

**SENATE BILL NO. 112**

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

BY SENATORS BUNDE, Wilken, Wagoner

Introduced: 2/23/05

Referred: Community and Regional Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act imposing a tax on residents of regional educational attendance areas; and**  
2 **providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

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

5 **Chapter 45. Regional Educational Attendance Area Tax.**

6 **Sec. 43.45.011. Tax imposed.** (a) There is imposed a tax each year on each  
7 individual 21 years of age or older residing in a regional educational attendance area.

8 (b) The commissioner shall determine the amount of tax due each year from  
9 each individual subject to the tax imposed under (a) of this section by dividing the  
10 amount of the total local contributions to schools required of organized boroughs  
11 under AS 14.17.410(b)(2) by the estimated population of individuals 21 years of age  
12 and older in the organized boroughs.

13 **Sec. 43.45.021. Collection of tax.** (a) The tax imposed under AS 43.45.011  
14 shall be paid before November 1 of the calendar year following the year for which it is

1 imposed. An individual who is subject to the tax shall file a return on a form  
2 prescribed by the department, and, if the individual has not had the tax withheld from  
3 the individual's salary or other compensation, shall remit the tax directly to the  
4 department.

5 (b) If an employee resides in a regional educational attendance area, the  
6 employee's employer shall deduct and send to the department one-half of an  
7 employee's tax from the employee's salary or other compensation on each of the first  
8 regular payrolls in the first two calendar months of employment. A deduction of the  
9 tax may not be made in the salary or other compensation of a person who provides  
10 proof to the employer that the tax imposed under AS 43.45.011 has been paid. The  
11 department shall prescribe a return form for the tax collected under this subsection.

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

16 **Sec. 43.45.041. Disposition of tax proceeds.** (a) The tax collected under  
17 AS 43.45.021 shall be deposited into the general fund and accounted for separately.

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

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

23 \* **Sec. 2.** This Act takes effect January 1, 2006.