

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 209

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIRST LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the school tax; pre-  
7 scribing penalties; changing the source of  
8 payments to the Teachers' Retirement Fund;  
9 amending Ch. 41, SLA 1957 as amended by  
10 Ch. 175, SLA 1957 and Ch. 149, SLA 1959;  
11 amending Secs. 37-4-3 and 37-4-7, ACLA  
12 1949; repealing and re-enacting Secs.  
13 37-4-4, 37-4-5, and 37-4-6, ACLA 1949; re-  
14 pealing Secs. 37-4-8 through and including  
15 37-4-12, ACLA 1949; amending Ch. 145, SLA  
16 1955 as amended by Ch. 142, SLA 1957; and  
17 providing for an effective date."

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

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Section 1. Sec. 1, Ch. 41, SLA 1957, as amended by Ch. 175,

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SLA 1957 and Ch. 149, SLA 1959 is amended to read as follows:

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Section 1. TAX IMPOSED: PERSONS SUBJECT TO TAX: AMOUNT:

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PAYMENT: DUE DATE OF TAX: PENALTY FOR DELINQUENCY. There is

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hereby imposed upon all persons between nineteen and sixty-

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five years of age [OR OVER] who are gainfully employed in this

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state or on the waters thereof a school tax of \$5.00 [\$10.00]

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per month [YEAR] except (1) those married women who are un-

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employed and whose support is entirely dependent upon the in-

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come of their husbands and whose husband has paid a school tax

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for the current year, and (2) those persons exempt under the

SB #209 as amended  
by the House

-1-

1 provisions of Sec. 37-4-3, ACLA 1949 as amended or as  
2 hereafter amended. The proceeds of the tax levied by  
3 this Act shall be paid into the general fund of the state.

4 The tax shall be due on the first day of each month  
5 [JANUARY 1] and shall be paid not later than the last day  
6 of each month [DECEMBER 31 OF THE CALENDAR YEAR] for which  
7 it is imposed. All employers upon the first regular  
8 payroll of each month [AFTER JANUARY 1, OF EACH CALENDAR  
9 YEAR] or, in the case of employees on later payrolls,  
10 on the first payroll after their employment, shall make  
11 deduction of such tax from the employee's salary or  
12 other compensation and transmit it to the [TERRITORIAL  
13 TAX] Commissioner of Revenue at the same time the  
14 quarterly Alaska Net Income Tax withholding return is  
15 filed [ON OR BEFORE THE LAST DAY OF THE FOLLOWING MONTH],  
16 provided no deduction may be made in any [THE FIRST] pay  
17 period from the compensation of persons casually employed  
18 unless the amount earned in such pay period is twenty-five  
19 dollars or more. Return forms for this purpose shall be pre-  
20 scribed and provided by the [TAX] Commissioner of Revenue.  
21 In case of any failure to make and file a return, by either  
22 an employer or an individual, as required by this Act the  
23 penalties set forth in Sec. 11, Ch. 115, SLA 1949, or that  
24 section as it may hereafter be amended, shall apply. [A  
25 PENALTY OF 20% SHALL BE ADDED TO THE AMOUNT OF ANY TAX  
26 DELINQUENCY HEREUNDER AND SHALL BE LEVIED AGAINST AND PAID BY  
27 THE TAXPAYER, IF SELF-EMPLOYED; SAID PENALTY SHALL OTHERWISE  
28 BE LEVIED AGAINST AND PAID BY THE EMPLOYER.]

29 [SCHOOL TAX RECEIPTS SHALL BE PREPARED IN QUADRUPLICATE

1 BY THE TAX COMMISSIONER; THE ORIGINAL SHALL BE RETAINED  
2 AND FILED IN THE COMMISSIONER'S OFFICE, AND THREE COPIES  
3 SHALL BE TRANSMITTED TO THE TAX-PAYER IF SELF-EMPLOYED,  
4 OTHERWISE TO THE EMPLOYER WHO SHALL RETAIN ONE COPY AND  
5 FORTHWITH DELIVER TWO COPIES TO THE EMPLOYEE.]

6 Sec. 2. Sec. 37-4-3, ACLA 1949 is amended to read as  
7 follows:

8 Sec. 37-4-3. PERSONS EXEMPT FROM TAX. All persons  
9 in the active military or naval service of the United  
10 States, paupers, insane persons, persons cared for by  
11 the state [TERRITORY] and all persons permanently in-  
12 jured, infirm, maimed or crippled so as to be disabled  
13 from earning a livelihood shall be exempt from the payment  
14 of said tax.

