

ALASKA STATE LEGISLATURE

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Senator Click Bishop

SB 50 – Sectional Analysis

“Alaska Education Facilities, Maintenance, and Construction Tax”

Section 1 amends AS 23.05.060 relating to the powers of the Department of Labor and Workforce Development by adding a new subsection allowing the department to collect the tax if requested to do so by the Department of Revenue.

Section 2 adds a new chapter to AS 43 creating the Education Facilities Maintenance and Construction Tax.

- **Sec. 43.45.011** authorizes the Department of Revenue to levy a tax of \$30 on wages and net earnings from self-employment on all individuals, both resident and nonresident, with income from a source in Alaska.
- **Sec. 43.45.021** requires employers to withhold the tax from an employee’s first paycheck of the calendar year. Failure to submit the tax may result in a civil penalty imposed on the employer in an amount up to five times the tax due. The Department of Revenue shall adopt regulations regarding the payment and maintenance of tax records. Finally, the Department of Revenue shall coordinate with the Department of Labor and Workforce Development to collect and report the tax in a manner similar to employment security contributions if it will result in cost savings for the state.
- **Sec. 43.45.031** requires self-employed individuals to remit the tax due in accordance with regulations adopted by the Department of Revenue.
- **Sec. 43.45.041** outlines the process for the refund of overpayments.
- **Sec. 43.45.051** requires a person to report to the Department of Revenue any payments to a self-employed individual if the same is required by the Internal Revenue Service.
- **Sec. 43.45.061** establishes the education facilities maintenance and construction fund as a separate account in the general fund.
- **Sec. 43.45.099** establishes the definitions for key terms.

Section 3 is uncodified law pertaining to the adoption and implementation of regulations by the Department of Revenue.

Section 4 provides an immediate effective date for section 3, the adoption of regulations.

Section 5 provides an effective date of January 1, 2021 for all other sections of the bill.