

**CS FOR HOUSE BILL NO. 229(L&C)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 2/15/02

Referred: Finance

Sponsor(s): REPRESENTATIVE STEVENS

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act imposing a tax on employment; 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 45. Education Tax.**

5 **Sec. 43.45.011. Tax imposed.** There is imposed a tax of \$100 a year on each  
6 individual 19 years of age or older and employed, including self-employed, in the  
7 state.

8 **Sec. 43.45.021. Collection of tax.** (a) An employer shall deduct and  
9 withhold \$50 of the tax from the employee's salary or other compensation on each of  
10 the first two regular payrolls after January 1 of each calendar year or, in the case of an  
11 employee who begins work and is provided a salary or compensation on a later  
12 payroll, on each of the first two payrolls after employment. A deduction of the tax  
13 may not be made in the salary or other compensation of a person who provides proof  
14 to the employer that the tax imposed under AS 43.45.011 has been paid.

15 (b) The department shall provide a return form for the tax withheld under this

1 section. An employer shall send the tax withheld to the department on or before the  
 2 last day of the month following the calendar quarter in which the tax was withheld  
 3 from the employee.

4 **Sec. 43.45.031. Record of withholding.** An employer who withholds tax  
 5 under AS 43.45.021 shall furnish to the employee upon request a record of the amount  
 6 of tax withheld from the employee. The department shall provide a form for that  
 7 purpose.

8 **Sec. 43.45.041. Disposition of tax proceeds.** (a) The tax collected by the  
 9 department under AS 43.45.021 shall be deposited into the general fund and accounted  
 10 for separately.

11 (b) The legislature may appropriate the estimated amounts to be collected and  
 12 separately accounted for under (a) of this section for education.

13 (c) The deposit required and appropriation authorized by this section are not  
 14 intended to create a dedication in violation of art. IX, sec. 7, Constitution of the State  
 15 of Alaska.

16 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
 17 read:

18 **CONTINGENT EFFECTIVENESS.** This Act takes effect only if an Act imposing an  
 19 individual income tax is passed by the Twenty-Second Alaska State Legislature and becomes  
 20 law.

21 \* **Sec. 3.** This Act takes effect on the later of (1) the effective date of the Act described in  
 22 sec. 2 of this Act, and (2) January 1, 2003.