15 Sec. 3. Sec. 37-4-4, ACLA 1949 is repealed and re-enacted  
16 to read as follows:

17 Sec. 37-4-4. RECORD OF WITHHOLDING. Every employer  
18 making a deduction and withholding a school tax shall  
19 furnish to the employee upon request a record of the  
20 amount of tax withheld from such employee on forms or a  
21 portion of a form or forms to be prescribed, prepared and  
22 furnished by the Commissioner of Revenue.

23 Sec. 4. Sec. 37-4-5, ACLA 1949 is repealed and re-enacted  
24 to read as follows:

25 Sec. 37-4-5. OVERPAYMENT, CREDIT AND REFUND. The  
26 Commissioner of Revenue is authorized to credit or refund  
27 all overpayments of taxes, all taxes erroneously or illegally  
28 assessed or collected, all penalties collected without  
29 authority, and all taxes that are found unjustly assessed

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or excessive in amount, or in any manner wrongfully collected.

Sec. 5. Sec. 37-4-6, ACLA 1949 is repealed and re-enacted to read as follows:

Sec. 37-4-6. PENALTIES. a. Any person required under this Act to collect, account for, and pay over any school tax imposed by this Act, who wilfully fails to collect or truthfully account for and pay over such tax, and any person who wilfully attempts in any manner to evade or defeat any tax imposed by this Act or the payment thereof, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and, upon conviction thereof, be fined not more than \$1,000.00 or imprisoned for not more than one year, or both, together with the costs of prosecution.

b. Any individual who wilfully makes and subscribes a return which he does not believe to be true and correct as to every material matter, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than \$1,000.00, or imprisoned for not more than one year, or both, together with the costs of prosecution.

c. The term "person" as used in this section includes, but is not limited to, an officer or employee of a corporation or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect to which the violation occurs.

Sec. 6. Sec. 37-4-7, ACLA 1949 is amended to read as follows:

Sec. 37-4-7. STATE [TERRITORY] TO PROSECUTE CRIMINAL

SB #209 Engrossed  
as amended by the House

1           ACTIONS. All criminal proceedings under any provision of  
2           this Act shall be prosecuted in the name of the state  
3           [TERRITORY].

4           Sec. 7. Sec. 2 (m), Ch. 145, SLA 1955 as amended by Ch. 142,  
5           SLA 1957 is amended to read as follows:

6                         (m) "Retirement fund" means the fund consisting  
7           of all matching contributions by city school districts,  
8           monies made available by appropriations of the state  
9           legislature, [SCHOOL TAX FUND] and from other appropriated  
10          funds; all contributions from whatever source; and income  
11          and interest derived from the investment of monies.

12          Sec. 8. Sec. 9, Ch. 145, SLA 1955 is amended to read as  
13          follows:

14                         Section 9. CONTRIBUTIONS BY THE STATE [TERRITORY].  
15          The state legislature [TERRITORY] shall appropriate  
16          [CONTRIBUTE] to the Retirement Fund [FROM THE TERRITORIAL  
17          SCHOOL TAX FUND] an amount equal to one-half the sum con-  
18          tributed each pay period by the teachers. The sum due  
19          hereunder shall be appropriated annually and covered into  
20          the Retirement Fund semi-annually.

21          Sec. 9. Sec. 10, Ch. 145, SLA 1955 is amended to read as  
22          follows:

23                         Section 10. CONTRIBUTIONS BY THE STATE [TERRITORY] FOR  
24          ARREARAGES. The state [TERRITORY] shall annually appropriate  
25          [CONTRIBUTE] to the Retirement Fund from the general fund of  
26          the state [TERRITORIAL SCHOOL TAX FUND], an amount equal to:  
27          (a) the arrearage payments made by teachers as provided in  
28          Section 7 herein; and/or (b) the arrearage outstanding under  
29          option (2) of Section 13 herein. The state shall be

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obligated to contribute to the Retirement Fund an amount  
sufficient to provide for any benefits which are based on  
creditable service granted to a teacher on the basis of  
membership service up to June 30, 1955. This obligation  
shall be met by payments to the Retirement Fund in such  
amounts and at such time as the state determines, provided  
that the obligation shall be met in full by July 1, 2000.

Sec. 10. Secs. 37-4-8 through and including 37-4-12, ACLA  
1949 are repealed.

Sec. 11. This Act shall take effect January 1, 1961.