

a return and pay a tax under the federal income tax law a tax equal to 16 per cent of the total income tax that would be payable for the same taxable year to the United States at the federal tax rates in effect on December 31, 1963, under the provisions of chapter 1 of subtitle A of the 1954 Internal Revenue Code, Public Law 591, 83rd Congress, 2nd Session, as amended, upon all income derived from sources within the state.

Sec. 2. AS 43.20.010(b) is repealed and re-enacted to read:

(b) There is levied and there shall be collected and paid for each taxable year upon the net income of every resident and nonresident corporation that is required to make a return and pay a tax under the federal income tax law a tax equal to 18 per cent of the total income tax that would be payable for the same taxable year to the United States at the federal tax rates in effect on December 31, 1963, under the provisions of chapter 1 of subtitle A of the 1954 Internal Revenue Code, Public Law 591, 83rd Congress, 2nd Session, as amended, upon all income derived from sources within the state.

Sec. 3. AS 43.20.010(c) is amended by adding new subsections to read:

(5) The benefits allowed to taxpayers under Internal Revenue Code sections 1301 - 1307, as amended are allowed only to taxpayers who have been residents of the state for the full base period

as well as for the computation year as defined in those sections. The commissioner shall prescribe regulations covering benefits under these sections allowable to spouses eligible to file a joint Alaska return for the computation year when one spouse has not been a resident of Alaska for the full base period.

(6) For purposes of calculating the federal tax payable, Internal Revenue Code sections 1561 - 1563, as amended, shall apply to those members of a controlled group of corporations only if two or more members are subject to the tax imposed by this section. The single surtax exemption allowed under Internal Revenue Code sections 1561 - 1563, as amended, shall be apportioned in its entirety only among corporations subject to the tax imposed by this section.

(7) The federal penalty tax imposed by Internal Revenue Code sections 1561 - 1563, as amended, shall apply in calculating the federal tax payable for purposes of this section.

(8) For purposes of calculating the federal tax payable on personal holding companies, the tax shall be as provided by Internal Revenue Code section 541, as amended.

Sec. 4. This Act applies retroactively to January 1, 1964.

Sec. 5. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 14, 1965

CHAPTER 70

AN ACT

Relating to the Civil Air Patrol.

(C.S.H.B. 93)

Be It Enacted by the Legislature of the State of Alaska:

Section 1. **Purpose.** The Civil Air Patrol is an auxiliary of the United States Air Force operating under charter from Congress, and it operates in all states and the District of Columbia and the Commonwealth of Puerto Rico. The Civil Air Patrol has as its purpose the organizing

of public-spirited citizens in civil aviation into a volunteer semi-military organization to assist in civil defense efforts, train teenage cadets in pre-flight instruction, conduct missing-aircraft search service, and assist in search and rescue missions, and special missions for state and federal agencies. It is the purpose of this Act to make formal provision for the administration of the

financial support of the state's participation in the program of the Civil Air Patrol.

Sec. 2. AS 44.33.020 is amended by adding a new paragraph to read:

(10) act as liaison between the state and the Civil Air Patrol, provide it with assistance, and administer appropriations made for the Civil Air Patrol.

Sec. 3. AS 44.33 is amended by adding a new section to read:

Article 3. Civil Air Patrol.

Sec. 44.33.110. **Administration.** The commissioner of commerce shall make the necessary administrative arrangements for maintaining liaison between the state and the Civil Air Patrol and the expenditure of funds appropriated to the department for the state contribution toward the support of the authorized activities of the Alaska Wing, Civil Air Patrol, under its charter.

Approved April 14, 1965

CHAPTER 71

AN ACT

Relating to the Manpower Development and Training Act of 1962, as amended; and providing for an effective date.

(H.B. 95)

Be It Enacted by the Legislature of the State of Alaska:

Section 1. AS 23.15 is amended by adding new sections to read:

Article 3. Manpower Development and Training.

Sec. 23.15.610. **Participation in Manpower Development and training Act.** In order to continue to participate in programs under the Manpower Development and Training Act of 1962 (42 U.S.C. 2571 - 2620), the Departments of Labor and Education are each authorized to administer manpower development and training programs and to pay training allowances, to execute on behalf of the

state agreements or contracts with the appropriate federal agencies containing provisions which may be necessary or desirable to enable the state to participate in the programs, to expend all funds made available for the purpose of the programs by the state or local subdivisions of the state or by the federal government, to supervise the expenditure of the funds and the conduct of the programs by other public and private agencies of the state, and to make the reports and certificates which are called for, and otherwise to cooperate with the federal government and its departments and agencies in the administration of the programs.

Sec. 2. This Act takes effect July 1, 1965.

Approved April 14, 1965

CHAPTER 72

AN ACT

Establishing a working capital fund for the use of the Department of Fish and Game; and providing for an effective date.

(H.B. 120)

Be It Enacted by the Legislature of the State of Alaska:

Section 1. AS 44.74 is amended by adding new sections to read: