

Introduced: 2/6/68
Referred: Local Govern-
ment & Finance

1 IN THE SENATE

BY HAMMOND

2 SENATE BILL NO. 298

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the power of an organized borough
7 or a city which comprises a school district to levy
8 taxes; and providing for an effective date."

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

10 * Section 1. AS 29.30 is amended by adding new sections to read:

11 ARTICLE 4. WAGE TAX.

12 Sec. 29.30.130. WAGE TAX ORDINANCE AND REFERENDUM. (a) The
13 governing body of an organized borough or a city which comprises a
14 school district may by ordinance levy and collect a tax not exceeding
15 three per cent on all wages earned within the boundaries of the district
16 if the ordinance levying the tax is approved by a majority vote of the
17 qualified voters voting on the question in a general or special election
18 An ordinance authorizing a tax on wages may not be presented to the
19 voters more often than once every 12 months.

20 (b) The governing body may (1) prescribe procedures and require-
21 ments for collection of the tax authorized in (a) of this section,
22 (2) provide for penalties and interest for nonpayment of the tax when
23 due, and (3) provide that a tax, when levied, becomes a lien against
24 the property or rights in property belonging to the taxpayer.

25 Sec. 29.30.140. TAXPAYER'S RIGHT TO DEDUCTION FROM PROPERTY TAXES.
26 A taxpayer may deduct from the amount of any property taxes assessed
27 against him for a given fiscal year the amount of any wage tax which,
28 in the same municipality, is levied on his wages for the preceding
29 fiscal year and has been collected. Proof of a taxpayer's right to a

1 deduction shall be made in the form the collector may require.

2 Sec. 29.30.150. WAGE DEFINED. In secs. 140 and 150 of this
3 chapter "wage" or "wages" means every form of remuneration paid to a
4 person for services, including salaries, commissions, vacation pay,
5 dismissal wages, bonuses and reasonable value of board, rent, housing,
6 lodging, payments in kind, tips, and any other similar advantage received
7 from a person's employer or directly with respect to work for him.

8 ARTICLE 5. RESOURCE SEVERANCE TAX IN ADDITION TO WAGE TAX.

9 Sec. 29.30.160. RESOURCE SEVERANCE TAX. The governing body of a
10 city or borough which levies and collects a wage tax as authorized in
11 secs. 130 - 150 of this chapter may in addition levy and collect a tax
12 not exceeding three per cent on the proceeds of sales to processors of
13 fish or other resources harvested and sold by persons not receiving a
14 fixed wage for their labor. The tax shall be levied and collected in
15 the same manner and subject to the same restrictions as the levy and
16 collection of the wage tax.

17 * Sec. 2. AS 07.15.010(7) is amended to read:

18 (7) to levy all taxes and special assessments, enforce tax
19 liens, and assess and collect penalties in the manner provided for
20 first class cities. It may levy

21 (A) areawide taxes for areawide functions and

22 (B) taxes limited to the area outside cities for
23 functions limited to the area outside cities, except that taxes
24 may be levied as provided in AS 29.30.130 - 29.30.160 only on an
25 areawide basis;

26 * Sec. 3. AS 29.08.010 is amended to read:

27 Sec. 29.08.010. LIMIT ON HOME RULE TAXING POWER. (a) AS 29.10.-
28 336, which limits taxing power, applies to home rule cities.

29 (b) AS 29.30.130 - 29.30.160, which relates to power to impose

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taxes, applies to home rule cities. The taxes authorized may be imposed only by home rule cities comprising school districts.

* Sec. 4. AS 07.12 is amended by adding a new section to read:

ARTICLE 2. TAXATION.

Sec. 07.12.100. LIMIT ON HOME RULE TAXING POWER. AS 07.15.015, which relates to power to impose taxes, applies to home rule boroughs. Home rule boroughs may impose the taxes on an areawide basis only.

* Sec. 5. AS 43.20.290 is amended to read:

Sec. 43.20.290. EXCLUSIVE STATE AUTHORITY. Except to the extent provided in AS 29.30.130 - 29.30.160, no [NO] tax may be levied and collected upon the net income of resident or nonresident individuals by a general law city or by a home rule city or any other political subdivision of the state.

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