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LONGWORTH, PARSONS, PRATT, RHODE,
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1 IN THE HOUSE

2 HOUSE BILL NO. 303

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the net income tax;
7 and providing for an effective date."

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

9 Section 1. The first paragraph of Subsec. A of Sec. 5,
10 Ch. 115, SLA 1949, as last amended by Ch. 55, SLA 1961, is amend-
11 ed to read:

12 A. GENERAL RULE. There is hereby levied and there
13 shall be collected and paid for each taxable year upon the
14 net income of every resident and non-resident individual,
15 fiduciary and bank required to make a return and pay a tax
16 under the Federal Income Tax law, a tax equal to 14 [16]
17 percent of the total income tax that would be payable for
18 the same taxable year to the United States under the pro-
19 visions of Chapter 1 of Subtitle [SUBTITLE] A of the 1954
20 Internal Revenue Code, Public Law 591, 83rd Congress, 2nd
21 Session, as amended, upon all income derived from sources
22 within the state, without benefit of the deduction of the
23 tax payable hereunder to the state: Provided, however, that
24 there is hereby levied and shall be collected and paid for
25 each taxable year upon the net income of every resident and
26 non-resident corporation required to make a return and pay
27 [ANY] tax under the Federal Income tax law, a tax equal to
28 18% of the total income tax that would be payable for the
29 same taxable year to the United States under provisions of

1 Chapter 1 of Subtitle [SUB TITLE] A of the 1954 Internal
2 Revenue Code, Public Law 591, 83rd Congress, 2nd Session, as
3 amended, upon all income derived from sources within the
4 state without benefit of the deductions of the taxes payable
5 hereunder to the state: Provided, however, the following
6 exceptions, modifications and additions to the general rule
7 shall apply:

8 Sec. 2. Subsec. B of Sec. 8, Ch. 115, SLA 1949, as last
9 amended by Ch. 55, SLA 1961, is amended to read:

10 B. REQUIREMENT OF WITHHOLDING. Every employer making
11 payment of wages or salaries shall deduct and withhold a
12 tax in the amount of fourteen [SIXTEEN] percent of the tax
13 deducted and withheld under the provisions of subchapter (D),
14 Chapter 9 of the Internal Revenue Code, except that in the
15 case of employees whose wage or salary includes a cost-of-
16 living allowance which is exempt from the Federal income tax,
17 the amount to be deducted and withheld hereunder shall be
18 determined as if such cost-of-living allowance had not been
19 so exempt. Every employer making a deduction and a withhold-
20 ing as outlined above, shall furnish to the employee upon
21 request a record of the amount of tax withheld from such
22 employee on forms to be prescribed, prepared and furnished
23 by the Commissioner of Revenue.

24 Sec. 3. This Act shall apply retroactively from January 1,
25 1962.

26 Sec. 4. This Act takes effect on the day after its passage
27 and approval or on the day it becomes law without such approval.
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