

## CHAPTER 65

## AN ACT

**Pertaining to withholding Alaska income tax liability of persons taking fish or fish products; and providing for an effective date.**

(C.S.H.B. 411)

**Be it enacted by the Legislature of the State of Alaska:**

**Section 1. Declaration of Intent.** The Legislature recognizes that it is burdensome for processors and fish buyers to withhold money on payments for fish or fish products and that a voluntary system worked out by fishermen, processors, and fish buyers would be preferable if a practical system can be devised.

**Sec. 2. Duties of Legislative Council.** The Legislative Council is directed to hold hearings at places to be determined by the Council and at times convenient by fishermen, processors, and fish buyers in order to determine possible means of insuring receipt of state income taxes without resort to withholding amounts from purchase prices paid for fish and fish products. The Legislative Council shall develop any such proposals into alternative plans either in the form of bills or administrative regulations, prepare a report on the feasibility of these alternative plans, and submit the foregoing to the First Session of the Fourth State Legislature for its consideration.

**Sec. 3. Failure of Legislature to Adopt Proposals.** If, after a review of the proposals and the report of the Legislative Council, the Legislature fails to accept or devise means of insuring receipt of income taxes on income gained from fishing, deductions shall, effective April 1, 1965, be made from the purchase prices paid for newly harvested fish or fish products under AS 43.20.173.

**Sec. 4.** Sec. 3, Ch. 90, SLA 1963, is amended to read:

**Sec. 3.** This Act takes effect April 1, 1965.

**Sec. 5.** Sec. 4 of this Act is retroactive to January 1, 1964.

**Sec. 6.** AS 43.20.173(a) is amended to read:

(a) The legislature is aware that under present tax administration the state has no way of insuring receipt of income taxes on income gained from fishing. To insure that persons gaining income from Alaska's resources pay their fair share of taxes on that income, this section is adopted.

**Sec. 7.** AS 43.20.173(b) is amended to read:

(b) Every processor or fish buyer purchasing newly harvested fish or fish products taken in Alaska waters shall deduct and withhold from the purchase price paid to holders of fishing licenses, whether resident or non-resident, for newly harvested fish or fish products a tax in the amount of one per cent of that price. Every processor or fish buyer making a deduction and withholding as required by this section shall furnish to the seller a record of the tax withheld from the seller on forms furnished by the commissioner.

**Sec. 8.** This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 21, 1964

## CHAPTER 66

## AN ACT

**Relating to investments of retirement funds in the Teachers' Retirement System; and providing for an effective date.**

(H.B. 415)

**Be it enacted by the Legislature of the State of Alaska:**

Section 1. AS 14.25.180(b) is amended to read:

(b) When, in the opinion of the commissioner of administration, there is on hand in the retirement fund a surplus over and above a reasonably safe amount to take care of current demands upon the fund, the surplus or so much of it as in the judgment of the commissioner of administration is considered proper may be invested by the commissioner of revenue in (1) bonds or other interest-bearing obligations and securities of the United States, or an agency of the United States, a state of the United States, or a political subdivision of any state of the United States, if the political subdivision has a population as shown by the last federal census preceding the investment of not less than 30,000 inhabitants, except no population limitation applies to a political subdivision of this state; (2) first lien real estate mortgage securities insured by the Federal Housing Administration under the National Housing Act of the United States, or held by the Department of Commerce; (3) corporation bonds, and preferred and common stocks as the commissioner of revenue considers proper investments for the fund; (4) shares of federally chartered savings and loan associations in Alaska, to the extent that the investment is insured by the federal government or by an agency of the federal government; (5) deposits with mutual savings banks in Alaska, to the extent that the invest-

ment is insured by the federal government or an agency of the federal government. No more than 15 per cent of the surplus may be invested in mortgage securities of the Department of Commerce, and the state shall appropriate sufficient money from the general fund to make good any losses as a result of failure of the obligees to pay on the notes.

Sec. 2. AS 14.25.180(c) is amended to read:

(c) In making investments the commissioner of revenue shall exercise the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital. However, no more than 50 per cent of the retirement fund may be invested at any given time in corporate stocks and bonds, nor may more than five per cent of the voting stock of any corporation be owned. Stocks eligible for purchase are restricted to stocks which, except for bank stocks and insurance stocks, are listed upon an exchange registered with the Federal Securities and Exchange Commission.

Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 21, 1964

## CHAPTER 67

### AN ACT

**Relating to a refund to retailers of a portion of the purchase price paid by them for intoxicating liquors which represents excise tax paid to the state by the wholesaler; and providing for an effective date.**

(H.B. 434)

**Be it enacted by the Legislature of the State of Alaska:**

Section 1. **Emergency Excise Tax Refund on Intoxicating Liquors.** A retailer of intoxicating liquors having a state

license to do business on March 27, 1964, is entitled to a refund of the part of the purchase price paid by him to a wholesaler for intoxicating liquors which were lost, destroyed, rendered unmarketable, or condemned by reason of the natural