

Introduced: 2/28/80
Referred: State Affairs and
Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 SENATE CONCURRENT RESOLUTION NO. 55

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Urging the Department of Revenue to
6 rescind its ruling relating to the
7 taxation of flight crew members.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS a recent ruling of the Department of Revenue would result in the
10 taxation by the state of the income of flight crew members who are not resi-
11 dents of Alaska and who only enter Alaska in connection with their duties as
12 flight crew members; and

13 WHEREAS the ruling of the Department of Revenue applies regardless of
14 whether the crew members live in Alaska, regardless of whether the crew
15 members ever leave their airplane and step on Alaska ground, and even re-
16 gardless of whether the airplane lands in Alaska, so long as it merely flies
17 into Alaskan air space; and

18 WHEREAS the substantial burden the ruling of the Department of Revenue
19 places on flight crew members is obvious and the burden would be overwhelming
20 if each state established a similar tax rule; and

21 WHEREAS the onerous nature of the ruling of the Department of Revenue is
22 aggravated by the fact that it is retroactive to 1976; and

23 WHEREAS the establishment of this rule gives the impression of petty
24 greediness without significant benefit to the state; and

25 WHEREAS federal law enacted in 1958 was clearly intended to prevent this
26 specific state tax ruling, but because of an unfortunate choice of words the
27 federal law still allows a state to tax the earnings of nonresident flight
28 crew members; and

29 WHEREAS a pending amendment to the federal law is expected to remedy

1 this oversight in the 1958 enactment;

2 BE IT RESOLVED that the Alaska State Legislature strongly urges the
3 Department of Revenue to rescind its ruling (Alaska Tax Ruling No. 78-6)
4 relating to the taxation of flight crews of airlines.

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29