

HOUSE BILL NO. 229

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE DAVIES

Introduced: 5/7/99

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a school tax; and providing for an effective date."

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

3 * **Section 1.** AS 43 is amended by adding a new chapter to read:

4 **Chapter 22. Alaska School Tax.**

5 **Sec. 43.22.010. Levy of school tax.** There is imposed a school tax of \$100
6 a year on the wages of every person employed in the state except the tax is not
7 imposed on the wages of an employee

8 (1) who was not employed during the first regular pay period after
9 July 1 of each year; or

10 (2) whose wages during the first regular pay period after July 1 are
11 \$250 or less.

12 **Sec. 43.22.020. Collection of the tax.** (a) An employer shall deduct and
13 withhold the school tax imposed in AS 43.22.010 from each employee's wages. The
14 tax shall be deducted in the first regular pay period after July 1 of each year.

15 (b) Every employer paying wages subject to tax under AS 43.22.010 and

1 earned in the state, regardless of the place where the payment is made,

2 (1) is liable for the payment of the school tax required to be deducted
3 and withheld under this section and is not liable to an individual for the amount of the
4 payment; and

5 (2) shall make a return of and pay to the department each year the
6 amount of school tax levied that the employer is required to deduct and withhold under
7 this chapter.

8 (c) An employer who fails to comply with this section is subject to the
9 penalties set out in AS 43.05.220(d).

10 **Sec. 43.22.030. Administration of school tax.** The department shall
11 administer the school tax levied in this chapter and may adopt any necessary
12 regulations. All taxes collected under this chapter shall be paid into a special school
13 tax account in the general fund.

14 **Sec. 44.22.040. Disposition of receipts.** The legislature may appropriate 50
15 percent of the estimated balance of the school tax account for the university system,
16 and 50 percent for the elementary and secondary school system. This section is not
17 intended to create a dedicated fund.

18 **Sec. 43.22.099. Definitions.** In this chapter,

19 (1) "employee" has the meaning given in 26 U.S.C. 3121;

20 (2) "employer" has the meaning given in 26 U.S.C. 3401(d);

21 (3) "wages" has the meaning given in 26 U.S.C. 3121.

22 * **Sec. 2.** This Act takes effect January 1, 2000.