

Introduced: 3/7/64  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 411

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act pertaining to withholding Alaska  
7 income tax liability of persons taking  
8 fish or fish products; and providing an  
9 effective date."

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

11 \* Section 1. DECLARATION OF INTENT. The Legislature recog-  
12 nizes that it is burdensome for processors and fish buyers to  
13 withhold monies on payments for fish or fish products and that  
14 a voluntary system worked out by fishermen, processors and fish  
15 buyers would be preferable if a practical system can be devised.

16 \* Sec. 2. DUTIES OF LEGISLATIVE COUNCIL. The Legislative  
17 Council is directed to hold hearings at places to be determined  
18 by the Council and at times convenient to fishermen, processors  
19 and fish buyers in order to determine possible means of insuring  
20 receipt of state income taxes without resort to withholding  
21 amounts from purchase prices paid for fish and fish products.  
22 The Legislative Council shall develop any such proposals into  
23 alternative plans either in the form of bills or administrative  
24 regulations, prepare a report on the feasibility of these alter-  
25 native plans and submit the foregoing to the First Session of  
26 the Fourth State Legislature for its consideration.

27 \* Sec. 3. FAILURE OF LEGISLATURE TO ADOPT PROPOSALS. If after  
28 a review of the proposals and the report of the Legislative  
29 Council, the Legislature fails to accept or devise means of

1 insuring receipt of income taxes on income gained from fishing,  
2 deductions shall, effective April 1, 1965, be made from the  
3 purchase prices paid for newly harvested fish or fish products  
4 pursuant to the provisions of AS 43.20.173.

5 \* Sec. 4. AS 43.20.173(a) is amended to read:

6 Sec. 43.20.173. COLLECTION OF INCOME TAX AT SOURCE  
7 FOR FISH AND FISH PRODUCTS. (a) The Legislature is aware  
8 that under present tax administration the State has no way  
9 of insuring receipt of income taxes on income gained from  
10 fishing. [PARTICULARLY WHEN NONRESIDENT FISHERMEN ARE  
11 INVOLVED.] To insure that persons [NONRESIDENTS] gaining  
12 income from Alaska's resources pay their fair share of taxes  
13 on that income, this section is adopted.

14 \* Sec. 5. AS 43.20.173(b) is amended to read:

15 (b) Every processor or fish buyer purchasing newly  
16 harvested fish or fish products taken in Alaskan waters shall  
17 deduct and withhold from the purchase price paid to holders  
18 of [NONRESIDENT] fishing licenses, whether resident or non-  
19 resident, for newly harvested fish or fish products a tax  
20 in the amount of one percent of that price. Every pro-  
21 cessor or fish buyer making a deduction and withholding as  
22 required by this Act shall furnish to the seller a record  
23 of the tax withheld from the seller on forms furnished by  
24 the commissioner.

25 \* Sec. 6. This Act takes effect the day after its passage and  
26 approval or on the day it becomes law without such approval.  
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