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**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

MEMORANDUM

TO: Susan Jakonis, Department of Revenue

FROM: April Simpson, Office of the Lieutenant Governor 
465.4081

DATE: January 29, 2024

RE: Filed Permanent Regulations: Department of Revenue

Department of Revenue regulations re: Payment of Taxes by Credit Card (15 AAC
05.310, .320)

Attorney General File:	2022200405
Regulation Filed:	1/29/2024
Effective Date:	2/28/2024
Print:	249, April 2024

cc with enclosures: Colleen Bailey, Department of Law
Judy Herndon, LexisNexis



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Law

CIVIL DIVISION

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January 23, 2024

The Honorable Nancy Dahlstrom
Lieutenant Governor
State of Alaska
P.O. Box 110015
Juneau, AK 99811-0015

Re: *15 AAC 05.310, .320 Dept. of Revenue - Payment of Taxes by Credit Card*
Our file: 2022200405

Dear Lieutenant Governor Dahlstrom:

The Department of Law has reviewed the attached regulations of the Department of Revenue against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This letter constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations. The regulations were adopted by the Department of Revenue after the close of the public comment period.

The regulations provide the option for payment of taxes by credit card, with emphasis on clarifying how payment methods are available by Automated Clearing House (ACH) credit card and ACH debit card transactions.

The October 18, 2022 public notice and the January 19, 2024 adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.060 is not required.

No technical corrections were necessary to conform the regulations in accordance with AS 44.62.060.

Sincerely,

TREG TAYLOR
ATTORNEY GENERAL

By: **Rebecca C. Polizzotto**
Rebecca C. Polizzotto
Chief Assistant Attorney General
Legislation, Regulations, and
Legislative Research Section

Digitally signed by
Rebecca C. Polizzotto
Date: 2024.01.23
16:31:21 -09'00'

RCP/SCW

CC w/enclosure: Janell Mountcastle
Department of Revenue

Susan Jakonis, Regulations Contact
Department of Revenue

Mary H. Gramling, Assistant Attorney General
Department of Law

Steven C. Weaver, Assistant Attorney General
Department of Law

ORDER ADOPTING CHANGES TO REGULATIONS OF THE DEPARTMENT OF
REVENUE

The following four pages of regulations, dealing with payment of taxes by credit card, ACH credit and debit transactions, and wire transfers, are adopted and certified to be a correct copy of the regulation changes that the Department of Revenue adopts under the authority of AS 43.05.080, and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Department of Revenue paid special attention to the cost to private persons of the regulatory action being taken.

The regulatory changes adopted under this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.

Date:

1/19/2024



Adam Crum, Revenue Commissioner

April Simpson for

FILING CERTIFICATION

I, Nancy Dahlstrom, Lieutenant Governor for the State of Alaska, certify that on January 29, 2024, at 3:09 p.m., I filed the attached regulations according to the provisions of AS 44.62.040 – 44.62.120.



for Lieutenant Governor *Nancy Dahlstrom*

Effective:

February 28, 2024

Register:

249, April 2024

FOR DELEGATION OF THE LIEUTENANT GOVERNOR'S AUTHORITY

I, NANCY DAHLSTROM, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA, designate the following state employees to perform the Administrative Procedures Act filing functions of the Office of the Lieutenant Governor:

April Simpson, Regulations and Initiatives Specialist

IN TESTIMONY WHEREOF, I have signed and affixed the Seal of the State of Alaska, in Juneau, on May 15th, 2023.



A handwritten signature in blue ink, reading "Nancy Dahlstrom", is written over a horizontal dotted line.

**NANCY DAHLSTROM
LIEUTENANT GOVERNOR**

15 AAC 05.310 is amended to read:

(a) A payment in an amount less than the amounts prescribed in (b)(1) and (2) of this section may be made by check in the manner prescribed in (c) of this section, by wire transfer **or ACH credit transaction** [THROUGH THE FEDERAL RESERVE SYSTEM] in the manner prescribed in (e) of this section, by an ACH **debit** transaction in the manner prescribed in (i) of this section, or by another method as approved by the commissioner.

(b) A payment in an amount equal to or greater than the following amounts shall be made by wire transfer **or ACH credit transaction** [THROUGH THE FEDERAL RESERVE SYSTEM] in the manner prescribed in (e) of this section, by an ACH **debit** transaction in the manner prescribed in (i) of this section, or by another method as approved by the commissioner:

(1) \$100,000 if for a return or report required to be filed on a monthly or quarterly basis;

(2) \$150,000 if for a return or report required to be filed on a yearly basis.

