

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

HOUSE BILL NO. 417

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SECOND LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act pertaining to withholding Alaska
7 income tax liability of persons, associations,
8 or corporations taking fish or fish products,
9 amending Ch. 115, SLA 1949, as amended; and
10 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. Ch. 115, SLA 1949, as amended, is amended by

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adding a new Sec. 8A to read as follows:

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N Section 8A. COLLECTION OF INCOME TAX AT SOURCE: FISH
15 E AND FISH PRODUCTS.

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W A. STATEMENT OF PURPOSE. The legislature is aware that
17 under present tax administration the state has no way of in-
18 suring receipt of income taxes on income gained from fishing,
19 particularly when nonresident fishermen are involved. To
20 insure that nonresidents gaining income from Alaska's re-
21 sources pay their fair share of taxes on that income, the
22 following measure is adopted.

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B. FISH PROCESSORS AND BUYERS TO WITHHOLD TAX. Every

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M processor and fish buyer purchasing newly harvested fish or
25 A fish products taken in Alaskan waters shall deduct and with-
26 T hold from the purchase price paid for newly harvested fish
27 T or fish products a tax in the amount of one percent of that
28 E price. Every processor or fish buyer making a deduction and
29 R withholding as required by this Act shall furnish to the

1 N seller a record of the tax withheld from the seller on forms
2 E prescribed, prepared, and furnished by the commissioner.

3 W C. PAYMENT OF TAX WITHHELD. Every processor and fish
4 buyer who purchases newly harvested fish or fish products
5 taken in Alaskan waters, regardless of the place where pay-
6 ment is made,

7 (1) shall be liable for the payment of the tax
8 required to be deducted and withheld under this section;
9 and shall not be liable to any individual for the amount
10 of such payment; and

11 (2) shall make return of and pay to the commissioner
12 at such times as the commissioner prescribes by regula-
13 tion the amount which, under the provisions of this
14 section, he is required to deduct and withhold. Such
15 payment shall be applied by the commissioner to the
16 income tax liability of the seller of the newly harvested
17 fish or fish products.

18 D. PRESUMPTION THAT FISH OR FISH PRODUCTS WERE TAKEN IN
19 ALASKA. There is a rebuttable presumption that all newly
20 harvested fish or fish products sold in Alaska were taken in
21 Alaskan waters; provided, that the commissioner may alter the
22 presumption by regulation in circumstances when its applica-
23 M tion would not produce a close accord with the actual loca-
24 A tion of the taking.

25 T E. DEFINITION. The terms "newly harvested fish or fish
26 T products" as used in this section means all fish or fish pro-
27 E ducts which have not previously been sold to any fish buyer
28 R or processor

29 Sec. 2. This Act takes effect January 1, 1963.