

LEG. FINANCE - BILLS 1979 - 1980 1398

SCR 50 thru SCR 55

1398



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

3/23/90  
Date



JUNEAU, ALASKA

# Alaska State Legislature

BLUE RIBBON COMMISSION ON THE  
STATE PERSONNEL ACT  
Pouch AG/Mail Stop 0123  
Juneau, Alaska 99811  
(907) 465-4442

Senator Bill Ray  
Chairman

TO: Senator Bill Ray, Chairman

FROM: Teresa B. Cramer, Administrative Assistant *TBC*

DATE: February 27, 1980

RE: Senate Concurrent Resolution 50

Extending the life of the Blue Ribbon Commission on the State  
Personnel Act.

Senate Concurrent Resolution 50 addresses Recommendation 19 and 20 of the Blue Ribbon Commission's Report to the Alaska Legislature and asks the legislature to continue the commission's existence through June 30, 1981.

The Blue Ribbon Commission on the State Personnel Act has taken significant steps in its consideration of the complex problems in the personnel system of the state. However, the commission has not yet reached conclusions in a number of these areas, most significantly, in the questions of whether to centralize or to decentralize authority for personnel actions, in concluding a thorough review of statutes affecting personnel matters, and evaluation of the Personnel Rules. The commission believes that its work has been worthwhile and that a hasty tinkering with this area could do considerable harm. Therefore it hopes that the legislature will endorse its considered approach by extending its life through June 30, 1981.

For a more complete discussion of the commission's work, see the 1980 Report of the Blue Ribbon Commission on the State Personnel Act of the Eleventh Alaska State Legislature, Second Session.

TBC:sp



Introduced: 2/26/80  
Referred: State Affairs

BY THE RULES COMMITTEE BY  
REQUEST OF THE LEGISLATIVE  
COUNCIL (for the Blue  
Ribbon Commission on the  
State Personnel Act)

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 50

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Extending the life of the Blue Ribbon  
6 Commission on the State Personnel  
7 Act.

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

9 WHEREAS in 1978 the legislature through Legislative Resolve No. 27  
10 authorized the Legislative Council, in cooperation with the director of  
11 personnel, to form a "blue ribbon" commission to study the State Personnel  
12 Act; and

13 WHEREAS the commission was formed as authorized by the resolution, made  
14 its report to the First Session of the Eleventh Legislature, and, in response  
15 to the commissic-'s request for additional time to study problems it had  
16 identified, was funded by the legislature for a second year; and

17 WHEREAS additional time is needed to study the complex, interrelated  
18 problems which the commission has identified;

19 BE IT RESOLVED by the Alaska State Legislature that the Blue Ribbon  
20 Commission on the State Personnel Act is authorized to continue to perform  
21 the assignments made to it by 1978 Legislative Resolve No. 27 through June 30,  
22 1981.

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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCR 50

Title Extending life of Blue Ribbon Commission on State Personnel Act

Requested by Legislative Finance Date 2/28/80

II. FISCAL DETAIL

Agency Affected Legislative Affairs

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Legislative Council

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		72.2				
200 TRAVEL		15.7				
300 CONTRACTUAL		4.7				
400 COMMODITIES		1.1				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>93.7</b>				

FUNDING (Thousands of Dollars)

GENERAL FUND		93.7				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Continuation of present staff and activity:

One Admin. Asst. full-time \$46,984  
One Secretary full-time 25,215  
w/benefits 72,199

Travel - Staff and Commission 15,700  
Contractual 4,700  
Commodities 1,100

Total \$93,700 (105)

*John C. Sackett*

IV. DATE March 10, 1980

PREPARED BY John C. Sackett

AGENCY Senate Finance Committee

PHONE 465-3753

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCR 56/SCR 50  
 Title Extending Life of the Blue Ribbon Commission  
 Requested by Legislative Finance/Senator Mulcahy Date 02/26/80

II. FISCAL DETAIL

Agency Affected Administration  
 Program Category Affected Administrative Services to State Agencies  
 BRU, Program, or Subprogram(s) Affected Personnel  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The existence of the Blue Ribbon Commission will have no fiscal impact on the Department of Administration.

IV. DATE 02/26/80 PREPARED BY Bruce A. Cummins  
 AGENCY Division of Personnel  
 PHONE 465-4430

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 Keith Specking, Office of the Governor  
 33-001 (Rev. 12/79)

## AGENCY: LEGISLATURE

Operations of the Legislature and its staff are budgeted in two budget request units: Legislative Council; and Legislative Budget and Audit Committee. The Ombudsman BRU is also included in the Legislative and Elective Operations program.

The Legislative Council is the governing body appointed by the Legislature from its membership to oversee the activities of the Legislative Affairs Agency. The Legislative Affairs Agency provides all services essential to the Legislative branch and to the Legislative process except for the specialized functions which are assigned to the Legislative Budget and Audit Committee. The agency conducts examination and analysis of major subjects of Legislative concern, reviews regulations promulgated under the Administrative Procedure Act by administrative agencies to see if the legislative intent is being carried out, and provides the administrative services necessary to the operation of the Legislature. Operations of the Legislature itself are also budgeted in the BRU.

The Legislative Budget and Audit Committee is assigned the fiscal responsibility for the Legislature. The staffs of the Legislative Audit and Legislative Finance report to L B & A Committee. This Committee is a permanent interim Committee of the Legislature which has the responsibility for providing full-time technical assistance in accomplishing the fiscal analyses, budget review, and post-audit functions. It serves to provide legislative presence and involvement in State fiscal operations between legislative sessions.

The Office of the Ombudsman was established in 1975 to investigate citizen complaints pertaining to State agencies. The Ombudsman has authority to investigate administrative acts of agencies which he has reason to believe might be: 1) contrary to law; 2) unreasonable, unfair, oppressive, arbitrary, capricious, an abuse of discretion, or unnecessarily discriminatory even though in accordance with the law; 3) based on a mistake of fact; 4) based on improper or irrelevant grounds; 5) unsupported by an adequate statement of reasons; 6) performed in an inefficient or discourteous manner; or 7) otherwise erroneous. Efforts aimed at achieving these goals are directed through the institution of an informal and expeditious investigation process in which complaints are received from the public, quickly and thoroughly researched and investigated, determined justified or unjustified and the findings and recommendations reported to the agency and citizen involved. The Ombudsman may also report his findings and recommendations to the Governor, Legislature, a grand jury, and the public.

The Legislative Budgets were not made available for review by the Governor. The figures included as Governor's budget figures should be considered recommended by the Governor. They are included for informational purposes.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR	-----
LEGISLATIVE AUDIT	1583.6	1667.2	1578.2	1947.6			2064.3	
LEGISLATIVE FINANCE	743.3	1313.4	1133.5	1280.0			1430.8	
COMMITTEE EXPENSES	182.5	242.5	239.2	575.0			575.0	
SALARIES & ALLOWANCES	1169.7	1193.8	1169.2	1216.0			13750.0	
LEADERSHIP	350.4	183.3	183.1	474.9				
LAA EXECUTIVE ADMINISTRATION	166.1	198.8	198.4	142.5				
LAA ADMINISTRATIVE SERVICES	1155.1	1318.2	1276.6	2415.1				
LAA RESEARCH SERVICES	1129.6	1311.7	1214.0	671.4				
LAA LEGAL SERVICES	724.7	774.9	825.7	850.1				
SESSION EXPENSES	1818.8	2185.3	2189.0	2139.0				
COUNCIL & SUBCOMMITTEES	656.5	4515.6	748.7	2719.1				
OFFICE SPACE RENTAL	323.0	277.6	277.6	325.0				
EQUIPMENT ACCOUNT	113.0	882.0	872.6	146.0				
OMBUDSMAN	640.5	679.6	671.8	935.4			991.8	
** TOTAL	10747.8	16743.9	12577.6	15837.1			18811.9	
** CHANGE VERSUS 80 AUTH							18.7%	
OBJECT DESCRIPTION								
PERS. SERV.	6580.2	7543.0	7448.0	8191.2			3413.9	
TRAVEL	703.4	836.1	795.9	869.5			206.0	
CONTRACTUAL	2836.3	7045.6	3082.2	6153.5			1315.5	
COMMODITIES	274.6	218.3	173.1	287.1			35.1	
EQUIPMENT	129.5	947.9	942.8	170.1			9.4	
LANDS/BLDGS	135.8	135.8	135.6	135.7			52.0	
GRANTS, CLMS	.5						13750.0	
MISC.	87.5	17.2		30.0			30.0	
FUNDING SOURCE								
GENERAL FUND	10697.8	16693.9	12527.6	15763.3			18811.9	
OTHER FUNDS	50.0	50.0	50.0	73.8				
** GENERAL FUND CHANGE VS. 80 AUTH							19.3%	
POSITIONS								
FULL-TIME	189.0	189.0	189.0	203.0			211.0	
PART-TIME	7.0	7.0	7.0	16.0			16.0	
TEMPORARY	152.0	152.0	152.0	183.0			182.0	
STAFF MONTHS	2955.5	2955.5	2955.5	3173.0			3266.0	

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCR 50  
Title Extending Life of Blue Ribbon Commission on State Personnel Act  
Requested by Legislative Finance Date 2-28-80

II. FISCAL DETAIL

Agency Affected Legislative Affairs  
Program Category Affected General Government  
BRU, Program, or Subprogram(s) Affected Legislative Council  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		72.2			
200 TRAVEL		25.7			
300 CONTRACTUAL		6.7			
400 COMMODITIES		1.1			
500 EQUIPMENT					
600 LAND & STRUCTURES					
700 GRANTS, CLAIMS, ETC.					
<b>TOTAL</b>		<b>105.7</b>			

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		105.7			
FEDERAL FUNDS					
OTHER (Specify Fund Source)					

POSITIONS

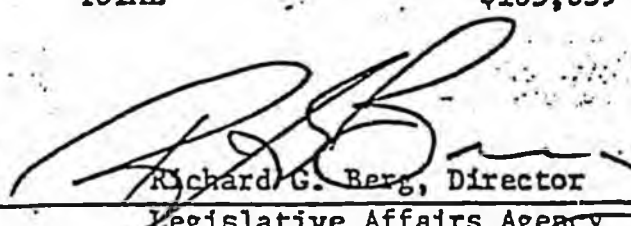
	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME		2			
PART TIME					
TEMPORARY					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Continuation of present staff and activity:	One Admin Asst full-time	\$46,984
	One Secretary full-time	25,215
	w/benefits	72,199
	Travel - Staff and Commission	25,740
	Contractual	6,700
	Commodities	1,100
	<b>TOTAL</b>	<b>\$105,639 (105.639)</b>

IV. DATE 3/4/80

PREPARED BY  
AGENCY  
PHONE

  
Richard G. Berg, Director  
Legislative Affairs Agency  
465-3850

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

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GRANTS, CLMS	.5						13750.0	
MISC.	97.5	17.2		30.0			30.0	
<b>FUNDING SOURCE</b>								
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OTHER FUNDS	50.0	50.0	50.0	73.8				
<b>** GENERAL FUND CHANGE VS. 80 AUTH</b>							<b>19.3%</b>	
<b>POSITIONS</b>								
FULL-TIME	189.0	189.0	189.0	203.0			211.0	
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STAFF MONTHS	2955.5	2955.5	2955.5	3173.0			3266.0	



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James O. Smith  
Signature of Camera Operator

3/23/90  
Date

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JURISDICTION, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 5, 1980

SUBJECT: Spending limitations - SSSJR 52 and SB 558  
TO: Senator Mike Colletta  
FROM: Billy G. Berrier *BGB*  
Director  
Division of Legal Services

You have requested a synopsis of the proposed constitutional amendment, SSSJR 52, and the companion bill, SB 558, relating to limitation on spending by the state.

