

1 IN THE HOUSE

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2 HOUSE BILL NO. 42

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act repealing the disaster relief and school
7 per capita taxes, providing for refunds of those
8 taxes due and payable in the 1969 calendar year,
9 and establishing substitute revenues to the state;
10 and providing for an effective date."

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

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

13 (a) There is levied and there shall be collected and paid for
14 each taxable year upon the net income of every resident and nonresident
15 individual, fiduciary and bank that is required to make a return and
16 pay a tax under the federal income tax law (1) a tax equal to 16.5
17 [16] per cent of the total income tax that would be payable for the
18 same taxable year to the United States at the federal tax rates in
19 effect on December 31, 1963, under the provisions of chapter 1 of
20 subtitle A of the 1954 Internal Revenue Code, Public Law 591, 83rd
21 Congress, 2nd Session, as amended, upon all income derived from
22 sources within the state and (2) a surtax of three per cent of the
23 tax payable under (1), to be imposed, terminated and reimposed as
24 prescribed by AS 43.43.050.

25 * Sec. 2. AS 43.20.010(t) is amended to read:

26 (b) There is levied and there shall be collected and paid for
27 each taxable year upon the net income of every resident and nonresident
28 corporation that is required to make a return and pay a tax under the
29 federal income tax law (1) a tax equal to 18.5 [18] per cent of the

1 total income tax that would be payable for the same taxable year to
2 the United States at the federal tax rates in effect on December 31,
3 1963, under the provisions of chapter 1 of subtitle A of the 1954
4 Internal Revenue Code, Public Law 591, 83rd Congress, 2nd Session, as
5 amended, upon all income derived from sources within the state and
6 (2) a surtax of three per cent of the tax payable under (1), to be
7 imposed, terminated and reimposed as prescribed by AS 43.43.050.

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

9 (a) Every employer making payment of wages or salaries shall
10 deduct and withhold a tax in the amount of 21 [20.5] per cent, or
11 when a surtax is imposed as prescribed in sec. 10(a)(2) of this
12 chapter, 21.5 per cent, of the tax deducted and withheld under secs.
13 3401; 3402(a) - (1); 3403; 3404; 3502(b); 3504; 6011(a); 6051; 6081;
14 6415; 6501(a), (b)(2), (c)(1) - (3); 6502(a); 6513(c); 6611(a),
15 (b), (d); 6651(a); 6659; 6674; 7204; 7205 of the Internal Revenue
16 Code of 1954, except that in the case of an employee whose wage or
17 salary includes a cost-of-living allowance which is exempt from the
18 federal income tax, the amount deducted and withheld under this sub-
19 section shall be determined as if the cost-of-living allowance is not
20 exempt. Every employer making a deduction and a withholding shall
21 furnish to the employee upon request a record of the amount of tax
22 withheld from the employee on a form prescribed, prepared, and fur-
23 nished by the commissioner of revenue.

24 * Sec. 4. AS 43.43.040 is amended to read:

25 Sec. 43.43.040. SPECIAL ACCOUNT. Surtaxes imposed by AS 43.20.-
26 010(a)(2) and (b)(2) shall be deposited in a special account in the
27 general fund [THE PROCEEDS OF THE TAX LEVIED IN SEC. 20 OF THIS
28 CHAPTER SHALL BE DEPOSITED IN THE GENERAL FUND AND A SPECIAL ACCOUNT
29 KEPT OF THE MONEY DEPOSITED]. The commissioner of revenue shall

1 report to the legislature the amount of money collected and deposited
2 in the special account [GENERAL FUND UNDER SECS. 10 - 60 OF THIS
3 CHAPTER] during the preceding fiscal year. The report shall be filed
4 with the finance committees of the legislature within five days after
5 the legislature convenes.

6 * Sec. 5. AS 43.43.050 is amended to read:

7 Sec. 43.43.050. TERMINATION OF TAX. (a) When, at the close of
8 a fiscal year, the combined amount received since January 1, 1968 [,]
9 from all taxes collected under sec. 1, ch. 27 FSSLA 1967, and not
10 refunded, and surtaxes collected and deposited in the special account
11 under sec. 40 of this chapter, plus any unexpended appropriations for
12 disaster purposes, exceeds by more than \$7,500,000 the amounts
13 appropriated out of the general fund after August 15, 1967 [,] for
14 disaster purposes, the surtaxes imposed by AS 43.20.010(a)(2) and
15 (b)(2) [THEN AT THAT TIME THE TAX UNDER SEC. 20 OF THIS CHAPTER] shall
16 terminate.

17 (b) Surtaxes terminated in accordance with (a) of this section
18 [ONCE THE TAX REQUIRED BY SEC. 20 OF THIS CHAPTER IS TERMINATED IN
19 ACCORDANCE WITH (A) OF THIS SECTION, IT] shall automatically be
20 reimposed at the beginning of the first fiscal year following the
21 end of that fiscal year in which the combined amount received since
22 January 1, 1968, from all taxes collected under sec. 1, ch. 27 FSSLA
23 1967, and not refunded, and surtaxes collected and deposited in the
24 special account under sec. 40 of this chapter, plus any unexpended
25 appropriations for disaster purposes, is less than \$5,000,000 more
26 than the amounts appropriated out of the general fund after August 15,
27 1967 [,] for disaster purposes.

28 (c) Surtaxes imposed by AS 43.20.010(a)(2) and (b)(2) [THE TAX
29 REQUIRED BY SEC. 20 OF THIS CHAPTER] will continue to be imposed and

1 terminated following the formula prescribed in (a) and (b) of this
2 section.

3 * Sec. 6. REFUNDS OF PER CAPITA TAXES. (a) Per capita disaster relief
4 and school taxes imposed for the calendar year 1969 under former law shall
5 be refunded by employers to their employees from whom the taxes have been
6 deducted and withheld.

7 (b) The Department of Revenue shall refund per capita disaster
8 relief and school taxes imposed for the calendar year 1969 under former
9 law to persons who have paid the taxes to the state.

10 * Sec. 7. SECTIONS RETROACTIVE. The provisions of secs. 1 - 2 of this
11 Act are retroactive to January 1, 1969.

12 * Sec. 8. LAWS REPEALED. The following laws are repealed: AS 43.43.-
13 020 - 43.43.030, AS 43.43.060(2), and AS 43.45.

14 * Sec. 9. EFFECTIVE DATE. This Act takes effect on the day after its
15 passage and approval or on the day it becomes law without approval.
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