

1 IN THE HOUSE

BY MISS PRIOR

2 HOUSE BILL NO. 156

3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4 TWENTY-FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a head tax to be
7 known as the Alaska School Tax, providing
8 for certain exemptions, outlining the manner
9 of collection and reporting, providing pen-
10 alties for failure to pay or report and for
11 disposition of funds collected, establishing
12 an effective date and repealing Sections
13 37-4-1, 37-4-2, 37-4-3, 37-4-4, 37-4-5,
14 37-4-6, 37-4-7, 37-4-8, 37-4-9, 37-4-10
15 and 37-4-11, ^{and 37-4-12,} Alaska Compiled Laws Annotated
16 1949."

17 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

18 Section 1. TAX IMPOSED; PERSONS SUBJECT THERETO; AMOUNT
19 OF TAX. There is hereby imposed on all persons over the age of
20 16 years and under the age of 65 years who are employed in the
21 Territory of Alaska or the waters adjacent thereto, unless exempt
22 from such tax under the provisions contained in Section 2 hereof,
23 a head tax of ^{Five} Dollars (~~\$10.00~~ ^{\$5.00}) per person per annum, to be
24 known as the Alaska School Tax. The term "employed" shall be
25 interpreted to mean anyone who shall receive remuneration as the
26 result of labor or services, whether employed, self-employed, or
27 officers or directors of corporations or from management and super-
28 vision of their own properties and investments within Alaska.

29 Section 2. EXEMPTIONS. The following classes of persons

30 *AB 156 as amended*

1 are exempt from the payment of the Alaska School Tax:

2 (1) Persons whose incomes are less than \$600.00
3 in any one calendar year and who are employed as here-
4 inabove defined.

5 (2) All blind persons.

6 (3) Persons whose sole income is from pensions, work-
7 men's compensation benefits or retirement annuities.

8 (4) Persons whose only source of income is pay for
9 services ^{as officers or enlisted personnel} in the United States Army, Air Force, Navy or
10 Coast Guard. ^{active service of the}

11 Section 3. COLLECTION OF TAX. The Alaska School Tax shall
12 be deducted from the earnings of every employed person in Alaska
13 for the payroll period falling nearest to June 15 in each year.
14 The deduction shall be made by the employer, and when the tax
15 is deducted each employer making the deduction shall prepare
16 receipts in quadruplicate on forms furnished by the Tax Commis-
17 sioner. Such forms shall be similar to form Deptax 500, and
18 shall contain the following information:

19 (1) Name of employee.

20 (2) Mailing address of employee.

21 (3) Social Security number of employee.

22 (4) Name of employer.

23 (5) Mailing address of employer.

24 (6) Alaska Business License number of employer,

25 if he is required to obtain a business license.

26 The employee shall be given the original and one copy of this
27 form at the time he receives his pay check for the period in which
28 the deduction was made. One copy of the form shall be retained
29 by the employer for his records and the fourth copy shall be

1 forwarded to the Tax Commissioner of Alaska, along with a summary
2 report thereof not later than July 31 following the date of de-
3 duction of the tax. When making this tax remittance, all self-
4 employed persons shall likewise pay the Alaska School Tax due
5 upon their own earnings.

6 During the first week in September of each year all employ-
7 ers shall make an examination of their payrolls and ascertain if
8 any of the persons who are on their payrolls during that month
9 and from whom they did not ~~make~~^{make} a deduction in June, have had the
10 deduction made by another employer or a receipt obtained for the
11 payment of the tax in some other manner for the current calendar
12 year; if the names of any persons appear upon the payroll who
13 shall not have paid the school tax for the current calendar year,
14 the employer shall make the necessary deductions from the earn-
15 ings of such employee for the period falling nearest to September
16 15, and receipts shall be furnished in the same manner as are
17 required for deductions made in June. Deductions made in the
18 month of September shall be reported and transmitted to the Tax
19 Commissioner not later than October 31 of the same year. The
20 tax shall be deducted and paid over to the Tax Commissioner whe-
21 ther or not the employee shall have earned or is likely to earn
22 \$600.00 for the tax year.

23 Section 4. ACCOUNTING ON INCOME TAX RETURN. Every person
24 in Alaska when filing his Alaska Income Tax Return shall attach
25 thereto the original copy of his receipt for the school tax de-
26 ducted. Should he or she not have paid the tax, and if he is
27 liable for the payment thereof, he shall pay it at the time of
28 filing his income tax return for the calendar year, and if he
29 shall have overpaid his Alaska net income tax and a refund is

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1 due him, he shall deduct the amount of the Alaska School Tax
2 from the amount of the refund due him on any overpayment of Alaska
3 income tax. Should the Alaska School Tax have been deducted by
4 the employer, and the employee is blind, over the age of 65, or
5 has earned less than \$600.00 during the calendar year, this fact
6 shall be established from information the taxpayer is required
7 to set forth in his Alaska Individual Income Tax Return, form
8 Deptax No. 600, and he may request refund of such school tax
9 from the Tax Commissioner by checking the appropriate spaces on
10 the Alaska Individual Income Tax Return.