The basic thrust of the constitutional amendment is the prohibition against the rate of growth of appropriations from state revenues exceeding the rate of growth of the economy of the state. Appropriations for the permanent fund and for capital improvements are excepted from this prohibition.

The amendment allows this growth rate in appropriations to be exceeded if a state of emergency is declared to exist as provided by law. It provides that for the three succeeding years the appropriations limit be adjusted equally so that for the four-year period, consisting of the year in which the emergency existed and the following three years, total appropriations may not exceed the amount that would have been available had there been no emergency.

The amendment provides that revenue in excess of the appropriation limit shall be distributed to the taxpayers of the state as provided by law. It also prohibits laws which require increased expenditures by political subdivisions from becoming effective unless the legislature has provided that the state bear the added cost.

The limiting phrase "estimated growth of the economy of the state" as used to set the maximum for appropriation growth must be defined by law.

Senator Mike Colletta  
Page 2  
May 5, 1980

Under SB 558 the growth rate is based upon projected changes in Alaska personal income. The components of Alaska personal income are those included in the United States Department of Commerce's definition of personal income. The Commissioner of Commerce and Economic Development must, before January 30th of each year, certify to the legislature the projected income, the change from the present fiscal year income and the percentage of change.

BGB:jdn

No Pen

JCS

5/5/80



COMMITTEE REPORT  
SENATE

FURTHER:

Finance

4/11/80

Date:

4/24/80

Mr. President:

The Committee on JUDICIARY has had SSSJR 52

Proposing an amendment to the Constitution of the State of Alaska relating to limiting increases in expenditures

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

2 Bill Kay No Rec  
2 John Rasmussen No Rec  
2 Jim Meland  
2 Don Stewart

1 Ziegler - Do Pass  
CHAIRMAN  
(w. possible amendments)

Introduced: 4/11/80  
Referred: Judiciary and  
Finance

BY COLLETTA, BENNETT, FAHRENKAMP,  
KERTTULA AND HACKNEY

1 IN THE SENATE

2 SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 52

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Consti-  
6 tution of the State of Alaska relat-  
7 ing to limiting increases in expendi-  
8 tures and requiring payment by the  
9 state of mandated increased expendi-  
10 tures of a political subdivision of  
11 the state.

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

13 \* Section 1. Article IX, Constitution of the State of Alaska is amended  
14 by adding new sections to read:

15 SECTION 16. APPROPRIATION GROWTH LIMIT. In no year shall the rate  
16 of growth of appropriations from state revenues, excepting appropria-  
17 tions to the permanent fund established in Section 15 of this article  
18 and excepting appropriations for capital improvements, exceed the esti-  
19 mated rate of growth of the economy of the State as determined by law.  
20 An appropriation in excess of this limit shall not be made unless a  
21 state of emergency is declared to exist, as provided by law. The appro-  
22 priation limit for each of the three years following the declaration of  
23 emergency shall be adjusted equally so that the total appropriations for  
24 the year of the emergency and the succeeding three years do not exceed  
25 the appropriations which could have been made under this section if no  
26 emergency had been declared. The limit on rate of growth of appropria-  
27 tions for each year shall be calculated without regard to a declared  
28 emergency or the subsequent three-year adjustment.

29 SECTION 17. RETURN OF REVENUES TO TAXPAYERS. Revenues received by

1 the State in excess of the amount appropriated in compliance with this  
2 article during a fiscal year shall be distributed to the taxpayers of  
3 the State as provided by law. No appropriation is required for a dis-  
4 tribution under this section within the succeeding fiscal year.

5 \* Sec. 2. Article II, Constitution of the State of Alaska is amended by  
6 adding a new section to read:

7 SECTION 22. INCREASED COSTS TO POLITICAL SUBDIVISIONS. No general  
8 law requiring increased expenditures by a political subdivision shall  
9 become effective unless the legislature has provided that the State pay  
10 the amount of increased cost to the political subdivision.

11 \* Sec. 3. The amendments proposed by this resolution shall be placed  
12 before the voters of the state at the next general election in conformity  
13 with art. XIII, sec. 1, Constitution of the State of Alaska, and the election  
14 laws of the state.

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND... Session

SS SENATE JOINT RESOL. NO. ...52...

By COLLETTA, BENNETT,  
FAHRENKAMP, KERTTULA  
AND HACKNEY

Proposing an amendment to the Constitution of the State of Alaska relating to limiting increases in expenditures and requiring payment by the state of mandated increased expenditures of a political subdivision of the state.

Introduced in the Senate 2/13/19... 8<sup>n</sup>

HISTORY IN THE SENATE

19	80	Read first time and referred to Committee on
2	18	Judiciary and Finance
4	11	Reported back with recommendation that <i>jud</i>
4	25	<i>1 do pass w/pols am, 4 no rec. to proceed</i>
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by President
		Sent to House
SECRETARY OF THE SENATE		

HISTORY IN THE HOUSE

19		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by Speaker
		Returned to Senate
CHIEF CLERK OF THE HOUSE		

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
		..... by Governor
		Filed with Lt. Governor
		Chapter No. ....

Introduced: 4/11/80  
Referred: Judiciary and  
Finance

1 IN THE SENATE

BY COLLETTA, BENNETT, FAHRENKAMP,  
KERTTULA AND HACKNEY

2 SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 52

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Consti-  
6 tution of the State of Alaska relat-  
7 ing to limiting increases in expendi-  
8 tures and requiring payment by the  
9 state of mandated increased expendi-  
10 tures of a political subdivision of  
11 the state.

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13 \* Section 1. Article IX, Constitution of the State of Alaska is amended  
14 by adding new sections to read:

15 SECTION 16. APPROPRIATION GROWTH LIMIT. In no year shall the rate  
16 of growth of appropriations from state revenues, excepting appropria-  
17 tions to the permanent fund established in Section 15 of this article  
18 and excepting appropriations for capital improvements, exceed the esti-  
19 mated rate of growth of the economy of the State as determined by law.  
20 An appropriation in excess of this limit shall not be made unless a  
21 state of emergency is declared to exist, as provided by law. The appro-  
22 priation limit for each of the three years following the declaration of  
23 emergency shall be adjusted equally so that the total appropriations for  
24 the year of the emergency and the succeeding three years do not exceed  
25 the appropriations which could have been made under this section if no  
26 emergency had been declared. The limit on rate of growth of appropria-  
27 tions for each year shall be calculated without regard to a declared  
28 emergency or the subsequent three-year adjustment.

29 SECTION 17. RETURN OF REVENUES TO TAXPAYERS. Revenues received by

1 the State in excess of the amount appropriated in compliance with this  
2 article during a fiscal year shall be distributed to the taxpayers of  
3 the State as provided by law. No appropriation is required for a dis-  
4 tribution under this section within the succeeding fiscal year.

5 \* Sec. 2. Article II, Constitution of the State of Alaska is amended by  
6 adding a new section to read:

7 SECTION 22. INCREASED COSTS TO POLITICAL SUBDIVISIONS. No general  
8 law requiring increased expenditures by a political subdivision shall  
9 become effective unless the legislature has provided that the State pay  
10 the amount of increased cost to the political subdivision.

11 \* Sec. 3. The amendments proposed by this resolution shall be placed  
12 before the voters of the state at the next general election in conformity  
13 with art. XIII, sec. 1, Constitution of the State of Alaska, and the election  
14 laws of the state.



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

3/23/90  
Date



8018  
Baldwin

Original sponsor: Malone

Offered: 3/4/80  
Referred: Rules

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 53  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Relating to the Minilchik scenic  
6 wayside.

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

8 WHEREAS the division of parks, Department of Natural Resources, has  
9 experienced complications while developing a scenic wayside near the  
10 Minilchik River; and

11 WHEREAS these complications include high tides, erosion, flooding, and a  
12 lack of appropriate state land;

13 BE IT RESOLVED by the Alaska State Legislature that the governor is  
14 respectfully requested to direct the division of parks, Department of Natural  
15 Resources, to stop all beachsite work, except latrine maintenance, and  
16 solicitation for bids on the Minilchik scenic wayside; and be it

17 FURTHER RESOLVED that the governor is respectfully requested to direct  
18 the division of parks, Department of Natural Resources to prepare a new  
19 development plan for the Minilchik scenic wayside and submit it to the  
20 community of Minilchik for review at least 90 days before implementation of  
21 that new development plan.

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND... Session

HOUSE CONCURRENT RES. NO. 53

By ..MALONE.....

"Relating to the Ninilchik scenic wayside."

Ninilchik scenic wayside

Introduced in the House 2/18, 1980

HISTORY IN THE HOUSE

1980	Feb. 18	Read first time and referred to Committee on State Affairs																				
	Mar 4	Reported back with recommendation that <i>State Affairs refer CS to Rules</i>																				
	Mar 6	Read second time and <i>CS adopted &amp; considered on final passage</i>																				
		Read third time and																				
	Mar 6	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas 38</td> <td>Yeas</td> </tr> <tr> <td>Nays—</td> <td>Nays</td> </tr> <tr> <td>Absent 2</td> <td>Absent</td> </tr> <tr> <td>Excused <i>not voting</i></td> <td>Excused</td> </tr> </table> <p>Reconsideration</p> <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> <p>Reported correctly engrossed Signed by Speaker Sent to Senate</p> <p><i>[Signature]</i> CHIEF CLERK OF THE HOUSE</p>	PASS	Effective Date	Yeas 38	Yeas	Nays—	Nays	Absent 2	Absent	Excused <i>not voting</i>	Excused	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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Absent 2	Absent																					
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PASS	Effective Date																					
Yeas	Yeas																					
Nays	Nays																					
Absent	Absent																					
Excused	Excused																					

HISTORY IN THE SENATE

1980	3 7	Read first time and referred to Committee on <i>Finance</i>																				
		Reported back with recommendation that																				
		Read second time and																				
		Read third time and																				
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> <p>Reconsideration</p> <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> <p>Reported correctly engrossed Signed by President Returned to House</p> <p>SECRETARY OF THE SENATE</p>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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Excused	Excused																					

HISTORY IN THE HOUSE

19	Received from Senate
	Reported correctly enrolled
	Sent to Governor
	..... By Governor
	Filed with Lt. Governor
	Chapter No. ....

To: Senator Sackell

FROM: REP. MIKE MILLER  
HOUSE STATE AFFAIRS

BACK UP YOU  
REQUESTED FOR HCR53

1/14/80

Subject:

Ninilchik Wayside, Project No. 530444-1

Situation:

Subject wayside was upgraded with State and Federal funds during the 1979 construction season. Construction was interrupted just short of final completion on October 5, 1979 as a result of a 22.3 foot tide coupled with six foot waves striking the beachline at 5° left of perpendicular (waves were from N 60° W). Wind was recorded on site as SE at 8 mph. Another 21.9 foot tide with 5 foot waves occurred on October 8, 1979. Waves struck the beach at 10° right of perpendicular (waves from N 45° W) and the wind was recorded on site as North at 30 mph. Damage occurred as noted below to the beach portion of the wayside. Photos 1, 2, 3, and 4 are of the project prior to completion and prior to October 5, 1979.

General:

Reports are that the waves broke on the primary beachline and that the water carried on over the top of the elevated beach during the high tide in thin sheets and ran down its backside to the slough behind. Considerable damage appeared to have resulted to the primary beach itself through erosion of sand and beach grass from its face and deposition of sand inland along the backside of the beach berm. The water level in the slough (abandoned channel of the Ninilchik River) rose to an approximate elevation of 25.7 feet. Some portion of the high water of the slough resulted from the overwash but most probably entered through the abandoned mouth of the Ninilchik River which is at an approximate elevation of 23.2 feet. This abandoned mouth is south of park property approximately 900 feet and is located on borough property believed to be controlled by the school.

