

1 IN THE HOUSE

BY MRS. RYAN BY REQUEST

2 HOUSE BILL NO. 142

3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4 TWENTY-THIRD SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Business
7 License Act; amending Sec. 2 (d) and Sec.
8 3 of Ch. 43, SLA 1949; and establishing
9 an effective date."

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

11 Section 1. Subsection (d) of Sec. 2 of Ch. 43, SLA 1949 is
12 amended to read as follows:

13 (d) "Gross receipts" shall mean all receipts from
14 sources within the Territory, whether in the form of money,
15 credits or other valuable consideration, received from en-
16 gaging in or conducting a business, without deduction on
17 account of the cost of the property sold, the cost of the
18 materials used, labor or service cost, interest paid, taxes,
19 losses or any other expense whatsoever; provided, however,
20 that "gross receipts" shall not include cash discounts
21 allowed and taken on sales, and sales refunds, either in
22 cash or by credit, uncollectible accounts written off from
23 time to time, and payments received in final liquidation of
24 accounts included in the gross receipts of any previous re-
25 turn made by the person. Receipts from sales, wherever made,
26 of goods, wares and merchandise manufactured or originating
27 in the Territory shall be considered to be a part of gross
28 receipts from sources within the Territory, and any holder
29 of a Territorial license hereunder doing business within and

1 without the Territory shall be liable hereunder as to that
2 portion of his gross receipts attributable to his Alaska
3 operations. [THESE GENERAL PROVISIONS FOR COMPUTING GROSS
4 RECEIPTS ARE HEREBY MODIFIED AS FOLLOWS: RESIDENT WHOLESALE
5 FIRMS REGISTERED IN ALASKA AS DOMESTIC CORPORATIONS OR OTHER-
6 WISE IDENTIFIABLE AS WHOLESALERS WHO ARE RESIDENTS, NEED NOT
7 INCLUDE THE RECEIPTS FROM SALES OF FINISHED PRODUCTS TO
8 DEALERS FOR RESALE TO CONSUMERS UPON WHICH RESALE THE TAX
9 LEVIED HEREUNDER APPLIES, NOR NEED THE RECEIPTS FROM SALES
10 BY MANUFACTURERS OF THEIR PRODUCTS MANUFACTURED IN ALASKA,
11 EXCEPT WHERE SUCH PRODUCTS ARE SOLD DIRECT TO THE CONSUMER,
12 BE INCLUDED, NOR NEED THE RECEIPTS FROM ANY SALE MADE TO ANY
13 PERSON IN A FOREIGN COUNTRY FOR SHIPMENT OUT OF THE UNITED
14 STATES BE INCLUDED UNLESS EXPORTED IN BOND FOR RE-ENTRY INTO
15 THE UNITED STATES.] Individuals representing firms taxed
16 hereunder on volume of business done, working as agents on
17 commission instead of as employees, may compute their gross
18 receipts as equal to their gross commissions. [THESE MODIFI-
19 CATIONS SHALL IN NO CASE BE CONSTRUED TO EXCUSE PAYMENT OF
20 THE \$25.00 INITIAL LICENSE FEE OR ANY PART THEREOF.]

21 Sec. 2. Sec. 3 of Ch. 43, SLA 1949 is amended to read as
22 follows:

23 Sec. 3. EXEMPTIONS.

24 (a) The following gross receipts shall be exempt from
25 taxation hereunder:

26 (1) [(A) THERE ARE HEREBY SPECIFICALLY EXEMPTED
27 FROM THE PROVISIONS OF THIS ACT THE] Gross receipts from
28 educational, religious, benevolent, fraternal, or charitable
29 activities, where the entire amount of such receipts is held

1 or expended for such purposes, except receipts which are the
2 result of a continuous engaging in a business or occupation
3 otherwise subject hereto.

4 (2) ~~[(B)]~~ Gross receipts obtained in the operation
5 of a hospital, ~~[ARE EXEMPT HEREUNDER.]~~

6 (3) ~~[(C)]~~ Gross receipts from municipally owned
7 and operated utilities and from operation of utilities by
8 incorporated utility districts or non-profit associations
9 and non-profit cooperatives, ~~[ARE EXEMPT HEREUNDER.]~~

10 (4) ~~[(D)]~~ HOME HANDICRAFTS UP TO \$500.00 ON GROSS
11 RECEIPTS ARE EXEMPT HEREUNDER. Gross receipts from home
12 handicrafts up to \$500.00.

13 (5) Gross receipts of resident wholesale firms
14 registered in Alaska as domestic corporations, or otherwise
15 identifiable as wholesalers who are residents, which are
16 derived from sales of finished products to dealers for resale
17 to consumers upon which resale the tax levied hereunder
18 applies.

19 (6) Gross receipts derived from any sale made to
20 any person in a foreign country for shipment out of the
21 United States, except when the goods or products sold are
22 exported in bond for re-entry into the United States.

23 (7) Gross receipts of manufacturers derived from
24 sales of their products manufactured in Alaska, except where
25 such products are sold direct to the consumer.

26 (b) The word "consumer" as used in this Sec.3 shall
27 mean the person who, in the ordinary common meaning of the
28 term, ultimately uses goods, and so diminishes or destroys
29 their utilities as long as they last or until such person

1 desires to do away with them. The word "consumer" shall not
2 be deemed to include any person who acquires, uses or holds
3 goods for the purpose of resale as tangible personal property
4 in the regular course of business or for the purpose of
5 using such property in producing for sale a new article of
6 tangible personal property or a new substance of which such
7 property becomes an ingredient or component.

8 (c) The exemption from taxation of certain gross re-
9 ceipts as herein provided shall in no case be construed to
10 excuse the payment of the \$25.00 initial license fee or
11 any part thereof.

12 Sec. 3. This Act shall take effect on _____,
13 1957.

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