

Introduced: 2/5/80
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY RANDOLPH

2 HOUSE BILL NO. 675

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the withholding of individual
7 income taxes by employers and the payment of withheld
8 taxes to the state; and providing for an effective
9 date."

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

11 * Section 1. PURPOSE. It is the purpose of sec. 2 of this Act

12 (1) to annul the effect of that portion of 15 AAC 05.615(a)(2),
13 adopted by the Department of Revenue, which excludes the application of
14 provisions for withholding allowances based on itemized deductions and a
15 standard deduction, and to specifically allow the same advantages for claim-
16 ing exemptions from taxes withheld for individual income taxes under the
17 Alaska Net Income Tax Act (AS 43.20) as are allowed under comparable provi-
18 sions of the Internal Revenue Code of the United States; and

19 (2) to recognize the taxpayer's claim of withholding exemptions
20 furnished in a completed withholding allowance certificate as valid for
21 purposes of computation of the amount to be withheld from the wages of the
22 taxpayer for purposes of the Alaska Net Income Tax Act.

23 * Sec. 2. AS 43.20.170(b) is repealed and re-enacted to read:

24 (b) The rules for the withholding of tax set out in secs. 3402(a)-
25 (i), 3402(m), 3502(b), and 6414 of the Internal Revenue Code of 1954 (26
26 U.S.C. 3402(a)-(i), 26 U.S.C. 3402(m), 26 U.S.C. 3502(b) and 26 U.S.C.
27 6414) apply with respect to this section as though fully set out in this
28 section. A regulation adopted by the Department of Revenue under AS 43.
29 05.080 with reference to the withholding of individual income taxes by

1 an employer may not exclude the claim of a withholding exemption by a
2 person under this chapter if that exemption is allowed by the
3 Internal Revenue Code. An employer shall request a withholding allow-
4 ance certificate from each employee. The claim of withholding allowance
5 by an employee under the withholding allowance certificate for Alaska
6 net income tax, or the withholding allowance certificate for federal
7 income tax if no separate certificate for Alaska net income tax has been
8 completed, is the basis for the determination of income taxes to be
9 withheld by the employer from the wages payable to the employee. If the
10 employee fails to furnish a withholding allowance certificate, the
11 employer shall treat the employee as a single person claiming no with-
12 holding allowances.

13 * Sec. 3. AS 43.20.170(c) is amended to read:

14 (c) A remittance of taxes withheld shall be accompanied by a
15 return on a form prescribed by the department. Every employer making
16 payments of wages or salaries earned in this state, regardless of the
17 place where the payment is made,

18 (1) is liable for the payment of the tax required to be
19 deducted and withheld under this section and is not liable to any indi-
20 vidual for the amount of the payment; and

21 (2) shall make return of and pay to the department quarterly
22 or at other times as the department may require, the amount of tax
23 levied which under the provisions of this chapter he is required to
24 deduct and withhold; upon failure of the employer to comply with the
25 provisions of this subsection, the provisions of AS 43.20.210 apply.

26 * Sec. 4. This Act takes effect January 1, 1981.