Damage:

Parking Lot

Construction efforts on the parking lot consisted of forming a low profile parking area from imported pit run gravel to minimize possible flood damage while still providing a stabilized base upon which to maneuver vehicles. Concrete bumpers and steel posts were also used instead of the typical wood designs again to minimize damage in case of flood. The parking lot was flooded both by the high water from the slough and the sheet overwash from wave action. High water from the slough was relatively calm and caused no damage to the lot. However, the sheet overwash (see photo #20) deposited sand on approximately 67% of the width of the parking lot for its entire length. Depth of deposition ranged from 0.1 feet to approximately 0.5 feet. A combination of deposition and scour occurred around approximately 75% of the 80 concrete bumpers and four steel pipes along the beach edge were undermined with two others also receiving erosion damage.

### Entrance Road

The previous 250 foot entrance road to the site was located on the beachline. New construction under this project consisted only of scarifying the existing road surface, widening approximately 2 to 4 feet on the inland side and topping with approximately 0.4 feet of pit run gravel. Widening did not occur on the beach side of the road (see photo #4 which was taken just prior to October 5 high-water). Wave action and overwash completely destroyed the entrance road. Photo #5 clearly shows this.

### Latrine #1

This structure was affected by both overwash and high water from the slough. Backwater from the slough was approximately three feet up on the building and the fiberglass vault flooded. The only damage which occurred was minor undermining of its concrete pads and the loss of crushed aggregate walkway material from around the structure. See photo #6 and #7. (Note: This latrine flooded again on October 8, 1979).

### Latrine #2

This structure is 2.8 feet higher in elevation than Latrine #1. During the peak high water on October 5, 1979 it too flooded from the high water of the slough but the only damage was to the gravel walkways. (Note: This latrine did not flood on October 8, 1979).

### Other Miscellaneous Facilities

Both bulletin boards were undamaged. However, we removed the one nearest to the beach and will relocate next season. Steel pipes delineating the edge of the cul-de-sac and the gate at this location were not damaged.

### Corrective Actions Taken After High Water On October 5 and 8, 1979:

- 1) Sand was cleaned off the parking lot and cul-de-sac areas and deposited in roughly the same location as the original entrance road only inland a few feet. The material was graded smooth for very little effort. Cost was approximately \$1000. Our in-house construction crew worked only very briefly on cleanup. Six parking units nearest the beach were abandoned though the concrete parking bumpers have yet to be removed.
- 2) Both latrines were pumped.
- 3) Four steel pipes and one bulletin board were removed.

### Subsequent High Water Problems & Resultant Damage:

On December 3 and 4, 1979 approximately 22 foot tides and 60-70 knot winds again hit the Ninilchik area. The only damage believed to have occurred to the wayside facilities was undercutting of the 250 foot entrance road, which lost approximately six foot of its width, and erosive damage to three or four steel pipes and erosion and undercutting of one of the previously abandoned parking stalls (see photos #7a and #15). It appears also that the primary beach between the parking lot and the water was further eroded.

North of the wayside, the existing beach spit road, which is located in front of Ninilchik Village and services the harbor and fisheries processing facility, received somewhat extensive erosion narrowing it to approximately 12 feet (see photo #'s 16 and 17). This road was not constructed by nor ever maintained by the Division. The property upon which it is located was recently ILMA'd to the Division as public recreation land.

**Recommendations:**

Prior to the formulation of recommendations we await a study of the frequency of flooding for the wayside area which is being conducted by the Corps of Engineers. This report should be completed within the next two weeks.

TO: F Chip Demerlein  
Director

DATE: February 11, 1986

FILE NO: 5501-59013

TELEPHONE NO.

FROM: Thomas A. Young  
Chief, Park Design and Construction

SUBJECT: Ninilchik Wayside

Our present plans for work at Ninilchik Wayside early this spring include the following:

- 1) Install water well in the upper campground area (approx. \$12,000 to \$16,000)
- 2) Fine-grade beach parking lot surface and dress up bumper logs. (approx. \$1,500)
- 3) Re-grade and compact 250 foot access road (approx. \$500)
- 4) Pump latrines and add fill around concrete pads on northerly latrine (approx. \$750)
- 5) Install all signs not previously installed (approx. \$250)

I recommend that our work be kept to a minimum because of the area's vulnerability to storm action. For this reason, I do not intend to add new gravel surfacing to the entrance road or latrine walkways. Such surfacing would cost approximately \$1,000 more. DOT/PF maintenance forces assisted us last year after the October storm by furnishing a road grader to withdraw sand on the parking lot. We then contracted to have the sand removed. I am hopeful that DOT/PF will again assist us by furnishing a road grader and roller for approximately five hours for items 2 and 3, above. Bill Rieth visited the site just last Friday and reports that the parking lot surface is still in relatively good shape but fine grading would be beneficial.

Our own construction crew will dress up bumper logs, add fill around latrine and install signs at an estimated cost of \$1,500. Latrines are planned to be pumped as a normal operations and maintenance function. However, contractual funds are slim and an additional \$500 would be helpful.

Present project balance is approximately \$15,000 which is sufficient to do the well. To be safe, we should have an additional \$2,000 to \$3,000 more for items 2 thru 5. Yearly maintenance costs could easily run this high and should be considered.

We have also experienced erosion along the trail/steps from the upper campground to the lower area. We are presently looking into this situation. Additional funds will probably be required.

# MEMORANDUM

TO: [Chip Dennerlein  
Director

DATE: 7 February, 1980

FILE NO: 5110

TELEPHONE NO: 274-4676

FROM: Thomas A. Young *TY*  
Chief, Design & Construction

SUBJECT: Contracts

<u>Project</u>	<u>Advertising Date</u>	<u>Bid Opening</u>
✓ Totem Bight Viewing Platform	1-23-80	2-22-80
Ninilchik Well	2-6-80	2-29-80
Deep Creek Boat Ramp	2-18-80 (estimated)	3-18-80 (estimated)
Chilkat Ranger Station	3-3-80 (estimated)	4-3-80 (estimated)
Mirror Lake Wayside	2-28-80	3-31-80

Original sponsor: Malone

Offered: 3/4/80  
Referred: Rules

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE CONCURRENT RESOLUTION NC. 53

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

Relating to the Ninilchik scenic

6

wayside.

7

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

8

WHEREAS the division of parks, Department of Natural Resources, has

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experienced complications while developing a scenic wayside near the

10

Ninilchik River; and

11

WHEREAS these complications include high tides, erosion, flooding, and a

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lack of appropriate state land;

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BE IT RESOLVED by the Alaska State Legislature that the governor is

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respectfully requested to direct the division of parks, Department of Natural

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Resources, to stop all beachsite work, except latrine maintenance, and

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solicitation for bids on the Ninilchik scenic wayside; and be it

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FURTHER RESOLVED that the governor is respectfully requested to direct

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development plan for the Ninilchik scenic wayside and submit it to the

20

community of Ninilchik for review at least 90 days before implementation of

21

that new development plan.

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Introduced: 2/18/80  
Referred: State Affairs

1 IN THE HOUSE

BY MALONE

2

HOUSE CONCURRENT RESOLUTION NO. 53

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

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WHEREAS these complications include high tides, erosion, flooding, and a

12

lack of appropriate state land; and

13

WHEREAS the division of parks is advertising for bids for the construc-

14

tion of a water well before the tourist season at the proposed Ninilchik

15

scenic wayside;

16

BE IT RESOLVED by the Alaska State Legislature that the governor is

17

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Resources, to stop all work and solicitation for bids on the Ninilchik scenic

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24

ment plan.

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# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James A. Smith  
Signature of Camera Operator

3/23/90  
Date

COMMITTEE REPORT  
SENATE

FURTHER: None

3/6/80

Date: \_\_\_\_\_

Mr. President:

*CSSR 394*

The Committee on FINANCE has had ~~SCR 55~~  
Urging Dept. of Revenue to recind its ruling relating to taxation of flight crew members

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back <sup>in attached</sup> without recommendation, *W. amend.*
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*Mr. Docket*  
\_\_\_\_\_  
*Mr. Ray*  
\_\_\_\_\_  
*Mr. [unclear]*  
\_\_\_\_\_  
*[unclear]*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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*Mr. [unclear] - No rec*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Mr. Docket*  
\_\_\_\_\_  
CHAIRMAN

A M E N D M E N T

OFFERED IN THE SENATE:

BY: Senate Finance Committee

TO: \_\_\_\_\_ SENATE BILL No. CS SB 394

HOUSE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 12

After "a" and before "commercial" insert "regularly scheduled".

Original sponsor: Rules/Governor

Offered: 3/24/80  
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 394

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act exempting the income of commercial airline  
7 flight crews from the Alaska net income tax; and  
8 providing for an effective date."

9

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

10

\* Section 1. AS 43.20.035 is amended by adding a new subsection to read:

11

(d) The income earned by a nonresident from personal services  
12 provided in Alaska as a member of a flight crew on a <sup>regularly scheduled</sup> commercial aircraft  
13 flying to, from, or in Alaska is exempt from taxation under this  
14 chapter.

15

\* Sec. 2. This Act is retroactive to January 1, 1976 and applies to tax  
16 years beginning after December 31, 1975.

17

\* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
18 070(c).

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MEMORANDUM

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TO: Senate Finance Committee Members

FROM: Garrey Peska  
Administrative Assistant

DATE: March 21, 1980

SUBJECT: Commercial Airline Flight Crew Exemption  
from Alaska Net Income Tax

---

The attached bill, SB 394, is being used as a vehicle for language requested by the Finance Committee on March 17, 1980, to replace the provisions of SCR 55.

SB 394, as originally introduced, contained the provisions of HB 684 concerning required bank participation on housing loans. HB 684 was signed into law by the Governor February 27, 1980, Chapter 4, SLA 80. All provisions of the original SB 394 have, therefore, been accomplished.

Original sponsor: Rules/Governor

*Fiscal note must be changed  
250,000 per yr. so 20 applies to this bill*

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 394

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting the income of commercial airline  
7 flight crews from the Alaska net income tax; and  
8 providing for an effective date."

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

10 \* Section 1. AS 43.20.035 is amended by adding a new subsection to read:

11 (d) The income earned by a nonresident from personal services  
12 provided in Alaska as a member of a flight crew on a <sup>regularly scheduled</sup> commercial aircraft  
13 flying to, from, or in Alaska is exempt from taxation under this  
14 chapter.

15 \* Sec. 2. This Act is retroactive to January 1, 1976 and applies to tax  
16 years beginning after December 31, 1975.

17 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.  
18 070(c).

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 7, 1980

The Honorable John Sackett  
Chairman  
Senate Finance Committee  
Room 522 - Capitol Building  
Juneau, Alaska 99811

Dear Senator Sackett:

Re: Senate Concurrent Resolution No. 55

Senate Concurrent Resolution No. 55, urging the Department of Revenue to rescind its ruling relating to the taxation of flight crew members, was referred on March 6, 1980 by the Senate State Affairs Committee to the Senate Finance Committee.

On March 5, 1980 copies of a Fiscal Note prepared by Gary Jenkins, Director, Audit Division, Department of Revenue were transmitted to the Senate State Affairs and Finance Committees concerning the costs of administration.

Enclosed is a copy of a further Fiscal Note prepared by Gary Jenkins, Director, Audit Division, Department of Revenue concerning the estimated loss of tax revenue.

