

SENATE BILL NO. 137

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY SENATOR GARY STEVENS

Introduced: 3/12/03

Referred: State Affairs, Finance

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. An employer
15 shall send the tax withheld to the department on or before the last day of the month

1 following the calendar quarter in which the tax was withheld from the employee.

2 (b) The department shall provide a return form for the tax withheld under this
3 section.

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.** This Act takes effect January 1, 2004.