

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5, Chapter 115, SLA 1949, as repealed and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repealed and re-enacted by Chapter 64, SLA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as repealed and re-enacted by Chapter 132, SLA 1951, as amended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by Chapter 188, SLA 1955 and as repealed and re-enacted by Chapter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

As 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 and bank required to make a return and pay a tax

24

under the Federal Income Tax law, a tax equal to 15 ~~12 1/2~~

25

percent of the total income tax that would be payable for

26

the same taxable year to the United States under the provi-

27

sions of Chapter 1 ~~(EXCEPT FOR CHAPTER D THEREOF)~~ of

28

subtitle A of the 1954 Internal Revenue Code, Public Law 591,

29

83d Congress, 2nd Session, as amended, upon all income

1 derived from sources within the Territory, without benefit
2 of the deduction of the tax payable hereunder to the
3 Territory: Provided, however, that there is hereby levied
4 and there shall be collected and paid for each taxable year
5 upon the net income of every resident and non-resident
6 corporation required to make a return and pay tax under the
7 Federal Income Tax law, a tax equal to 25% of the total
8 income tax that would be payable for the same taxable year
9 to the United States under provisions of Chapter 1 of Sub
10 Title A of the 1954 Internal Revenue Code, Public Law 591,
11 83rd Congress, 2nd Session, as amended, upon all income
12 derived from sources within the Territory without benefit
13 of the deductions of the taxes payable hereunder to the
14 Territory: Provided, however, the following exceptions,
15 modifications and additions to the general rule shall apply:

16 (1) All taxpayers whose income includes a cost of
17 living allowance which is exempt from the Federal Income
18 Tax shall determine and include such amount as a part
19 of their income as if such cost of living allowance had
20 not been exempt.

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

25 (a) Personal exemption and dependency credits
26 claimed shall be allowed only in that proportion of
27 the total exemptions and credits as the number of
28 months said taxpayer is physically present in
29 Alaska bears to 12 months. A fractional part of

1 the month shall be disregarded unless it amounts
2 to more than one-half of a month in which case it
3 shall be considered as a month.

4 (b) 1. Deductions claimed shall be allowed
5 only if and to the extent that they are directly
6 connected with:

7 a. income which arises from sources
8 within Alaska; or

9 b. property having a situs for taxation
10 within Alaska.

11 2. Contributions or gifts claimed shall
12 be allowed only:

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

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

21 Sec. 2. This Act shall take immediate effect upon its
22 passage and approval, and shall apply retroactively from January 1,
23 1957 and thereafter.