Sincerely,



R. D. Stevenson  
Special Assistant

cc: Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Gary Jenkins, Director  
Audit Division  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

*(An act exempting the income of commercial airline flight crews from the Alaska net income tax, effective date.)*

I. REQUEST CS 50394  
 Bill/Resolution No. Senate Concurrent Resolution No. 55  
 Title Urging Department of Revenue to rescind its ruling relating to  
Request for taxation of flight crew members Date 3/6/80  
 Requested by: Senate State Affairs & Finance Committees

II. FISCAL DETAIL  
 Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ Fiscal Services \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_ Audit Division \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This resolution deals with the taxation of the employees of Alaska Airlines for the flight time they spend providing services in the State of Alaska. If we were to do what the resolution requests and not enforce our tax laws against the employees of Alaska Airlines, this would result in a revenue loss to the State in an estimated amount of \$250,000 to \$300,000 per year. Assuming the Legislature would intend us to apply it to all airline flight crews equally, the amount of total loss would approach an estimated \$500,000.

Federal legislation was recently passed which would limit our ability to tax airline crew members; however, we have not yet received a copy of the actual legislation to determine its exact effect on Alaska.

IV. DATE March 6, 1980 PREPARED BY *Gay Spink*  
 AGENCY Department of Revenue, Audit Division  
 Original: Legislative Finance PHONE 465-2320  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

COMMITTEE REPORT

SENATE

FURTHER: None

3/10/80

Date: \_\_\_\_\_

Mr. President:

The Committee on FINANCE has had SCR 55  
Urging the Dept. of Revenue to rescind its ruling relating to the taxation of  
flight crew members

under consideration and (a majority of the committee) (the committee)  
reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
CHAIRMAN

COMMITTEE REPORT  
SENATE

FURTHER:

Finance

2/28/80

Date: MARCH 5, 1980

Mr. President:

The Committee on STATE AFFAIRS has had SCR 55

Urging Dept. of Revenue to rescind its ruling relating to taxation of flight crew members

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- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

7  
 \_\_\_\_\_  
 1 Brad Bradley  
 \_\_\_\_\_  
 1 Tom Kell  
 \_\_\_\_\_  
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 \_\_\_\_\_

1 Bob Mulvey  
 CHAIRMAN

SCR 55

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.  
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COMMITTEE COPY

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Concurrent Resolution No. 55  
 Title Urging Department of Revenue to rescind its ruling relating to  
Request for taxation of flight crew members Date 3/4/80  
 Requested by: Senate State Affairs & Finance Committees

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected Fiscal Services  
 BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

<u>GENERAL FUND</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>FEDERAL FUNDS</u>						
<u>OTHER (Specify Fund Source)</u>						

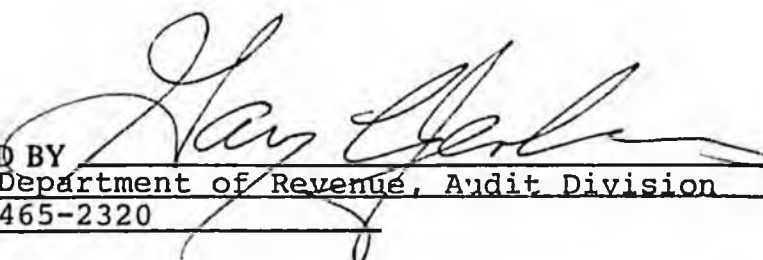
POSITIONS None

<u>FULL TIME</u>						
<u>PART TIME</u>						
<u>TEMPORARY</u>						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/4/80.

IV. DATE March 4, 1980

PREPARED BY   
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320

Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

STATE  
of ALASKA

## MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: March 4, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: SCR No. 55

The intent of this resolution is to urge the Department of Revenue to rescind its position on the taxation of airline flight crews. While the department clearly could rescind its ruling, that act in itself would have no effect on the issue of taxation of the flight crews. A flight crew member, like any other individual who provides services in this state, is clearly subject to taxation by the State. A flight crew member is basically no different than a seaman or other individual whose job takes him/her out of the state on a consistent basis.

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#8248 - Vassar

<b>ALASKA STATE LEGISLATURE</b>	
ELEVENTH ..... Legislature	SECOND ..... Session
SENATE, CONC. RESOL. NO. 55 ..... NO. ....	
By THE JUDICIARY COMMITTEE	
Urging the Department of Revenue to rescind its ruling relating to the taxation of flight crew members.	
Introduced in the Senate <u>2/25/</u> 80 ....., 19....	

HISTORY IN THE SENATE													
19 80	Read first time and referred to Committee on State Affairs and Finance												
2 28	Reported back with recommendation that <i>to Finance</i>												
3 6													
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	<table border="0"> <tr><td colspan="2">Reconsideration</td></tr> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by President Sent to House												
SECRETARY OF THE SENATE													

HISTORY IN THE HOUSE													
19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by Speaker Returned to Senate												
CHIEF CLERK OF THE HOUSE													

HISTORY IN THE SENATE	
19	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. ....

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 5, 1980

The Honorable Bob Mulcahy  
Chairman  
Senate State Affairs Committee  
Room 514 - Capitol Building  
Juneau, Alaska 99811

Dear Senator Mulcahy:

Re: Senate Concurrent Resolution No. 55

Senate Concurrent Resolution No. 55, urging the Department of Revenue to rescind its ruling relating to the taxation of flight crew members, was introduced in the Senate on February 28, 1980 and was referred to the Senate State Affairs and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Gary Jenkins, Director, Audit Division, Department of Revenue concerning the Resolution.

Sincerely,

R. D. Stevenson  
Special Assistant

cc: The Honorable John Sackett  
Chairman  
Senate Finance Committee

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Gary Jenkins, Director  
Audit Division  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Concurrent Resolution No. 55  
 Title Urging Department of Revenue to rescind its ruling relating to  
Request for taxation of flight crew members Date 3/4/80  
 Requested by: Senate State Affairs & Finance Committees

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected Fiscal Services  
 BRU, Program, or Subprogram(s) Affected Audit Division  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

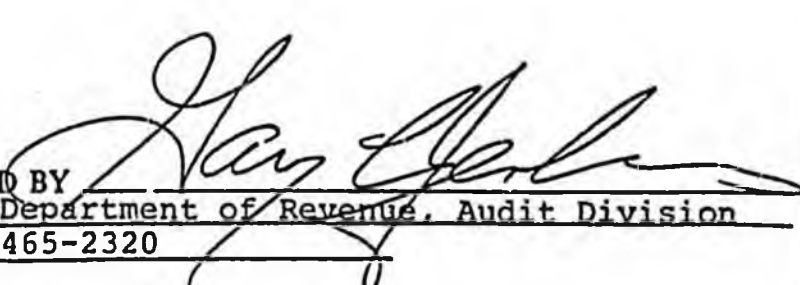
POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/4/80.

IV. DATE March 4, 1980

PREPARED BY   
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320

Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

STATE  
of ALASKA

## MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: March 4, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: SCR No. 55

The intent of this resolution is to urge the Department of Revenue to rescind its position on the taxation of airline flight crews. While the department clearly could rescind its ruling, that act in itself would have no effect on the issue of taxation of the flight crews. A flight crew member, like any other individual who provides services in this state, is clearly subject to taxation by the State. A flight crew member is basically no different than a seaman or other individual whose job takes him/her out of the state on a consistent basis.

The position stated in Revenue Ruling No. 78-6 has been modified by a recently enacted federal law, PL 96-193, which provides airline employees cannot be taxed by a state unless the income from sources in that state is greater than 50% of their total income from providing flight services. The formula provided in the federal law is based solely on flight time and does not take into consideration other times in or out of the state providing other required services. We have not yet received a copy of the exact language of the statute but expect to receive it by March 7th. Based on that law, we will be amending our Ruling No. 78-6 to reflect the new requirements.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. Senate Concurrent Resolution No. 55  
 Title Urging Department of Revenue to rescind its ruling relating to  
Request for taxation of flight crew members Date 3/4/80  
 Requested by: Senate State Affairs & Finance Committees

II. FISCAL DETAIL  
 Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ Fiscal Services \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_ Audit Division \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
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300 CONTRACTUAL						
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700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

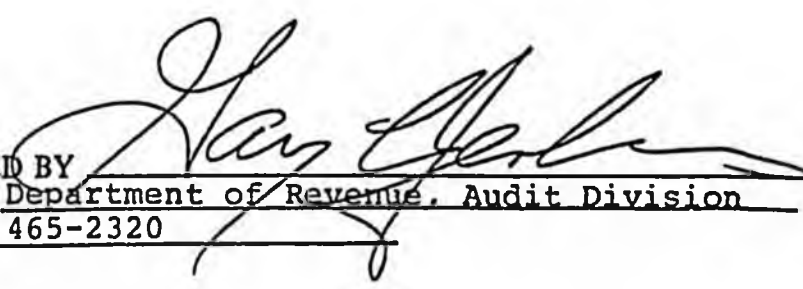
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/4/80.

IV. DATE March 4, 1980 PREPARED BY   
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

**CATEGORY:** GENERAL GOVERNMENT

**AGENCY:** REVENUE

**PROGRAM:** REVENUE COLLECTION AND MANAGEMENT

**BRU (s):** AUDIT; PETROLEUM REVENUE; ENFORCEMENT; TREASURY MANAGEMENT; ADMINISTRATION AND SUPPORT

All Department of Revenue BRU's in the Revenue Collection and Management cover program are included herein. A major emphasis on identifying the "invisible taxpayer" is planned in the FY 81 budget, primarily in the BRUs of Audit, Enforcement, and Administration and Support.

The goals of the Audit BRU are to achieve effective compliance by taxpayers with the tax laws of Alaska, and to raise revenues through an effective audit program. The Revenue Audit staff concentrates on corporate and individual income tax, estate taxes, excise taxes, business license tax, fisheries tax, mining license tax, and the issuance of permits for games or skill or chance.

The goals of the Petroleum Revenue BRU are to administer state taxes on oil and gas production, which includes the State oil and gas property tax, oil and gas production tax and the oil and gas corporate income tax, and also to coordinate with local governments also taxing that property. The Division of Petroleum Revenue also generates revenue estimates for the State of projected oil and gas related revenues.

The goal of the Enforcement BRU is to enforce the collection of taxes from all taxpayers in a fair and equitable manner. The Division is responsible for billing and collecting all delinquent tax accounts.

The goals of the Treasury Management BRU are to manage available funds for a maximum return consistent with statutory limitations; to place general bonded debt as needed for capital projects at minimum cost to the State; and to report the management of funds in accordance with current reporting standards. The Treasury Management Division works closely with the State Bond Committee in performing these functions. Fund management is centralized for the Public Employees Retirement Fund, the Teachers Retirement Fund, and the General Fund, as well as other special funds.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
AUDIT	2461.5	2530.6	2513.1	2691.6			3223.6
PETROLEUM REVENUE	1279.6	1240.1	1187.3	1435.0			1447.2
ENFORCEMENT	1196.5	1335.4	1324.7	1217.0			1366.3
TREASURY MANAGEMENT	1232.3	1227.9	1120.3	1357.1			1436.9
OFFICE OF THE COMMISSIONER	877.3	1077.4	1054.4	757.6			964.5
ADMINISTRATIVE SERVICES	1630.0	1783.7	1746.5	1773.6			2361.4
FISH AND GAME LICENSIN	572.1	580.6	531.6	259.0			298.0
** TOTAL	9249.3	9775.7	9477.9	9490.9			11097.9
** CHANGE VERSUS 80 AUTH							16.9%
OBJECT DESCRIPTION							
PERS. SERV.	6294.0	6685.5	6654.2	6784.4			7519.5
TRAVEL	336.8	333.8	316.3	315.7			419.6
CONTRACTUAL	2218.2	2320.1	2075.1	2031.5			2728.1
COMMODITIES	68.5	69.3	59.0	58.2			80.9
EQUIPMENT	23.5	58.7	65.3				37.0
LANDS/BLDGS	308.3	308.3	308.0	301.1			312.8
FUNDING SOURCE							
GENERAL FUND	8446.3	9040.7	8835.4	8956.9			10520.7
PGM RECEIPTS	308.0	240.0	217.5				577.2
OTHER FUNDS	495.0	495.0	425.0	534.0			
** GENERAL FUND CHANGE VS. 80 AUTH							17.4%
POSITIONS							
FULL-TIME	220.0	220.0	220.0	224.0			237.0
PART-TIME	8.0	8.0	8.0	8.0			21.0
TEMPORARY	14.0	14.0	14.0	13.0			
STAFF MONTHS	2715.1	2715.1	2715.1	2784.0			2944.2

STATE  
of ALASKA

## MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: March 4, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: SCR No. 55

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Ray,

"

" on a reg. sched. com  
account."

