



LAWS OF ALASKA

1971

Source

SB 193

Chapter No.

97

AN ACT

Relating to nonprofit corporations with respect to the federal Tax Reform Act of 1969.

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

* Section 1. AS 10.20 is amended by adding a new section to read:

Sec. 10.20.153. PROVISIONS CONSIDERED TO BE IN ARTICLES OF INCORPORATION BY OPERATION OF LAW. (a) The articles of incorporation of every nonprofit corporation which is a private foundation, as defined in sec. 509 of the Internal Revenue Code of 1954, are considered to contain provisions prohibiting the corporation from

(1) engaging in an act of self-dealing, as defined in sec. 4941(d) of the Internal Revenue Code of 1954, which would give rise to liability for the tax imposed by sec. 4941(a) of the Internal Revenue Code of 1954;

(2) retaining excess business holdings, as defined in sec. 4943(c) of the Internal Revenue Code of 1954, which would give rise to liability for the tax imposed by sec. 4943(a) of the Internal Revenue Code of 1954;

(3) making an investment which would jeopardize the carrying out of any of its exempt purposes, within the meaning of sec. 4944 of the Internal Revenue Code of 1954, so as to give rise to liability for the tax imposed by sec. 4944(a) of the Internal Revenue Code of 1954; and

(4) making taxable expenditures, as defined in sec. 4945(d) of the Internal Revenue Code of 1954, which would give rise to liability for the tax imposed by

sec. 4945(a) of the Internal Revenue Code of 1954.

(b) The articles of incorporation of every nonprofit corporation which is a private foundation, as defined in sec. 509 of the Internal Revenue Code of 1954, are considered to contain a provision requiring the corporation to distribute, for the purposes specified in its articles of incorporation, for each taxable year, amounts at least sufficient to avoid liability for the tax imposed by sec. 4942(a) of the Internal Revenue Code of 1954.

(c) A nonprofit corporation may at any time amend its articles of incorporation or other instrument governing the corporation, by any amendment process open to it under the laws of Alaska, to provide that some or all provisions of (a) and (b) of this section do not apply to the corporation. A nonprofit corporation formed after the effective date of this Act may provide in its articles of incorporation that some or all provisions of (a) and (b) of this section do not apply to the corporation.

(d) In this section, references to provisions of the Internal Revenue Code of 1954 include future amendments to those provisions.