(c) For payment of a tax under AS 43, if payment is made by check, the taxpayer shall mail the check, together with the required tax return or report, to the following address or to another address designated by the department: Alaska Department of Revenue, P.O. Box 110420, Juneau, Alaska 99811-0420. A payment made by check or a return not requiring a payment will be considered timely if it is postmarked on or before the date the payment is due.

(d) Repealed 2/21/2014.

(e) A payment by direct wire transfer **or ACH credit transaction** shall be made in accordance with the following procedures:

(1) the taxpayer shall notify the Alaska Department of Revenue, Treasury Division, by electronic mail of the dollar amount of the payment **and** [,] any identification

information [NUMBER] that the department requires of or assigns to the taxpayer [ANY LICENSE NUMBER THAT THE DEPARTMENT ASSIGNS TO THE TAXPAYER, THE TAX PERIOD TO WHICH THE PAYMENT IS TO BE APPLIED, AND THE TYPE OF TAX TO BE PAID NO LATER THAN 2:00 P.M. ALASKA TIME] on the business day before the wire transfer **or ACH credit transaction settles in the State of Alaska bank account** [IS TO BE MADE];

(2) the taxpayer shall obtain sufficient collected funds to cover the payment and shall instruct the commercial bank holding the funds to initiate the transfer of [FEDERAL] funds in the amount of payment, **either by wire transfer or ACH credit transaction** [THROUGH THE FEDERAL RESERVE SYSTEM'S WIRE TRANSFER SYSTEM] to the credit of the State of Alaska account as designated by the Treasury Division of the Alaska Department of Revenue;

(3) the taxpayer shall make the payment in one lump sum from one bank and shall designate the type of tax payment along with the wire transfer **or ACH credit transaction**;

(4) a payment made by wire transfer **or ACH credit transaction** is timely **if the department receives it** [IF THE TAXPAYER'S COMMERCIAL BANK INITIATES THE TRANSFER OF FUNDS THROUGH THE FEDERAL RESERVE SYSTEM'S WIRE TRANSFER] on or before the **due** date [THE PAYMENT IS DUE].

(f) In this section, "payment" means the total amount due or estimated to be due by the taxpayer under any provision of AS 43, including taxes, interest, and penalty, and for the purpose of taxes due under AS 43.55 and AS 43.56, includes the total amount due for all interests on whose behalf the taxpayer is reporting and paying tax. For example, the \$100,000 threshold in

(b)(1) of this section is reached if this total figure equals or exceeds \$100,000 even though none of the taxes nor the penalty may be \$100,000 individually.

(g) This section applies to payments due on or after September 1, 1982.

(h) When the last day for performing any act under any provision of AS 43 falls on a Saturday, Sunday, or a legal holiday, the performance of that act is considered timely if it is performed on the next succeeding day that is not a Saturday, Sunday, or legal holiday. "Legal Holiday" means a legal holiday in this state or a bank holiday observed by the Federal Reserve System.

(i) A payment made by an ACH **debit** transaction must be made through the department's online services system. A payment made by an ACH **debit** transaction is timely if the taxpayer completes the payment on or before the date the payment is due.

(j) Unless otherwise instructed by the taxpayer, the department will apply payments to the earliest unpaid and collectible liability owed and due as of the payment availability date.

Payments will be applied in the following order:

- (1) first, to tax;
- (2) second, to interest;
- (3) third, to penalties and fees.

(k) For purposes of this section,

(1) "ACH credit transaction" and "ACH debit transaction" mean [MEANS] an electronic transaction by means of the Automated Clearing House (ACH) network for the interbank clearing of electronic payments for participating depository financial institutions;

(2) "wire transfer" means an electronic transaction of a payment through the Federal Reserve System's wire transfer system to the credit of the State of Alaska bank

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account. (Eff. 9/15/82, Register 83; am 6/1/84, Register 91; am 3/9/90, Register 113; am 2/21/2014, Register 209; am 2 / 28 / 2024, Register 249)

Authority: AS 43.05.080 AS 43.05.250

15 AAC 05.320 is amended to read:

15 AAC 05.320. Payment by credit card. In addition to the methods of payment prescribed by 15 AAC 05.310, the department **may** [WILL, IN ITS DISCRETION,] accept credit cards as a method of payment for license and permit fees, [DELINQUENT] taxes, interest, penalties, and for repayment of permanent fund dividends. (Eff. 3/30/85, Register 93; am 2 / 28 / 2024, Register 249)

Authority: AS 43.05.080 AS 43.05.250