

CHAPTER 20.

AN ACT

[S. B. 23]

To provide for a tax on mines and mining and to repeal Sub-section 14, of Section 3138 of the Compiled Laws of Alaska, 1933, as amended by Chapter 74, of the Session Laws of Alaska, 1935.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. Any person, firm or corporation, prosecuting or attempting to prosecute, or engaging in the business of mining in the Territory of Alaska, shall apply for and obtain a license and pay for such license for the said business of mining.

Mining
License Tax.

“Mining” as used in this Section, means any operation by which valuable metals, ores, minerals, asbestos, gypsum, coal, marketable earth or stone, or any of them, are extracted, mined or taken from the earth.

Definition.

The license tax on mining, with the exception of the mining of gold, platinum, palladium, osmium, iridium and any other metal or mineral belonging to the platinum or palladium group, shall be as follows:

Amount of Tax.
—Based upon
net income—
Exceptions
listed.

Upon all net income:

| | |
|--|------|
| Not over \$10,000 | 3¼% |
| Over \$10,000 and not over \$20,000 | 11¼% |
| Over \$20,000 and not over \$100,000.... | 13¼% |
| Over \$100,000 and not over \$150,000.. | 3 % |
| Over \$150,000 and not over \$250,000.. | 4 % |
| Over \$250,000 and not over \$500,000.. | 5 % |
| Over \$500,000 and not over \$750,000.. | 6 % |
| Over \$750,000 and not over \$1,000,000 | 7 % |
| Over \$1,000,000 | 8 % |

Defining
Net Income.

By "net income" is meant the cash value of the output of the mine, or mining operation, less the following deductions, viz.: (a) actual operating expenses; (b) repairs actually made; (c) royalties actually paid; and (d) by way of depreciation, 10% of the actual cost of permanent improvements actually made during the calendar year in, on, or about and to the benefit of the mine during the calendar year; provided, however, that said 10% depreciation on said cost may be taken not only during the calendar year in which the improvement is actually made but also during each of the nine calendar years immediately following the calendar year in which the improvement is actually made, until a total of, but not in excess of, 100% depreciation, at the rate of 10% per calendar year, is taken for said improvement; provided further, however, that no deduction shall be made or taken, as depreciation, or otherwise, on, of or for any betterment or improvement, or the cost thereof, which betterment or improvement was made prior to January 1, 1937; no deductions shall be made on account of depreciation of any mine, mining operation, ore reserve, equipment, machinery, or otherwise, except the aforesaid 10% depreciation on cost of improvements, actually made, as hereinbefore provided, nor shall any deduction be made for interest on bonds or on money borrowed, or other taxes paid. Provided, further, that the lessee of any mine or mining operation, in order to receive credit for royalties paid, must give, in his return of his own taxes hereunder, the name and address of the person or persons, association or associations, company or companies, to whom such royalties were paid and the amount of money or the percentage of the gross output paid to each such person, association or company.

Proviso.

Proviso.

Tax computed
on aggregate
income—from
all sources.

Where mining operations are conducted in two or more places by the same person, association or company, or affiliated association or company, such operations shall be treated as a single mining operation and

the tax hereunder shall be computed upon the aggregate income derived from all such mining operations; provided further, that the lessor of any mine operated under a lease shall be deemed to be engaged in mining within the provisions of this Act and the royalties received by him, shall be deemed to be the net income hereunder of his said mining operations, and, where such lessor receives royalties from more than one mine or mining operation, the tax, payable hereunder by such lessor, shall be computed upon the aggregate royalties received by such lessor from all such mines or mining operations as though they constituted a single mining operation.

Gold, Platinum, Palladium, Osmium, Iridium and any Other Metal or Mineral Belonging to the Platinum or Palladium Group. The license tax on all gold, platinum, osmium, iridium and any other metal or mineral belonging to the platinum or palladium group produced in any mine or mines in the Territory of Alaska, shall be 3% upon the cash value of the gross production in excess of Ten Thousand Dollars (\$10,000.00).

Certain minerals taxed on gross production basis.

By "gross production" is meant the total cash value of all of the products taken from any mine or mines.

Gross Production defined.

Section 2. Sub-section 14, of Section 3138 of the Compiled Laws of Alaska, 1933, as amended by Chapter 74, of the Session Laws of Alaska, 1935, is hereby repealed.

Repeal of conflicting acts.

Approved March 4, 1937.