① Created: 1966.

10 yrs. ago.

Majority ~~to~~ voluntarily.



From The

**SENATE  
FINANCE COMMITTEE**

---

It's retro to '76  
because they audit  
back 3 yrs. and  
now are charging the  
crew for past 3 yrs. tax.

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

11th FLOOR  
STATE OFFICE BUILDING  
POUCH SA  
JUNEAU, ALASKA 99811

Telephone: (206) 622-7588

January 24, 1980

Steve Hatch  
18744 SE 2nd  
Issaquah, WA 98027

Dear Alaska Airlines Flight Crew Member:

The Alaska Department of Revenue is providing the following information to clear up recent misunderstandings about Flight Crew Alaska Income Tax liabilities.

In most instances, the flight crew member will owe Alaska Income Taxes even though the airlines did not withhold Alaska Income Tax from the crew member's wages. This is true because a Federal Public Law (91-569) allows state withholding only if the flight crew member lives in a state or earns more than 50% of his compensation in that state. However, this Federal law does not relieve the flight crew member of his income tax liabilities.

Alaska Statutes 43.20.011, 43.20.035, and 43.20.040 establish the taxability of wages earned in Alaska by all employees, both resident and nonresident alike. These statutes are as follows:

- (a) AS 43.20.011(a) states in part, "There is imposed for each taxable year upon the taxable income of every resident, nonresident and part-year resident individual and fiduciary of the state, except those qualifying for the rates (b) or (c) of this section, taxes computed according to the following table . . ."
- (b) AS 43.20.035(a) states in part, "The taxable income of nonresidents or part-year residents of this state is taxable income as determined under Sec. 31 of this chapter when attributable to sources in the state as provided in Sec. 40 of this chapter . . ."
- (c) AS 43.20.040(a) states in part, "In this chapter income from sources in the state includes . . . (2) Income of whatever nature from a business, trade or profession having a business situs in the state and compensation for services rendered in the state; . . . (b) In this section, income is from a source having a taxable or business situs in the state if it is derived from . . . (3) Working for salary or wages in the state; . . ."

An employee's services will be considered as having been performed in Alaska if performed over or within the three mile territorial limit surrounding the State of Alaska (specified in the Federal Statutes under The Submerged Land Act, Title 43, U.S. Code Sec. 1312).

Accordingly, all residents, nonresidents and part-year residents must file Alaska Individual Net Income Tax Returns for all years during which part of their income was derived from sources within Alaska. Nonresidents, and part-year residents must file on Form DR 600 PR. Residents of the State of Alaska must file a Form DR 600. The Department of Revenue requires that a copy of the individual's Federal Income Tax Return be attached to the Alaska Income Tax Return in order to constitute a proper filing (Authority: A.S. 43.20.030(d)).

Tax forms for current and prior years may be obtained at any of the taxpayer assistance offices listed below:

- 1) 770 United Airlines Building  
2033 6th Avenue  
Seattle, Washington 98121  
Phone: 622-7588
- 2) 11th Floor  
State Office Building  
Juneau, Alaska 99811  
Phone: 465-2333
- 3) 675 Seventh Avenue  
Fairbanks, Alaska 99701  
Phone: 452-1512
- 4) 103 State Office Building  
415 Main Street  
Ketchikan, Alaska 99901  
Phone: 225-4116
- 5) 201 East Ninth Avenue  
Anchorage, Alaska 99501  
Phone: 276-2678

If you need any assistance or have any questions regarding this matter, please contact the undersigned at (206) 622-7588. Your cooperation in this matter is appreciated.

Sincerely,

Maureen O'Brien  
Supervisor, Multistate Tax Unit

DR-33

STATE OF ALASKA-DEPARTMENT OF REVENUE

SUMMONS

In the matter of the tax liability of

Alaska Airlines, Inc.

PERIOD(S) Calendar years ended December 31, 1976 and December 31, 1977

THE ALASKA COMMISSIONER OF REVENUE

TO: Alaska Airlines, Inc.  
c/o C.T. Corporation System  
AT: 200 National Bank of Alaska Building, Juneau, Alaska

GREETING

You are hereby summoned and required to appear before Roger W. Stone, an officer of the Department of Revenue, to give testimony relating to the tax liability and/or the collection of the tax liability of the above named person for the period(s) designated and to bring with you and produce for examination the following books, records, and papers at the time and place hereinafter set forth:

Copies of federal forms W-2 furnished all employees for years ending December 31, 1976 and December 31, 1977.

Place and time for appearance:

At 11th Floor, State Office Building, Juneau, Alaska

\_\_\_\_\_ on the 22nd day of May

19 79 at 9:00 o'clock A. M.

Failure to comply with this summons will render you liable to proceedings in the Superior Court of the State of Alaska to enforce obedience to the requirements of this summons, and to punish default or disobedience.

Issued under authority of Alaska Statutes Section 43.05.040

this 26th day of April, 19 79

ORIGINAL

Signature:

N. David Ziemer

Title:

Chief, Audit Services

CERTIFICATE OF SERVICE OF SUMMONS

I hereby certify that I served the summons on the reverse hereof

DATE SUMMONS SERVED (Day, month, year)

APRIL 26 1979

TIME

9:30 AM.

HOW  
SUM-  
MONS  
WAS  
SERVED



I handed an attested copy hereof to the person to whom it was directed,

To Judy Hall, Secretary to CT Corporation, 1060 3rd Avenue, Anchorage, Alaska



Other (describe)

Check  
one

SIGNATURE

Thomas J. Fild

TITLE

Revenue Auditor

ALASKA STATUTES SECTION 43.05.040

(a) Inspection of records or premises and issuance of summons.

The department may examine the books, papers, records, or memoranda of any person to ascertain the correctness of a return filed or to determine whether a tax is due, or in an investigation or inspection in connection with tax matters. The records and the premises where a business is conducted shall be open at all reasonable times for official inspection, and the department may summon any person to appear and produce books, records, papers, or memoranda bearing upon tax matters, and to give testimony or answer interrogatories under oath respecting tax matters, and the department may administer oaths to persons who are so summoned.

(b) A summons may be served by the commissioner of public safety or a peace officer designated by him or by a person designated by the Department of Revenue. If a person who is summoned neglects or refuses to obey the summons issued as provided in this section, the department may report the fact to the Superior Court and the court may compel obedience to the summons to the same extent as witnesses may be compelled to obey the subpoenas of the court.

INSTRUCTIONS

The attested copy of the summons shall be given to the taxpayer.

The original of the summons, upon completion of Certificate of Service of Summons by the person serving it, should be returned to the Revenue office.

opinion on part of air carrier, in refusing passage, that presence of plaintiff on flight would be inimical to security and to safety of flight, inasmuch as carrier was entitled to accept at face value the oral and written representations made in regard to plaintiff by the Federal Bureau of Investigation a recognized and authorized police force of the United States government, and there was nothing on the face of the reports to put carrier on further investigation or inquiry. *Id.*

Test of whether an air carrier properly exercises its power under this section to refuse passage to an applicant or to ticket holder rests upon facts and circumstances of case as known to airline at time it forms its opinion and makes its decision, and whether opinion and decision are rational and reasonable and not capricious or arbitrary in light of those facts and circumstances. *Id.*

**3. Evidence**

Evidence established that air carrier's refusal to accept plaintiff as a passenger

on international flight from London, England, to Detroit, Michigan, was not because of his race or his political beliefs and that plaintiff was not deprived of a right which the air carrier would have accorded a person of a different race or a person who held different political beliefs. *Williams v. Trans-world Airlines, Inc.*, D.C.N.Y.1974, 369 F.Supp. 797, affirmed 509 F.2d 912.

**4. Damages**

Where carrier acted properly and reasonably in refusing passage to plaintiff on particular flight from London to Detroit, and any damage suffered by plaintiff because of his enforced stay in London and his delay in reaching Detroit was not attributable to any negligent or unlawful act or omission or any malfeasance on part of carrier, plaintiff was not entitled to recover against carrier for discrimination in refusal of transportation, nor for breach of contract, nor for false imprisonment. *Williams v. Trans World Airlines*, C.A.N.Y.1975, 509 F.2d 912.

**§ 1512. State or subdivision income tax withholding on compensation paid to interstate air carrier employees**

*Withholding where employee earns more than 50 per centum of compensation paid by carrier to him or where employee resident; filing of information return by carrier*

(a) No part of the compensation paid by any air carrier to an employee who performs his regularly assigned duties as such an employee on an aircraft in more than one State shall be withheld for income tax purposes pursuant to the laws of any State or subdivision thereof other than the State or subdivision wherein more than 50 per centum of the compensation paid by the carrier to such employee is earned: *Provided, however,* That if the employee did not earn more than 50 per centum of his compensation from said carrier in any one State or subdivision thereof during the preceding calendar year, then withholding shall be required only for the State or subdivision of the employee's residence, as shown on the employment records of any such carrier; nor shall such carrier file any information return or other report for income tax purposes with respect to such compensation with any State or subdivision thereof other than such State or subdivision of residence and the State or subdivision for which the withholding of such tax has been required under this subsection.

*State or subdivision where employee derives more than 50 per centum of compensation*

(b) For the purposes of subsection (a) shall be deemed to have earned 50 per centum of his compensation in any State or subdivision in which his State or subdivision is more than 50 per centum of his flight time in the calendar year while so employed.

**Definition**

(c) For the purposes of this section the District of Columbia and any of the States; and the term "compensation" shall mean the compensation for services rendered by an employee, as defined in this section in the performance of his duties and salary.

Pub.L. 85-726, Title XI, § 1112, as added, 23, 1970, 84 Stat. 1502.

**Historical Note**

Effective Date. Section effective Jan. 1, 1971, see section 5 of Pub.L. 91-502, set out as a note under section 20a of this title. p. 2

**Library Reference**

Taxation - 1160

**§ 1513. State taxation of air carrier employees**

**Prohibition**

(a) No State (or political subdivision, commonwealth of Puerto Rico, the Virgin Islands, the District of Columbia, the territories or possessions, or political agencies of two or more States) shall levy a tax, fee, head charge, or other charge, directly or indirectly, on any person engaged in air commerce or on the carriage of passengers, cargo, or mail in air commerce or on the sale of air transportation derived therefrom; except that any State or subdivision thereof, including the Commonwealth of Massachusetts, the District of Columbia, the Territory of Guam, the District of Columbia, the United States or political agencies thereof, may levy a tax, fee, head charge, or other charge on persons traveling in air commerce or on the sale of air transportation derived therefrom provided the gross receipts derived therefrom are exempt from the provisions of this subsection.

*PUB LAW # 91-569*

## STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

STATE OFFICE BUILDING

PCUEN SA - JUNEAU 99611

## ALASKA TAX RULING #78-5

SUBJECT: Taxation of airline employees.

SPECIFIC ISSUES:

The following issues will be dealt with in this ruling:

- (1) Is an airline employee who is an Alaska resident required to report all his/her income for Alaska State tax purposes even though his/her "tax home" is without the State of Alaska?
- (2) If an airline employee who is an Alaska resident has as his/her tax home (base of operations or originating station) a location which is away from his/her residence, are the travel expenses between the tax home and the residence deductible, and are the living expenses at either the Alaska residence or the tax home deductible in determining taxable income?

