

BY MESSRS. WHITE, BAKER, BAGGEN, HOLM,  
SMITH, KUBLEY, BOARDMAN, E. REID,  
LEONARD, WIGGINS, SANDERS, STRANDBERG,  
MILLER, TILLION, PARSONS AND COLE

1 IN THE HOUSE

2 HOUSE BILL NO. 46

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act reducing the state personal and  
7 corporation income tax levy rate; and pro-  
8 viding for an effective date."

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

10 \* Section 1. AS 43.20.010(a) is amended to read:

11 (a) There is levied and there shall be collected and  
12 paid for each taxable year upon the net income of every  
13 resident and nonresident individual, fiduciary, and bank  
14 that is required to make a return and pay a tax under the  
15 Federal Income Tax law a tax equal to 14 [16] per cent of  
16 the total income tax that would be payable for the same  
17 taxable year to the United States under the provisions of  
18 chapter 1 of subtitle A of the 1954 Internal Revenue Code,  
19 Public Law 591, 83rd Congress, 2nd Session, as amended,  
20 upon all income derived from sources within the state,  
21 without benefit of the deduction of the tax payable under  
22 this chapter to the state.

23 \* Sec. 2. AS 43.20.010 (b) is amended to read:

24 (b) There is levied and shall be collected and paid  
25 for each taxable year upon the net income of every resident  
26 and nonresident corporation that is required to make a re-  
27 turn and pay a tax under the federal income tax law a tax  
28 equal to 16 [18] per cent of the total income tax that would  
29 be payable for the same taxable year to the United States

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under provisions of chapter 1 of subtitle A of the 1954 Internal Revenue Code, Public Law 591, 83rd Congress, 2nd Session, as amended, upon all income derived from sources within the state without benefit of the deductions of the taxes payable under this chapter to the state.

\* Sec. 3. AS 43.20.170(a) is amended to read:

(a) Every employer making payment of wages or salaries shall deduct and withhold a tax in the amount of 14 [16] per cent of the tax deducted and withheld under secs. 3401; 3402(a) - (1); 3403; 3404; 3502(b); 3504; 6011(a); 6051; 6081; 6415; 6501(a), (b)(2), (c)(1) - (3); 6502(a); 6513(c); 6611(a), (b), (d); 6651(a); 6659; 6674; 7204; 7205 of the Internal Revenue Code of 1954, except that in the case of an employee whose wage or salary includes a cost-of-living allowance which is exempt from the federal income tax, the amount deducted and withheld under this subsection shall be determined as if the cost-of-living allowance is not exempt. Every employer making a deduction and a withholding shall furnish to the employee upon request a record of the amount of tax withheld from the employee on form prescribed, prepared, and furnished by the commissioner of revenue.

\* Sec. 4. This Act takes effect January 1, 1964.