

1 IN THE HOUSE

BY THE WAYS AND MEANS
COMMITTEE

2

HOUSE BILL NO. 242

3

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4

TWENTY-THIRD SESSION

5

A BILL

6 For an Act entitled: "An Act pertaining to the Alaska Net Income
7 Tax Act; amending Subsection A of Section
8 5, Chapter 115, SLA 1949, as repealed and
9 re-enacted by Chapter 132, SLA 1951, as
10 amended by Chapter 188, SLA 1955, and as
11 repealed and re-enacted by Chapter 64, SLA
12 1957; and declaring an effective date."

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

14 Section 1. Subsection A of Section 5, Chapter 115, SLA 1949,
15 as repealed and re-enacted by Chapter 132, SLA 1951, as amended
16 by Chapter 188, SLA 1955 and as repealed and re-enacted by Chapter
17 64, SLA 1957 is hereby amended to read as follows:

18 Sec. 5. TAX ON INDIVIDUALS, FIDUCIARIES, CORPORATIONS
19 AND BANKS.

20 A. GENERAL RULE. There is hereby levied and there
21 shall be collected and paid for each taxable year upon the
22 net income of every resident and non-resident individual,
23 fiduciary, corporation and bank required to make a return
24 and pay a tax under the Federal Income Tax Law, a tax equal
25 to 15 ~~12 1/2~~ percent of the total income tax that would be
26 payable for the same taxable year to the United States under
27 the provisions of Chapter 1 ~~(EXCEPT FOR CHAPTER D THEREOF)~~
28 of subtitle A of the 1954 Internal Revenue Code, Public Law
29 581, 83rd Congress, 2nd Session, as amended, upon all income

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1 derived from sources within the Territory, without benefit
2 of the deduction of the tax payable hereunder to the
3 Territory: Provided, however, the following exceptions,
4 modifications and additions to the general rule shall apply:

5 (1) All taxpayers whose income includes a cost of
6 living allowance which is exempt from the Federal Income
7 Tax shall determine and include such amount as a part
8 of their income as if such cost of living allowance had
9 not been exempt.

10 (2) Standard exemptions, credits and deductions
11 may not be claimed by persons who are not residents of
12 Alaska for the full twelve months of the tax year, and
13 they shall be subject to the following limitations:

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

22 (b) 1. Deductions claimed shall be allowed
23 only if and to the extent that they are directly
24 connected with:

25 a. income which arises from sources
26 within Alaska; or

27 b. property having a situs for taxation
28 within Alaska.

29 2. Contributions or gifts claimed shall

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be allowed only:

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

b. if such contributions or gifts were made within the tax year to Alaska or any political subdivision thereof for use exclusively for public purposes within Alaska, or to a non-profit corporation or association formed and/or located within Alaska.

Sec. 2. This Act shall take immediate effect upon its passage and approval, and shall apply retroactively from January 1, 1957 and thereafter.