APPLICABLE LAW:

- (a) Alaska Statute 43.20.031(a) states in part, "The taxable income of a resident of the state is his entire taxable income as defined in Sec. 63 of the Internal Revenue Code . . ."
- (b) AS 43.20.340(17) states that "A 'resident' means an individual or natural person who during the taxable year has been domiciled in the state or has resided within the state for the entire year; . . ." (13) "'Domicile' means the place where an individual has his true, fixed, permanent home and principal establishment and to which place he has the intention of returning whenever he is absent for

- (c) Sec. 63 of the Internal Revenue Code states in part,  
 ; "(a) General Rule.—Except as provided in sub-  
 section (b), for purposes of this subtitle the term  
 . "taxable income" means gross income, minus the  
 deductions allowed by this chapter, . . ."
- (d) Sec. 162 of the Internal Revenue Code describes  
 business expenses allowed as deductions from gross  
 income. This code section is contained in the  
 chapter referred to in Sec. 63, set forth in (c) above.  
 Sec. 162 states in part, "(a) In General.—There  
 shall be allowed as a deduction all the ordinary  
 and necessary expenses paid or incurred during the  
 taxable year in carrying on a trade or business,  
 including - (1) . . . , (2) Traveling expenses  
 (including amounts expended for meals and lodging  
 other than amounts which are lavish or extravagant  
 under the circumstances) while away from home in  
 the pursuit of a trade or business . . ."
- (e) The Internal Revenue Service has consistently defined  
 "tax home" to mean principal place of business  
 employment or post of duty, regardless of where the  
 family residence is maintained. Court decisions have  
 generally supported this position and the Revenue  
 Service has established this definition of tax home  
 in Revenue Rulings 73-517, 71-247, and 60-189.

DISCUSSION:

- (1) Alaska Statute 43.20.031 clearly states that the  
 taxable income of a "resident" of the state (as defined  
 by Alaska Statute 43.20.340(17)) is his/her entire  
 income as defined by Sec. 63 of the Internal Revenue  
 Code. No language is contained in the statutes  
 exempting from a resident's taxable income, income  
 earned at a "tax home" outside of Alaska. Therefore,  
 for our purposes the concept of resident is very  
 simple. Either the individual was, or was not,  
 domiciled (or residing) in the state for the entire  
 calendar year.
- (2) An airline employee who is also an Alaska resident  
 may be faced with another question. If a resident  
 works from a base of operations (tax home) outside  
 Alaska, are the traveling or commuting expenses  
 between the Alaska residence and the "tax home"  
 outside Alaska deductible on the resident's tax  
 return? Also, are the meals and lodging expenses  
 incurred at either the Alaska residence or the  
 "tax home" outside of Alaska deductible on the  
 resident's tax return? In order for these expenses  
 to be deductible they must meet the qualifications

specified by Sec. 162 of the Internal Revenue Code - set forth in sub-paragraph (d) of the previous paragraph, namely:

- (a) They must be reasonable and necessary,
- (b) They must be incurred while away from home, and
- (c) They must be incurred in pursuit of a trade or business.

Generally, a taxpayer's "home" for purposes of Sec. 162(a) is held to be his place of business or employment, which is also referred to as his/her post of duty. If the taxpayer is away from his "tax home" overnight and incurs travel expenses which meet the above criteria, those expenses may be deducted on his tax return. Conversely, his meals and lodging expenses incurred at his "tax home" are not deductible. In unusual circumstances, such as are addressed in this ruling, an airline employee who is also an Alaska resident may maintain a permanent family residence in Alaska, away from his/her principal post of duty (tax home). The cost of meals and lodging at the Alaska residence are not allowed as a deduction, since the travel away from the principal post of duty is not in the pursuit of business. The travel expenses between the Alaska residence and the principal post of duty are also not deductible as they are commuting expenses. The travel expenses, to be deductible, must be incurred in connection with employment duties. The job, not the employee's pattern of living, must require the travel.

POSITION:

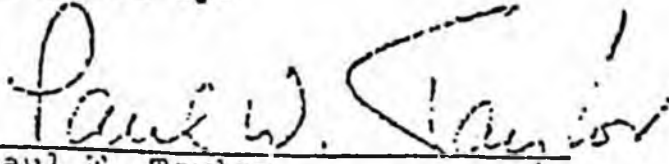
- (1) If the airline employee is an Alaska resident as defined in Alaska Statute 43.20.340(17), all of his/her income must be reported for State tax purposes, regardless of where his/her employer has specified that the "base of operations" or "reporting or originating station" is to be.

It should be noted also that Alaska Statute 43.20.061 allows a credit for taxes paid to another state on the employee's income which is also taxed in Alaska.

- (2) The Alaska resident would not be allowed a deduction for those commuting expenses or away from home living expenses (to the extent incurred at either the taxpayer's "base of operations" or his Alaska residence)

since the expenses are not first deductible under  
Section 162 of the Internal Revenue Code.

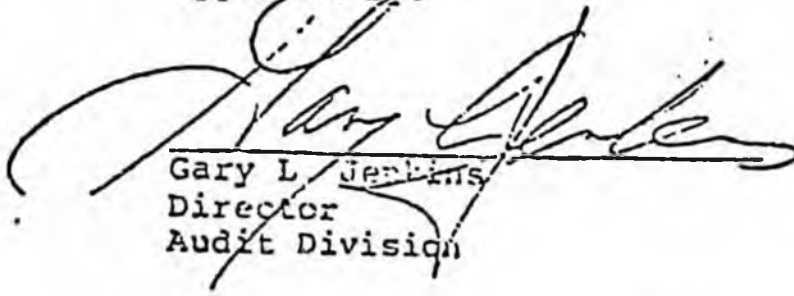
Prepared by:



Paul W. Taylor  
Revenue Field Auditor III

11-30-78  
Date

Approved by:



Gary L. Jenkins  
Director  
Audit Division

12-1-78  
Date

# STATE OF ALASKA

DEPARTMENT OF REVENUE

STATE OFFICE BUILDING

JAY S. HAMMOND, GOVERNOR

POUCH SA - JUN 20 55311

# 5

## ALASKA TAX RULING 778-6

SUBJECT: Taxation of airline employees.

SPECIFIC ISSUE:

Is a nonresident airline employee subject to individual income tax for services rendered within the State of Alaska and if so, how will the wages earned be attributed to Alaska?

APPLICABLE LAW:

Alaska Statutes 43.20.011, 43.20.035, and 43.20.040 establish the taxability of wages earned in Alaska by all employees, both resident and nonresident alike.

- (a) AS 43.20.011(a) states in part, "There is imposed for each taxable year upon the taxable income of every resident, nonresident, and part-year resident individual and fiduciary of the state, except those qualifying for the rates (b) or (c) of this section, taxes computed according to the following table . . ."
- (b) AS 43.20.035(a) states in part, "The taxable income of nonresidents or part-year residents of this state is taxable income as determined under Sec. 31 of this chapter when attributable to sources in the state as provided in Sec. 40 of this chapter . . ."
- (c) AS 43.20.040(a) states in part, "In this chapter income from sources in the state includes . . . (2) Income of whatever nature from a business, trade or profession having a business situs in the state and compensation for services rendered in the state; . . . (b) In this section, income is from a source having a taxable or business situs in the state if it is derived from . . . (3) Working for salary or wages in the state; . . ."

DISCUSSION:

As the taxability of wages earned by a nonresident or part-year resident airline employee are established by Alaska Statute 43.20.035, the problem of determining the amount of income allocable to services performed in the state needs to be resolved.

Alaska Statute 43.20.040 does not define what "working for salary or wages in the state" means. Therefore, we must look outside the Alaskan statutes for an acceptable method of determining the amount of compensation earned by an airline employee for services performed in Alaska.

An identical problem was dealt with recently in Revenue Ruling 77-167 (I.R.B. 77-20, pg. 20) where an airline pilot's income earned both within and without the United States was allocated by comparing the hours of both flight and required preflight services performed in the United States to the total hours of such services. In this ruling, the pilot's wages were based on the number of hours spent performing flight services. The allocation of his wages for the United States income tax purposes was, however, based on a computation which included both flight and required preflight services. The procedure set forth in this Revenue Ruling appears to provide an acceptable format for determining the value of services performed in Alaska by airline employees.

POSITION:

An accurate record of the airline employee's hours of service shall be maintained by the employee, and an allocation of compensation for labor or personal services performed by the employee between Alaska and other areas shall be made by comparing the hours of service performed in Alaska and the total hours of service. The hours of service shall include actual flight time and also, both preflight and postflight services, including the following activities:

- (a) review and approval of flight plans;
- (b) checking weather data prior to the actual flight;
- (c) checking the physical structure of the aircraft;
- (d) running through an operational checklist of the onboard systems with the copilot and navigator and other related flight pre-clearances involving passenger lists and safety precautions;
- (e) briefing other flight crews upon change of crew at destination points;

- (f) completing entries to log books; and
- (g) securing the airplane, and checking with the maintenance crews concerning any problems noted during the flight.

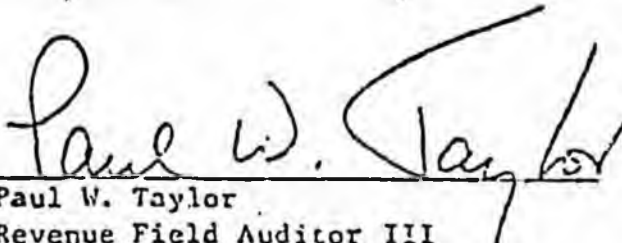
An employee's services will be considered as having been performed in Alaska if performed over or within the three mile territorial limit surrounding the State of Alaska (specified in the Federal Statutes under The Submerged Land Act, Title 43, U.S. Code Sec. 1312).

Withholding: Please note that the employer in these situations will be held responsible for all withholding taxes due the State of Alaska on these wages. Public Law 91-569 (Federal Aviation Act 1958-49 U.S.C., Title XI, Sec. 1112) governs the withholding requirements deemed necessary by any state on the compensation paid by any air carrier to its employees.

Withholding for the State of Alaska will be necessary if more than 50 percent of the airline employee's wages paid to him by his employer are for services performed in the State of Alaska.

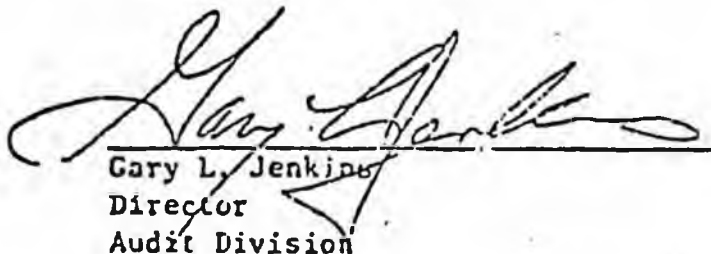
Withholding will also be required if the airline employee is a resident of the State of Alaska, and he or she is not having withholding taxes withheld for any other state, even though less than 50 percent of his/her wages are for services performed in the State of Alaska.

Prepared by:

  
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12-29-78  
Date

Approved by:

  
Gary L. Jenkins  
Director  
Audit Division

12-31-78  
Date

# STATE OF ALASKA

#6  
JAY S. HAYWOOD, GOVERNOR

DEPARTMENT OF REVENUE

STATE OFFICE BUILDING

POUCH SA - JUNEAU 99611

## ALASKA TAX RULING 978-7

SUBJECT: Taxation of airline employees.

SPECIFIC ISSUE:

Are airline employees whose domiciles are outside the State of Alaska, but whose wages or a portion of which are due to services performed in the State of Alaska, subject to the Alaska school tax?

