

1 IN THE SENATE

BY SENATOR RIVERS

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SENATE BILL NO. 122

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

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

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3 of Ch. 43, SLA 1949."

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

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Section 1. Subsection (d) of Sec. 2 of Ch. 43, SLA 1949 is

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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 processed

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or originating in the Territory shall be considered to be

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a part of gross receipts from sources within the Territory,

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and any holder of a Territorial license hereunder doing

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business within and without the Territory shall be liable

SB #122 Engrossed as amended

1 hereunder as to that portion of his gross receipts  
2 attributable to his Alaska operations.  THESE GENERAL  
3 PROVISIONS FOR COMPUTING GROSS RECEIPTS ARE HEREBY MODIFIED  
4 AS FOLLOWS: RESIDENT WHOLESALE FIRMS REGISTERED IN ALASKA  
5 AS DOMESTIC CORPORATIONS OR OTHERWISE IDENTIFIABLE AS  
6 WHOLESALERS WHO ARE RESIDENTS, NEED NOT INCLUDE THE RECEIPTS  
7 FROM SALES OF FINISHED PRODUCTS TO DEALERS FOR RESALE TO  
8 CONSUMERS UPON WHICH RESALE THE TAX LEVIED HEREUNDER APPLIES,  
9 NOR NEED THE RECEIPTS FROM SALES BY MANUFACTURERS OF THEIR  
10 PRODUCTS MANUFACTURED IN ALASKA, EXCEPT WHERE SUCH PRODUCTS  
11 ARE SOLD DIRECT TO THE CONSUMER, BE INCLUDED, NOR NEED THE  
12 RECEIPTS FROM ANY SALE MADE TO ANY PERSON IN A FOREIGN  
13 COUNTRY FOR SHIPMENT OUT OF THE UNITED STATES BE INCLUDED  
14 UNLESS ENFORCED IN BOND FOR RE-ENTRY INTO THE UNITED STATES.]

15 Individuals representing firms taxed hereunder on volume of  
16 business done, working as agents on commission instead of as  
17 employees, may compute their gross receipts as equal to their  
18 gross commissions.  THESE MODIFICATIONS SHALL IN NO CASE BE  
19 CONSTRUED TO EXCUSE PAYMENT OF THE \$25.00 INITIAL FEE OR ANY  
20 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 EXEMPT-  
27 ED FROM THE PROVISIONS OF THIS ACT THE  Gross  
28 receipts from educational, religious, benevolent, fra-  
29 ternal, or charitable activities, where the entire amount

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

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

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

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

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

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

25 (7) Gross receipts of manufacturers or pro-  
26 cessors derived from sales of their products manufac-  
27 tured or processed in Alaska, except where such products  
28 are sold direct to the 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.

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