11 Section 5. FAILURE TO DEDUCT OR PAY TAX; PENALTIES THEREFOR.

12 The fact that an employer does not deduct the Alaska School Tax
13 from payments due the employee, as provided herein, does not re-
14 lieve the employee from liability for the tax; but should the
15 employer not have deducted the tax through his negligence, and
16 the Tax Commissioner is unable to collect from the employee be-
17 cause he has left the Territory, then the employer shall be
18 liable for the payment of the tax and a 50% penalty shall be
19 imposed and collected from the employer upon the demand of the
20 Tax Commissioner.

21 Section 6. NEGLECT OF EMPLOYER TO REMIT TAX; PENALTIES THERE-

22 FOR. Should any employer not file a report of school tax deducted
23 and make remittance therefor within the time specified herein, he

24 shall pay a penalty of 5% for each month or fraction thereof that
25 he withholds making the remittance. *Should the employer fail to*
26 *file such report within 90 days from the due date of the report,*
~~time for more than 90 days beyond the due date of the remittance,~~

27 the employer shall be deemed guilty of a misdemeanor, and upon
28 conviction shall be fined not more than \$500.00 or imprisoned
29 for a period not to exceed 90 days in the Federal jail.

30 *AK 156 as amended*

1 Section 7. NEGLECT OF INDIVIDUAL TO PAY TAX WHEN IT HAS NOT
2 BEEN DEDUCTED FROM HIS EARNINGS. All persons who are subject to
3 the provisions of this Act and to the payment of the tax, and
4 from whom it has not been deducted and who does not remit the tax
5 with his Alaska Individual Income Tax Return or provide for its
6 deduction from an overpayment of Alaska net income tax, and who,
7 when notified by the Tax Commissioner of this neglect and omis-
8 sion to pay the tax when due, shall refuse or neglect to pay the
9 tax, shall be deemed guilty of a misdemeanor and upon conviction
10 thereof shall be punished by a fine of not more than \$100.00 or
11 imprisoned in the Federal jail for a period not to exceed 30 days.

12 Section 8. TERRITORY TO PROSECUTE; CRIMINAL ACTIONS. All
13 criminal proceedings brought under the provisions of this Act
14 shall be prosecuted in the name of the Territory of Alaska.

15 Section 9. SEIZURE AND SALE OF PROPERTY FOR TAXES. To
16 enforce payment of school taxes from persons owing them or from
17 any employer whose duty it is under this Act to pay the tax for
18 his employees, the Tax Commissioner or any of his deputies or
19 agents may seize so much of the personal property of the person
20 neglecting or refusing to pay the tax, or of the employer who
21 neglects or refuses to remit the tax, as is of sufficient value
22 to pay the tax, penalties and costs of seizure and sale. Upon
23 complaint of the Tax Commissioner or any of his deputies or agents
24 or of the Attorney General or any of his assistants, the United
25 States Commissioner in whose court the complaint is filed shall
26 issue a warrant for the seizure and sale of the property herein-
27 above mentioned for the purpose of enforcing the payment of the
28 tax, and the United States Marshal or any of his deputies shall
29 execute the warrant and seize the property and cause it to be

1 sold, after giving not less than 15 days' public notice of the
2 sale to the owner of the property and to all other persons, by
3 posting notice of the time and place of the sale and the purpose
4 thereof, within the precinct within which the property is found,
5 immediately preceding the date of the sale. The time and place
6 of the sale shall be set by the Marshal after the seizure is
7 made. The fees and costs of the Commissioner and the Marshal
8 shall be the same as are provided by law for levy and sale of
9 personal property on execution, and from the proceeds of any such
10 sale there shall first be deducted the cost of seizure and sale;
11 next the amount of taxes due, together with accrued penalties and
12 interest; and the residue, if any, shall be paid over to the per-
13 son, firm or corporation owning the property at the time of the
14 seizure and from whom the tax is due. The Commissioner shall
15 immediately transmit to the Tax Commissioner the amount of taxes
16 returned to him, together with the penalties and accrued interest
17 provided, however, that the remedy by distraint, seizure and
18 sale, provided in this section, shall not be exclusive, and the
19 Tax Commissioner, his deputies and agents, may employ any other
20 method provided by law for the collection of a debt.

21 Section 10. DISPOSITION OF FUNDS COLLECTED. All funds
22 collected under this Act shall be remitted by the Tax Commissioner
23 to the Territorial Treasurer for deposit in the general fund of
24 the Territory, to help defray the costs of support of the schools
25 of the Territory.

26 Section 11. SEVERABILITY CLAUSE. If any provision of this
27 Act, or the application thereof to any person, corporation or
28 circumstance, is held invalid, the remainder of the Act and its
29 application to other persons, corporations or circumstances shall

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~~shall~~ not be affected thereby.

Section 12. REPEAL OF ACTS IN CONFLICT. Sections 37-4-1, 37-4-2, 37-4-3, 37-4-4, 37-4-5, 37-4-6, 37-4-7, 37-4-8, 37-4-9, 37-4-10, ~~and 37-4-11~~ ^{and 37-4-12} ACIA 1949 and all other acts and parts of acts in conflict herewith are hereby repealed.

Section 13. EFFECTIVE DATE. This Act shall take effect on January 1, 1954 and it shall be in full force and effect thereafter.

Resc. 3/13/53

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