APPLICABLE LAW:

Alaska Statute 43.45.010(a) states in part, "There is imposed a school tax of \$10.00 a year upon each person 19 years of age or older gainfully employed in the state . . ."

DISCUSSION:

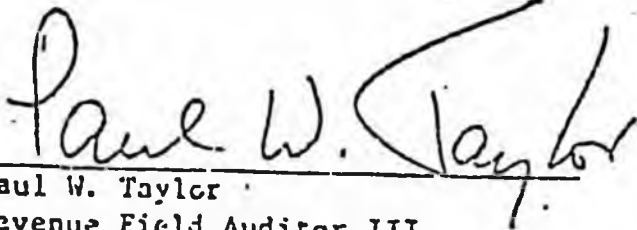
The crux of this matter is whether a person's domicile has any bearing on his/her liability for the school tax. The statute requires the assessment of the school tax on the gainful employment of each person in the state 19 years of age or older. The statute is silent, however, on the question of each person's domicile.

POSITION:

As the location of a person's domicile has no bearing on the liability for the Alaska school tax, the statute's language should be interpreted literally, and the school tax assessed on each airline employee's wages once they have performed services in the State of Alaska.

An employee's services will be considered as having been performed in Alaska if performed over or within the three mile territorial limit surrounding the State of Alaska (specified in the Federal Statutes under The Submerged Land Act, Title 43, U.S. Code Sec. 1312).


Prepared by:

  
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12-29-78  
Date

Approved by:

  
Gary L. Jenkins  
Director  
Audit Division

12-31-78  
Date



(2) The Administrator shall consider whether revocation of approval for any permit is required and approved under this section should occur for any violation of any rule or regulation promulgated hereunder.

(e) Regulations intended to be promulgated under this section shall be submitted to Congress within 30 days after the date of enactment of this Act.

The PRESIDING OFFICER. Will the Senator suspend until we have order in the Chamber?

The Senator from North Carolina.

Mr. MORGAN. Mr. President, the Senate is by now familiar with the problem of harassment of passengers at National and Dulles Airports by so-called religious groups and so-called nonprofit groups.

The key to resolving this problem is FAA-creation of reasonable regulations to manage the solicitation of money and distribution of materials by individuals or by nonprofit and religious organizations.

The reality is that other airports have seen fit to create moderate, specific regulations to allow proper exercise of first amendment rights, while protecting the ability of passengers to move freely and unhindered through public facilities.

Many cases have held that the right to engage in first amendment activity is necessarily subject to reasonable regulation as to time, place, and manner. For example *Wolm v. New York Port Authority*, 392 F. 2d 63 (2nd Cir. 1968).

The leading case of *Cantwell* against Connecticut, a ruling by the Supreme Court, noted that regulation of religious activities may deal with the times, the places, and the manner of soliciting upon the streets, and of holding meetings thereon; and may in other respects safeguard the peace, good order, and comfort of the community, without unconstitutionally invading the liberties protected by the 14th amendment.

These principles have been consistently reaffirmed in court decisions, but the FAA has failed to act, based on a decision regarding distribution of materials by a Ralph Nader organization.

This amendment would direct the FAA to act and submit regulations, which take into account constitutional limits, within 30 days of the effective date of this act.

The amendment calls for specific consideration by the FAA of regulations to require registration by individuals or organizations wishing to solicit donations or distribute information; the appointment of a representative to work with the FAA; prohibitions on harassing or intimidating persons within the airports; a permit licensing system; and a limitation on the numbers of people soliciting and on their areas within the airports.

These are reasonable and, to my reading, constitutionally permissible.

Mr. President, I wish to add the Senator from West Virginia (Mr. RANDOLPH) as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I have discussed this amendment with the Senator from North Carolina. It is a good amendment. This is an annoyance which

creates discomfort for a lot of people in and around the airport. I believe the amendment meets the tests insofar as the court determinations are concerned requiring the FAA to set forth reasonable regulations and giving them some guidelines.

Mr. President, I am willing to accept the amendment.

Mr. STEVENS. Mr. President, on behalf of the minority, I am also willing to accept the amendment.

Mr. CANNON. I yield back the remainder of my time.

Mr. MORGAN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

UP AMENDMENT NO. 116

(Purpose: To exempt the employees of air carriers from the payment of income taxes in State or subdivisions thereof other than the State or subdivision thereof of the employee's residence)

Mr. HUMPHREY. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an unprinted amendment numbered 116.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, line 6, insert the following:

"Sec. 402. Section 1112 of the Federal Aviation Act of 1958 is amended to read as follows:

(a) No part of the compensation paid by an air carrier to an employee who performs his regularly assigned duties as such an employee on an aircraft in more than one State, shall be subject to the income tax laws of any State or subdivision thereof other than the State or subdivision thereof of such employee's residence.

(b) For the purposes of this section the term "State" also means the District of Columbia and any of the possessions of the United States, and the term "Compensation" shall mean all moneys received for services rendered by the employee in the performance of his duties and shall include wages and salary.

"Sec. 403. That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading "Title XI—Miscellaneous" is amended by striking the item designated as "Sec. 1112" and inserting in lieu thereof:

"Sec. 1112. Exemption of certain compensation of employees for income tax purposes for other than State or subdivision of residence."

VISIT TO THE SENATE BY FORMER SENATOR NORRIS COTTON

Mr. HUMPHREY. Mr. President, I ask unanimous consent to proceed out of order for a brief moment to acknowledge the presence of a former Member of this body.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I would like to bring to the attention of my colleagues that we are privileged to have with us today, now here at my humble desk, one of the most highly esteemed Members of this body until 4 years ago, an dwho remains a fine Member in the hearts of many of us, Senator NORRIS Cotton of my home State of New Hampshire.

In New Hampshire he served for many years as the majority leader of the house and later on as the speaker of the house before coming to Washington to serve us here in Congress in both Houses for some nearly 30 years.

Mr. President, I cannot tell you how much pride I have to be sitting here next to this great man. I invite all of my colleagues to come to the Chamber and say hello to Senator Cotton. I believe he would be made very happy by that.

AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

The Senate continued with the consideration of S. 413.

Mr. HUMPHREY. Mr. President, it seems certain States are attempting to tax the earnings of members of aircrews who are not residents of their States, to impose an income tax on those persons even though they do not reside in the State. They are attempting to levy this tax. As a matter of fact, the situation has reached the point now that some States are proposing to tax the earnings of aircrews in proportion to the amount of time an airplane may have spent in the airspace of that State, irrespective of whether or not the member of the aircrew resides in that State.

So we are reaching a pretty ridiculous situation.

My amendment would amend the Federal Aviation Act of 1958 such that States would be prohibited from taxing income of members of aircrews unless they live within the boundaries of that State.

I have discussed this amendment with the floor leaders and they have agreed to accept it. As a matter of fact, Senator CANNON tells me that the intent of that act of 1958 was to prohibit this very sort of thing. Unfortunately, there was a little loophole left in the act. The act stated that taxes could not be withheld in States, and the States are using that as a loophole.

Now we propose to close this loophole by saying that the States may not tax a member of an aircrew unless he lives within that State.

Mr. STEVENS. Will the Senator yield?  
Mr. HUMPHREY. Yes.

Mr. STEVENS. I certainly would agree with the Senator's amendment if it is limited to compensation derived from activity as an airline pilot. Some of the brethren of the Senator's profession have been very successful and own some lodges and other things up my way. I think if they earn income other than from flying they should pay some to the State in which the income is derived. But if it is income derived from the occupation of an airline pilot, I certainly agree. Is the amendment so limited?

Mr. HUMPHREY. Yes; as a matter of

fact, the language states: "No part of the compensation paid by an air carrier to an employee who performs his regularly assigned duties," et cetera.

Mr. STEVENS. I am happy to support the amendment.

Mr. CANNON. Mr. President, I have discussed this amendment with the Senator. We attempted to correct this problem a few years ago and at that time in conference the language was changed to make it none of the compensation could be withheld or subject to State withholding. But it certainly clearly was the intent of this body that they not be subject to taxation. I think this clarifies the law in that regard, and I am willing to accept the amendment.

I yield back the remainder of my time. Mr. HUMPHREY. I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to. Mr. CANNON. Mr. President, I do not know if there are other amendments. Senator STONZ, I thought, had an amendment.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CANNON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, I suggest the absence of a quorum on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

AMENDMENT NO. 181

(Purpose: To require the Administrator of the Federal Aviation Administration to prepare and put into effect comprehensive noise abatement plans for airports operated by the Administrator)

Mr. MATHIAS. Mr. President, I have an amendment at the desk which is numbered 181.

The PRESIDING OFFICER. The clerk will state the amendment. The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an amendment numbered 181.

Mr. MATHIAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:  
On page 25, insert the following after line 4:

TITLE V

COMPREHENSIVE NOISE ABATEMENT PLANS

Sec. 601. Section 611 of the Federal Aviation Act of 1958 is amended by inserting the following at the end thereof:

"(f) The Federal Aviation Administrator shall, for each airport which he operates, after consultation with the Environmental Protection Agency—

"(1) prepare a comprehensive aircraft noise abatement plan, which shall (A) be based

on an integrated approach to his proprietary and air traffic control functions, (B) take into consideration all measures discussed under the heading of 'Additional Federal Action' and 'Protecting the Airport Environment' as subsections C and D of section III of part 2 of the Department of Transportation's 'Aviation Noise Abatement Policy' published November 19, 1976, and (C) be designed to minimize the aircraft noise impact of such airport's use, consistent with safety.

"(2) publish such comprehensive aircraft noise abatement plan in the Federal Register in draft form within 180 days of the date of enactment of this subsection, permitting a period of 120 days thereafter for citizens and local governments to hold public hearings and make comments thereon, and publish such final comprehensive aircraft noise abatement plan in the Federal Register not later than 330 days after such date.

"(3) within 75 days of such date, after notice and evidentiary hearing, adopt for each such airport procedures and regulations mandatory on all concerned including Federal Aviation Administration personnel, implementing such aircraft noise abatement plan.

"(4) establish and maintain an aircraft noise monitoring program at each such airport, publishing the results thereof at least semiannually, and

"(5) review annually thereafter each aircraft noise abatement plan in light of its monitored results and any technological or other relevant developments, and, after consultation with the Environmental Protection Agency and with the affected local governments, adopt such changes in the plan and in the mandatory procedures and regulations implementing it as the Federal Aviation Administration determines, after notice and hearing, to be in the public interest, bearing in mind his responsibilities as set forth in subparagraph (1)."

Mr. MATHIAS. Mr. President, this amendment is a fairly simple and direct one. It directs the Federal Aviation Administration to develop and implement a comprehensive noise abatement program for the two airports that it operates: One, the National Airport in Arlington, Va.; and, two, the Dulles Airport in Chantilly, Va.

It directs the FAA to tailor a noise abatement plan for Dulles and for National that would deal with several important areas such as aircraft operating procedures on landing and takeoff; the reduction of incompatible land use adjacent to the airport; and the cooperation of State and local governments to help devise land use programs.

This is in response to public concern, of which the Senate must take notice.

Residents of Maryland, Virginia and the District of Columbia have found the increasing noise problem a serious invasion into their lives.

I point out, Mr. President, that these residents are not like those we may find in some parts of the world who have built their houses at the very end of a runway and then, after the house is completed, and they move in, they complain about the aircraft noise.

In the case of the Washington metropolitan area, the residents of the area have lived in their homes for many years. In some cases they have lived in residential areas long preceding the age of aviation. Yet they find they are increasingly bombarded by the noise of aviation.

Citizens of the District of Columbia are equally made uncomfortable, challenged in the peaceful occupation of their homes by the increasing noise traffic.

