

1 IN THE SENATE

BY SENATOR RIVERS

2

SENATE BILL NO. 122

3

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4

TWENTY-THIRD SESSION

5

A BILL

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For an Act entitled: "An Act relating to the Alaska Business

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License Act; amending Sec. 2(d) and Sec.

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3 of Ch. 43, SLA 1949; and establishing

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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 hereby amended to read as follows:

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(d) "Gross receipts" shall mean all receipts

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from sources within the Territory, whether in the form of

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money, credits or other valuable consideration, received

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from engaging in or conducting a business, without deduction

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on account of the cost of the property sold, the cost of the

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materials used, labor or service cost, interest paid, taxes,

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losses or any other expense whatsoever; provided, however,

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that "gross receipts" shall not include cash discounts

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allowed and taken on sales, and sales refunds, either in

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cash or by credit, uncollectible accounts written off from

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time to time, and payments received in final liquidation of

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accounts included in the gross receipts of any previous re-

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turn made by the person. Receipts from sales, wherever made,

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of goods, wares and merchandise manufactured or originating

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in the Territory shall be considered to be a part of gross

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receipts from sources within the Territory, and any holder

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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 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
25 from taxation hereunder:

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

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

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

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

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

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

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

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

29 (b) The word "consumer" as used in this Sec. 3 shall

1 mean the person who, in the ordinary common meaning of the
2 term, ultimately uses goods, and so diminishes or destroys
3 their utilities as long as they last or until such person
4 desires to do away with them. The word "consumer" shall not
5 be deemed to include any person who acquires, uses or holds
6 goods for the purpose of resale as tangible personal property
7 in the regular course of business or for the purpose of
8 using such property in producing for sale a new article of
9 tangible personal property or a new substance of which such
10 property becomes an ingredient or component.

11 (c) The exemption from taxation of certain gross
12 receipts as herein provided shall in no case be construed to
13 excuse the payment of the \$25.00 initial license fee or
14 any part thereof.

15 Sec. 3. This Act shall take effect on _____

16 1957.

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