



LAWS OF ALASKA

1980

Source

FCCSSB 394

Chapter No.

22

AN ACT

Relating to tax credits, exemptions and refunds for individuals under the Alaska Net Income Tax Act; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: April 15, 1980
Actual Effective Date: April 16, 1980 with Section 1 retroactive to January 1, 1979; Sections 2 and 3 which apply to tax years beginning after December 31, 1979 retroactive to January 1, 1980.

AN ACT

Relating to tax credits, exemptions and refunds for individuals under the Alaska Net Income Tax Act; and providing for an effective date.

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

Sec. 43.20.017. INDIVIDUAL TAX EXEMPTIONS. (a) If an individual filed an Alaska net income tax return and reported gross income earned from sources in the state for three or more tax years preceding the tax year for which an exemption is claimed under this section, the income of that individual is exempt from taxation under this chapter in each succeeding tax year.

(b) An individual is exempt from payment of two-thirds of the net income tax levied under this chapter if the individual filed an Alaska net income tax return and reported gross income earned from sources in the state for two tax years preceding the tax year for which an exemption is claimed under this section.

(c) An individual is exempt from payment of one-third of the net income tax levied under this chapter if the individual filed an Alaska net income tax return and reported gross income earned from sources in the state for one tax year preceding the tax year for which an exemption is claimed under this section.

(d) A married individual who files a joint Alaska net income tax return is entitled to a separate exemption under this section determined on the basis of the number of tax years, preceding the tax year for

Chapter 22

1 which the exemption is claimed, that the individual filed either a
2 separate or a joint Alaska net income tax return. For the tax year for
3 which an exemption is claimed under this section, a married individual
4 who files a joint Alaska net income tax return is considered to have
5 earned one-half of the gross income reported from sources in the state
6 for those tax years upon which an exemption under this section is based

7 (e) An individual is not required to file an Alaska net income tax
8 return under this chapter for a tax year for which the income of the
9 individual is exempt under (a) of this section.

10 (f) An exemption claimed under this section may be based on any
11 tax year beginning after December 31, 1958. An individual may claim an
12 exemption under this section on the basis of an Alaska net income tax
13 return filed more than five tax years before the year for which the
14 exemption is claimed only if the individual submits to the department a
15 signed, sworn statement of eligibility accompanied by a copy of each
16 Alaska net income tax return on which the claimed exemption is based or
17 other documentary evidence of eligibility acceptable to the department.

18 (g) An individual who claims an exemption under this section based
19 on an Alaska net income tax return filed within the five tax years
20 immediately preceding the year for which the exemption is claimed is
21 required to submit to the department only a signed, sworn statement of
22 eligibility.

23 * Sec. 2. AS 43.20.030 is amended by adding new subsections to read:

24 (f) If the amount of the tax credit for political campaign contri-
25 butions provided in AS 43.20.031(f) exceeds the tax liability of an
26 individual taxpayer under this chapter, the commissioner shall pay the
27 individual taxpayer the amount of money by which the credit exceeds the
28 tax liability of the individual taxpayer.

29 (g) If the amount of the credit for household and dependent care

Chapter 22

services provided in AS 43.20.036(i) exceeds the tax liability of an individual taxpayer under this chapter, the commissioner shall pay the individual taxpayer the amount of money by which the credit exceeds the tax liability of the individual taxpayer.

* Sec. 3. AS 43.20.036 is amended by adding a new subsection to read:

(i) An individual taxpayer is entitled to a credit against the tax imposed by this chapter equal to 16 percent of the tax credit claimed by the individual on his federal income tax return for household and dependent care services necessary for his gainful employment.

* Sec. 4. AS 43.20.170(a) is amended to read:

(a) Every employer making payment of wages or salaries shall deduct and withhold an amount of tax computed in a manner to approximate the amount of tax due on those wages under this chapter for that year. The department shall publish the rate of withholding required by this section which shall, except as provided in (f) of this section, be expressed as a percentage of the amount required to be withheld under sec. 3402 of the Internal Revenue Code of 1954. Every employer making a deduction and a withholding shall furnish to the employee upon request a record of the amount of tax withheld from the employee on a form prescribed by the department.

* Sec. 5. AS 43.20.170 is amended by adding a new subsection to read:

(f) The rate of withholding required by this section and published by the department shall take into account the amount of the exemption, if any, to which an employee is entitled under AS 43.20.017.

* Sec. 6. (a) An individual is entitled to a refund of the Alaska net income tax paid for tax year 1979 in accordance with the exemptions in AS 43.20.017 enacted in sec. 1 of this Act, but a refund may be claimed and paid only as provided in this section. Refunds under this section may not be made without an appropriation for that purpose.

Chapter 22

1 (b) The department shall prescribe and make available a form for claim
2 ing a net income tax refund under this section. By July 1, 1980, the depart
3 ment shall mail the form to all individuals who, as of that date, filed a
4 return under AS 43.20 for tax year 1979.

5 (c) In order to receive a net income tax refund under this section, a
6 eligible individual must file with the department the form claiming a refun
7 and proof of eligibility as required in AS 43.20.017(f) and (g) before
8 June 30, 1981. The department shall begin processing each claim of a tax
9 refund as soon as the form is received by the department.

10 (d) The commissioner may adopt regulations to implement this section,
11 and those regulations may be adopted as emergency regulations under AS 44.-
12 62.040 - 44.62.290.

13 (e) In this section,

14 (1) "commissioner" means the commissioner of revenue; and

15 (2) "department" means the Department of Revenue.

16 * Sec. 7. The Department of Revenue shall establish procedures for re-
17 funding withholding payments and other estimated taxes received by the depa
18 ment for tax year 1980 in excess of the amounts that are required for each
19 individual after taking into account the exemption, if any, to which the
20 individual is entitled under AS 43.20.017 enacted in sec. 1 of this Act.

21 * Sec. 8. The provisions of AS 43.20.215 do not apply to refunds made
22 under secs. 6 and 7 of this Act.

23 * Sec. 9. Section 1 of this Act is retroactive to January 1, 1979.

24 * Sec. 10. Sections 2 and 3 of this Act are retroactive to January 1,
25 1980, and apply to tax years beginning after December 31, 1979.

26 * Sec. 11. This Act takes effect immediately in accordance with AS 01.1
27 070(c).