

BY MESSRS. GREUEL & RILEY
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 30

3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4 TWENTY-THIRD SESSION

5 A BILL

6 For an Act entitled: "Relating to the Territorial income tax;
7 repealing and re-enacting Subsection A of
8 Section 5, Chapter 115, SLA 1949, as re-
9 pealed and re-enacted by Chapter 132, SLA
10 1951, as amended by Chapter 188, SLA 1955;
11 amending Subsection C(2) of Section 5,
12 Chapter 115, SLA 1949, as repealed and re-
13 enacted by Chapter 132, SLA 1951, as
14 amended by Chapter 188, SLA 1955; and
15 declaring an effective date."

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

17 Section 1. Subsection A of Section 5, Chapter 115, SLA 1949,
18 as repealed and re-enacted by Chapter 132, SLA 1951, as amended
19 by Chapter 188, SLA 1955 is repealed and re-enacted to read as
20 follows:

21 M Sec. 5. TAX ON INDIVIDUALS, FIDUCIARIES, CORPORATIONS
22 E AND BANKS.
23 W

24 A. GENERAL RULE. There is hereby levied and there
25 shall be collected and paid for each taxable year upon the
26 net income of every resident and non-resident individual fi-
27 duciary, corporation and bank required to make a return and
28 pay a tax under the Federal Income Tax law, a tax equal to 12½
29 percent of the total income tax that would be payable for the
30 same taxable year to the United States under the provisions of
31 R

H.B.#30 as amended

1 Chapter 1 (except for Chapter D thereof) of subtitle A of the
2 1934 Internal Revenue Code, Public Law 591, 83d Congress,
3 2nd Session, as amended, upon all income derived from sources
4 within the Territory, without benefit of the deduction of the
5 tax payable hereunder to the Territory; Provided, however,
6 A the following exceptions, modifications and additions to the
7 L general rule shall apply:

8 L (1) All taxpayers whose income includes a cost of
9 living allowance which is exempt from the Federal Income
10 N Tax shall determine and include such amount as a part of
11 E their income as if such cost of living allowance had not
12 W been exempt.

13 (2) Standard exemptions, credits and deductions
14 M may not be claimed by persons who are not residents of
15 A Alaska for the full twelve months of the tax year, and
16 T they shall be subject to the following limitations:

17 T (a) Personal exemption and dependency credits
18 E claimed shall be allowed only in that proportion of
19 R the total exemptions and credits as the number of
20 months said taxpayer is physically present in Alaska
21 bears to 12 months. A fractional part of the month
22 shall be disregarded unless it amounts to more than
23 one half of a month in which case it shall be con-
24 sidered as a month.

25 (b) 1. Deductions claimed shall be allowed
26 only if and to the extent that they are directly
27 connected with:

28 a. income which arises from sources
29 within Alaska; or

1 N b. property having a situs for taxation
2 E within Alaska.

3 W 2. Contributions or gifts claimed shall be
4 allowed only:

5 a. in the amounts otherwise authorized
6 M by this Act; and

7 A b. if such contributions or gifts were
8 T made within the tax year to Alaska or any
9 T political subdivision thereof for use exclu-
10 E sively for public purposes within Alaska, or to
11 R a non-profit corporation or association formed
12 and located within Alaska.

13 Sec. 2. Subsection C(2) of Section 5, Chapter 115, SLA 1949,
14 as repealed and re-enacted by Chapter 132, SLA 1951, as amended by
15 Chapter 188, SLA 1955 is amended to include the following
16 additional paragraph:

17 For purposes of applying this special method of
18 allocation "entire net income" is defined to include the
19 total of all gross income from any source whatever, after
20 deducting all expenses necessary to derive said income.

21 Sec. 3. This Act shall take immediate effect upon its
22 passage and approval or upon its becoming law without such
23 approval, and shall apply retroactively from January 1, 1957 and
24 thereafter.