVER \$80,000 |
| 20 | OVER \$90,000 BUT NOT OVER \$100,000 | \$8,360 PLUS 13.0 PER CENT OF EX- |
| 21 | | CESS OVER \$90,000 |
| 22 | OVER \$100,000 BUT NOT OVER \$150,000 | \$9,660 PLUS 13.5 PER CENT OF EX- |
| 23 | | CESS OVER \$100,000 |
| 24 | OVER \$150,000 BUT NOT OVER \$200,000 | \$16,410 PLUS 14.0 PER CENT OF EX- |
| 25 | | CESS OVER \$150,000 |
| 26 | OVER \$200,000 BUT NOT OVER \$300,000 | \$23,410 PLUS 14.5 PER CENT OF EX- |
| 27 | | CESS OVER \$200,000 |
| 28 | OVER \$300,000 | \$37,910 PLUS 14.5 PER CENT OF EX- |
| 29 | | CESS OVER \$300,000] |

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

Sec. 43.20.037. EXCESS TAX CREDIT. (a) An individual is allowed as a credit against the tax levied under this chapter the amount by which the combined taxes payable by that individual to the state for the taxable year exceeds six per cent of his taxable income exclusive of capital gains as determined under this chapter. An amount by which the credit allowed under this section exceeds the amount of tax due under this chapter is an overpayment of taxes which shall be refunded to the taxpayer under the provisions of AS 43.20.010(e).

(b) For purposes of this section, the term "combined taxes" includes all taxes, local improvement assessments, user fees, and licenses payable directly to the state. The term does not include rent or royalties payable to the state for the use, development, or exploitation of a natural resource of the state.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.070(c) and is retroactive to January 1, 1979.

STATE
of ALASKA

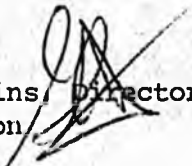
MEMORANDUM

TO: R. D. Stevenson
Special Assistant

DATE: January 24, 1979

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins,  Director
Audit Division

SUBJECT: SB 47

This bill would result in a significant decrease in revenue from the individual income tax. It is not clear from the structure of the bill exactly what is intended by the sponsor. The first possible interpretation is that the bill intends to tax only a limited amount of income, i.e. up to \$12,000 for a single person or married filing separately; up to \$24,000 for a married couple filing jointly; and up to \$14,000 for a Head of Household. Thus, the maximum amount of individual income tax paid would be \$540, \$1,080 or \$630 respectively.

A second possible interpretation would be that the author meant to limit the tax rates for all categories of taxpayers to a maximum rate of 6%. The taxable income levels at which this rate would come into play would vary according to the filing status of the taxpayer. If this is the intent, then the bill should be modified to more clearly reflect this.

The second part of the bill would provide for a refundable tax credit whereby a taxpayer could claim a credit for the amount by which his combined state taxes exceeded 6% of his taxable income. Exactly what would be included in this "combined taxes" amount is not really clear. Would a professional license fee paid be considered a tax? If an owner of a private plane paid a landing fee at a state owned airport, would that be considered a user fee? Would rent paid by someone living in ASHA housing be considered a user fee since ASHA is an arm of the state? There is no way to ascertain the exact dollar effect of this credit provision due to the unknown factors.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 47
 Title An Act Relating to Taxes on Individuals
 Requested by Senate Finance Committee Date 1-18-79

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprogram(s) Affected Audit

(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 | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------------------|-----|-----|-----|-----|-----|-----|
| GENERAL FUND | -0- | -0- | -0- | -0- | -0- | -0- |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |
| | | | | | | |

POSITIONS - NONE

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

See attached memo to R. D. Stevenson dated January 24, 1979.

IV. DATE 1-24-79

PREPARED BY
 AGENCY Audit Div., Dept. of Revenue
 PHONE 465-2320

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

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

February 20, 1979

The Honorable John C. Sackett
Chairman
Senate Finance Committee
State Capitol
Juneau, Alaska

Re: Sponsor Substitute for Senate Bill No. 47

Dear Senator Sackett:

Sponsor Substitute for Senate Bill No. 47, an Act relating to taxes on individuals, was introduced in the Senate on February 13, 1979 and was referred to the Senate Finance Committee.

For the consideration of the Senate Finance Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Gary Jenkins, Director, Audit Division, Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

cc: John Messenger
Acting Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue