



# LAWS OF ALASKA

1991

**Source**

CSSB 158(FIN)(efd am)

**Chapter No.**

23

**AN ACT**

Relating to the interest rate on unpaid and overpaid taxes and to the due dates for and interest on unpaid and overpaid royalties and net profit share payments from state resources; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 10, 1991  
Actual Effective Date: October 31, 1991

AN ACT

1 Relating to the interest rate on unpaid and overpaid taxes and to the due dates for and  
2 interest on unpaid and overpaid royalties and net profit share payments from state  
3 resources; and providing for an effective date.  
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7 \* Section 1. AS 38.05.135 is amended by adding new subsections to read:

8 (c) Payment of a royalty or a net profit share payment to the state under a lease issued  
9 under AS 38.05.135 - 38.05.181 becomes due on the date and in the manner specified in the lease  
10 or in a regulation adopted by the commissioner.

11 (d) If a royalty or net profit share payment to which the state is entitled under  
12 AS 38.05.135 - 38.05.181 is not paid when it becomes due under (c) of this section, the royalty  
13 or payment bears interest in a calendar quarter at the rate of five percentage points above the  
14 annual rate charged member banks for advances by the 12th Federal Reserve District as of the  
15 first day of that calendar quarter, or at the annual rate of 11 percent, whichever is greater,  
16 compounded quarterly as of the last day of that quarter.

17 (e) Interest at the rate and in the manner provided in (d) of this section shall be allowed  
18 and paid on an overpayment of a royalty or net profit share payment made under AS 38.05.135 -  
19 38.05.181.

20 \* Sec. 2. AS 43.05.225 is amended to read:

21 Sec. 43.05.225. INTEREST [ON TAXES]. Unless otherwise provided,

Chapter 23

1                   (1) when a tax levied in this title becomes delinquent, it bears interest in a  
2 calendar quarter at the rate of five percentage points above the annual rate charged member  
3 banks for advances by the 12th Federal Reserve District as of the first day of that calendar  
4 quarter, or at the annual rate of 11 percent, whichever is greater, compounded quarterly  
5 as of the last day of that quarter;

6                   (2) the interest rate is 12 percent a year for

7                                 (A) delinquent fees payable under AS 05.15.095(c);

8                                 (B) arrearages for child support as provided in AS 25.27.025 unless  
9 a lesser rate authorized by that section applies; and

10                                (C) unclaimed property that is not timely paid or delivered, as allowed  
11 by AS 34.45.470(a).

12 \* Sec. 3. AS 43.05.280(a) is amended to read:

13                   (a) Interest shall be allowed and paid on an overpayment of a tax under this title at the  
14 rate and in the manner provided [PRESCRIBED] in AS 43.05.225(1) [AS 43.05.225].

15 \* Sec. 4. AS 43.31.141 is amended to read:

16                   Sec. 43.31.141. WHEN TAX DUE, EXTENSION AND INTEREST. The tax imposed  
17 by this chapter is due and payable 15 months after the decedent's death [,] and shall be paid by  
18 the executor to the department. If the department finds that the payment on the due date of tax  
19 or any part of the tax would impose undue hardship upon the estate, the department may extend  
20 the time for payment of any part, but no extension may be for more than one year and the  
21 aggregate of extensions with respect to an estate may not exceed five years from the due date.  
22 In that case, the amount in respect of which the extension is granted shall be paid on or before  
23 the date of the expiration of the period of the extension unless a further extension is granted.  
24 If the time for the payment is extended, there shall be collected, as part of this amount, interest  
25 on the tax as [AT THE RATE] provided in AS 43.05.225(1) [AS 43.05.225] from the due date  
26 of the tax to the date the tax is paid.

27 \* Sec. 5. AS 43.55.060 is amended to read:

28                   Sec. 43.55.060. DELINQUENCY. When the tax provided for in this chapter becomes  
29 delinquent, it bears interest as provided [AT THE RATE PRESCRIBED] in AS 43.05.225(1)  
30 [AS 43.05.225]. If any person fails to make a report required by this chapter, within the time

1           prescribed by law for the report, the department shall examine the books, records, and files of  
2           the person to determine the amount and value of the production to compute the tax, and the  
3           department shall add to the tax the cost of the examination, together with any penalties accrued.

4           \* Sec. 6. APPLICABILITY OF COMPOUNDED INTEREST. Beginning on the effective date of  
5           this Act, interest accrues on underpayments and overpayments of royalties, net profit share payments,  
6           and taxes, and on any interest accrued on them before the effective date of this Act, at the rates and in  
7           the manner specified in AS 38.05.135(d), added by sec. 1 of this Act, and AS 43.05.225, as amended  
8           by sec. 2 of this Act.

9           \* Sec. 7. This Act takes effect October 31, 1991.