The most severe and the most persistent aircraft noise problems are associated with flights into and out of the Washington National Airport. The average day in Washington involves 600 aircraft operations, 60 operations an hour, 1 a minute, which is truly an astounding figure, and that volume is so great that it certainly has within it a potential of disaster.

This bill simply does, Mr. President, what the courts have already done, but without effect. It orders FAA to bring some rational plan into operation which, consistent with air safety, would make life a little better for the people of Maryland, the people of Virginia, and the people of the District of Columbia.

I see the distinguished chairman is on his feet. Perhaps he would like to comment in this regard.

Mr. CANNON. Mr. President, I yield myself 3 minutes.

Mr. President, I say to the Senator that we are very aware of the noise problems that are existing at National and Dulles. We have tried to do something about it in this particular bill, S. 413.

As a matter of fact, in section 105, we provide that the Secretary, acting through the Administrator of the Federal Aviation Administration, after consultation with officials of any agencies or planning agencies in the area surrounding the airport, which would require they have to consult with the officials in the area around National, the officials in the area around Dulles, shall then prepare a noise impact map of the noise compatibility program for the airport.

We specifically require that with respect to National and Dulles, and that the map and program shall be prepared and published in accordance with the requirements of this act no later than 1 year after the effective date of the regulations promulgated in accordance with section 102 of this act.

We have some other provisions in there that say that any person who acquires property or an interest therein after the date of enactment of the act in an area surrounding an airport with respect to which a noise impact map has been submitted, as we require here, no such person should be entitled to recover damages with respect to the noise attributable.

So we are trying to put the people on notice that they should not build under the runways, as Senator GOLDWATER indicated earlier, and we are requiring the study in both of these instances.

So I think the bill, as it now stands, meets the objectives that Senator MATHIAS intends by his amendment.

I would say that if he feels there is something we ought to consider that we have not considered in the act, if he would point that out to us either in a separate bill or separate letter, we would certainly consider it in one of our future hearings to see if all his points with

February 13, 1980

Senator Robert H. Ziegler  
Room 107  
State Capitol Building  
Pouch V  
Juneau, Alaska 99801

Dear Bob:

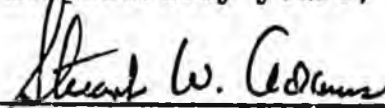
Reference the State Department of Revenue Tax Rulings #78-5, #78-6 and #78-7 Taxation of Airline Employees by the State Department of Revenue Field Auditors, I want you to know that I strongly protest this decision on their part or anyone else's part to tax Alaska Airline pilots who are based at and living in Seattle on their earnings while flying over or in and out of the State of Alaska. I believe this is grossly unfair and unjustified and smacks of harassment of interstate commerce.

Most of our pilots are true Alaskans at heart, having lived and worked and raised families in Alaska for many years during the time it was both a Territory and a State. We helped to pioneer and develop aviation in Alaska.

Needless to say, we have also done our bit to develop and promote tourism in Alaska through our many personal contacts. We have always taken pleasure in flying tourists to this Great Land and pointing out with great pride to them our breathtaking Alaska scenery and bits of Alaskan history. These people are tourists - Alaska's second greatest industry. They bring money and they spend it in the state.

Tell me, is the State Treasury with its tens of millions in oil revenues in such bad shape they really need to levy a tax on Alaska Airlines flight crews??

Respectfully yours,

  
Stuart W. Adams  
First Officer  
Alaska Airlines

F. S.

These are the very same crews that promote your tourism industry!!

*From letter  
Muller 2/19.*

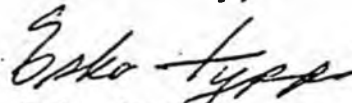
February 12, 1980

Senator Robert Zeigler  
Alaska State Senate  
Juneau, Alaska 99801

Dear Senator Zeigler:

I am writing to urge you to vote for the passage of the bill that would relieve Alaska Airlines' flight crews from paying Alaska State Income Tax even though they do not reside in Alaska. We do not believe anyone should be forced to pay taxes to a state in which they do not reside and where they would receive no benefits from the tax.

Yours truly,



Esko Typpi  
21420 - 30th S.  
Seattle, Wash. 98188

*form letter  
mailed 2/19  
3/1/80*

2ND OFFICER KEN JACOBSEN  
120 HIGHWOOD DR SOUTHWEST  
153AQUAH WA 98027



Mailgram®



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ROBERT ZIEGLER  
POUCH 5 STATE CAPITOL  
JUNED AK 99311

NOTE AGAINST EXCESSIVE TAXES AND TAXATION WITHOUT REPRESENTATION  
EXEMPT OUT OF STATE ALASKA AIRLINE CREW MEMBERS FROM ALASKA INCOME  
TAX

2ND OFFICER KEN JACOBSEN

1503 EST

3. COMP M3M

*from caller  
mailed 1/19  
3/1/80*

February 10, 1980

Alaska State Senator Robert Ziegler  
Alaska State Capitol, Room 107  
Juneau, Alaska 99811

Dear Bob

I received a letter from the State of Alaska Department of Revenue dated January 24, 1980, regarding my owing Alaska income tax.

I am employed with Alaska Airlines as a flight officer on the Boeing 727 based in Seattle, Washington. I am now a resident of Washington.

United States federal law 1512 states "No part of the compensation paid by any air carrier to an employee who performs his regularly assigned duties as such an employee on an aircraft in more than one State shall be withheld for income tax purposes pursuant to the laws of any State or subdivision thereof other than the State or subdivision wherein more than 50 per centum of the compensation paid by the carrier to such employee is earned: PROVIDED, HOWEVER, That if the employee did not earn more than 50 per centum of his compensation from said carrier in any one State or subdivision thereof during the preceding calendar year, then withholding shall be required only for the state or subdivision of the employees residence, as shown on the employment records of any such carrier; nor shall such carrier file any information return or other report for income tax purposes with respect to such compensation with any State or subdivision thereof other than such State or subdivision of residence and the State or subdivision for which the withholding of such tax has been required under this subsection."

According to information heard; Alaska will tax on 100% of my salary; although my flights may be in the States of Washington, Oregon, California, Nevada, etc.

The Alaska Airlines pilots have figured a break down in Alaska and non-Alaska flying. Alaska flying 11790; non-Alaska 20250. Sixty-three percent is outside the State of Alaska.

So..it is taxation without representation and/or discrimination.

1 DISCRIMINATION:

Do the following pay Alaska income tax? All or a portion is derived income from the State of Alaska.

United States Senator Ted Stevens

United States Senator Mike Gravel

United States Congressman Don Young

Alaska State Trooper based in Seattle

Alaska Department of Revenue, United Building, Seattle  
Alaska Marine Highway System, Seattle  
Lyndon Transfer  
Traveling salesmen  
Fishermen  
Employees on cruise ships to SE Alaska  
Airlines: NW, PAA, WAL, SAS, JAL, KAL, KLM, BOAC  
Air India, Air France, LUF, and Wein pilots  
with a Seattle base.

Have all of the above pay or been contacted regarding paying this income tax? If not..this is discrimination.

#### TAXATION WITHOUT REPRESENTATION

If we are to be taxed on 100 percent salary, then I should be entitled to the same benefits as the residents within the State of Alaska.

1. Alaska longevity bonus (if taxed and not residing in State; then do not have to reside in State to collect.
2. Workmens compensation
3. Alaska Pioneer Home
4. Resident hunting and fishing license
5. Alaska drivers license
6. Nomut of state tution for my daughter to attend University of Alaska.

Please, consider the above. Isn't it taxation without representation? Discrimination?

Sincerely



Harold E. Collins  
25426 35th Place South  
Kent, Washington 98031

Copy:

United States Senator Warren G. Magnuson  
United States Senator Ted Stevens  
United States Senator Mike Gravel  
United States Congressman Don Young  
Governor of Alaska Jay S. Hammond  
Alaska State Senator Robert Ziegler  
Alaska House Speaker Terry Gardiner  
Alaska State Congressman Oral Freeman  
Alaska State Congressman Mike Miller

*form letter sent 2/19  
3/1/80.*

Feb. 13, 1980

To: Alaska State Congressman  
ZIEGLER, ROBERT H.

From: JAMES POLLEY

Dear Congressman,

I am a concerned Alaska Airlines flight crew member that is about to be burdened with another tax, the Alaska State Income Tax. I do not believe this is a fair tax to anyone living outside the state of Alaska. We serve your state with pride and are now about to be penalized for it. I am sure you and your fellow congressmen have weighed most of the inevitable ramifications. Taxing the truck drivers and ship personnel, salespersons from out of state, ect. ect., all without representation. This also opens up the question of the remaining states trying the same thing opening Pandora's box with no end in sight.

Probably the most important reason for not implementing this state tax law, as I see it, is that there will be a backlash on the residents of Alaska by higher airfares to and from Alaska. The flight crews will be negotiating for higher pay allowances to cover the higher costs from the taxes, the companies effected will need to cover the costs by raising airfares, therefore bringing the cost of this outrageous tax back to the Alaska state residents. Can the State of Alaska afford it? Can you or I? NO....

This certainly is not going to help the nation's economic problems and will tend to alienate the airline people from promoting travel to the State of Alaska, making the Alaska State Income Tax on non-residents a most negative tax.

The citizens of our country cannot continue to pay more and more taxes to support a bigger and bigger bureaucracy without a backlash or tax revolt. Believe me, a tax revolt has already began.

Please consider amending the income tax statute to read "non-residents of Alaska exempt from the state income tax including any retro-active years involved", for ever!

Sincerely,



Letter sent 2/21/80  
4.

February 13, 1980

The Honorable Robert H. Ziegler, Sr.  
State of Alaska  
Senate  
Pouch V, State Capitol  
Juneau, Ak 99811

Dear Senator Ziegler:

We ask your indulgence in a matter of grave concern to the flight crew members of Alaska Airlines.

Recent actions taken by the State of Alaska, Department of Revenue, clearly indicate their desire to once again impose taxation on flight crews flying over or into the state of Alaska. A letter from the Department of Revenue dated January 24, 1980 was issued to each individual crew member at his home address in Washington State (copy enclosed). Our names and residential addresses were obtained by a summons issued to Alaska Airlines, Inc. (copy enclosed) demanding copies of W-2 forms for the years 1976, 1977. It is interesting to note that the tax rulings (Alaska Tax Rulings 78-5, 78-6, 78-7) were not issued until December 31, 1978 (copies also enclosed). Federal Law 49-1512 (enclosed) addresses this taxation of non-residents, but has been misused due to a loophole. An amendment (#116, copy enclosed) will clarify this argument decisively. Alaska's own U. S. Senator, the Honorable Ted Stevens, makes this point very clear in the Congressional Record, dated May 1, 1979. This amendment is currently on President Carter's desk, awaiting his signature. The intent of the Federal Law 49-1512 (P.L. 91-569) was to exempt flight crews from being taxed over every state in which they flew; for obvious reasons. Indeed, it would become a physical impossibility to keep records and perform flight deck duties simultaneously.

Even though we as Alaska Airlines flight crew members live in your sister state to the south, and are not eligible as non-residents of the State of Alaska for legislative representation, we appeal to you on our behalf to intervene with legislation to exempt flight crews from this taxation. It would create undue burdens on family financial planning, and in most cases, the inability of an individual to pay the taxes retroactively back through 1976.

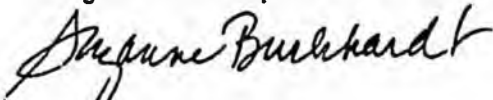
Rest assured that our employee group will continue to promote Alaska tourism and provide assistance to travelers both over and into Alaska as always.

In behalf of the Alaska Airlines employee group, I'd like to express our deep appreciation for your assistance in this matter.

Yours truly,



R. A. McKelvey  
Flight Crew Representative



Suzanne Burkhardt  
Flight Crew Representative

Encl.