

the mayor, or by such other city official as may be so authorized by the council. In such cities where the city manager obtains authority through council approval of a budget to incur needed city expenses, payments may be made in conformity with any requisition and purchase order system, or other proper administrative procedure which is approved by the council, without separate approval of the council as to each transaction or item involved.

Budget approval
by council
sufficient.

Emergency clause. Section 8. An emergency is hereby declared to exist and this Act shall take effect immediately upon its passage and approval.

Approved March 12, 1953.

CHAPTER 26

AN ACT

[C. S. H. B. 32]

To amend Section 35-1-31 (a) ACLA 1949, as amended by Chapter 64 SLA 1951, and Section 35-1-31 (b), (c) and (e) ACLA 1949, imposing a mining license tax; declaring an emergency, and making an effective date.

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

Section 1. Section 35-1-31 (a) ACLA 1949, as amended by Chapter 64, SLA 1951, is hereby amended to read as follows:

Section 35-1-31. MINING LICENSE REQUIRED: "MINING" DEFINED: AMOUNT OF TAX: DEPLETION ALLOWANCE: GROSS AND NET INCOME DEFINED: DEDUCTIONS: TAXES UPON ROYALTIES.

(a) Any person, firm or corporation, prosecuting or attempting to prosecute, or engaging in the business of mining in the Territory of Alaska during the calendar year 1947, and in all subsequent years, shall apply for and

obtain from the Department of Taxation, a license and thereafter pay for such license for the said business of mining.

License required.

“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. Provided, however, that all new mining operations shall be exempted from the tax levied by Section 35-1-31 ACLA 1949, as amended by this Act, for a period of three and one-half (3½) years from the date production begins.

“Mining” defined.

New operations exempted.

“New mining operations” as used in this section means mining operations which commenced production after January 1, 1953, or which have not been liable to pay a mining license tax hereunder on net income since January 1, 1948.

New mining operations” defined.

“Production” as used in this section means the date on which the initial shipment of products from mining operations is made.

“Production” defined.

The tax exemption herein granted new mining operations shall not extend nor apply to the mining of sand and gravel.

Tax exemption restriction.

For the purpose of administering this Act, the Territorial Commissioner of Mines shall certify to the Tax Commissioner, the date upon which production begins as herein defined; and the Tax Commissioner shall issue a certificate of exemption to the producer, accordingly.

Certification by Commissioner of Mines.

Section 2. Section 35-1-31 (b), (c) and (e) ACLA 1949 is hereby amended to read as follows:

Section 35-1-31 (b). The license tax on mining shall be as follows: Upon the net income of the taxpayer from the property in Alaska (computed with allowable depletion) plus royalty received in connection with mining property in Alaska.

Amount of tax.

Over \$10,000.00 and not over	
\$20,000.00:	3%
Over \$20,000.00 and not over \$50,000.00	
\$300.00 plus 4% of excess over \$20,000.00	
Over \$50,000.00 and not over \$100,000.00	
\$1500.00 plus 5% of excess over \$50,000.00	
Over \$100,000.00	
\$4000.00 plus 7% of excess over \$100,000.00	

Multiple operations treated singly.

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.

Aggregate royalties taxable.

Depletion allowance.

(c) The allowance for depletion included as an allowable deduction from gross income shall be, in the case of coal mines, 10 per centum, in the case of metal mines, fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc, lepidolite, spodumene, barite, ball and sagger clay, or rock asphalt mines, and potash mines or deposits, 15 per centum, and in the case of sulphur mines or deposits, 23 per centum, of the gross income from the property during the taxable year, excluding from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the prop-

erty. Such allowance shall not exceed 50 per centum of the net income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowable be less than it would be if computed on a reasonable cost basis.

(e) "Net income of the Taxpayer (computed without allowances for depletion) from the Property", means the "Gross income from the property" as defined in paragraph (d) less the allowable deductions attributable to the mineral property upon which the depletion is claimed and the allowable deductions attributable to the processes listed in paragraph (d) insofar as they relate to the product of such property, including overhead and operating expenses, development costs properly charged to expense, depreciation, taxes, losses sustained, etc., but excluding any allowance for depletion, and any deduction for Federal income taxes, or for the tax imposed by this Act. Deductions not directly attributable to particular properties or processes shall be fairly allocated. To illustrate: In cases where the taxpayer engages in activities in addition to mineral extraction in the Territory of Alaska and to the processes listed in paragraph (d), deductions for depreciation, taxes, general expenses, and overhead, which cannot be directly attributed to any specific activity, shall be fairly apportioned between (1) the mineral extraction and processes listed in paragraph (d), and (2) the additional activities taking into account the ratio which the operating expenses directly attributable to the mineral extraction and the processes listed in paragraph (d) bear to the operating expenses directly attributable to the additional activities. If more than one mineral property is involved, the deductions apportioned to the mineral extraction and the processes listed in paragraph (d) shall, in turn, be fairly apportioned to the several properties taking into account their relative production.

Apportionment
of operation
expense.

Section 3. EMERGENCY CLAUSE. An emergency

Emergency clause.

is hereby declared to exist, and this Act shall be in full force and effect from and after April 1, 1953.

Approved March 12, 1953.

CHAPTER 27

AN ACT

[H. B. 62]

Empowering the city council of cities of the first class to establish, maintain, and operate hospitals; and amending Section 16-1-35 ACLA 1949, as amended, by adding thereto sub-section Twenty-fifth.

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

Section 1. Section 16-1-35 ACLA 1949, as amended, is amended by adding thereto sub-section Twenty-fifth as follows:

Twenty-fifth: To establish, maintain, and operate hospitals for the care and treatment of the indigent, sick, injured, and maternity cases, and for this purpose the council may:

Hospitals
included.

Powers of council

(a) Purchase or lease real property therefor:

(b) Erect all necessary buildings, make necessary improvements and repairs, and alter any existing building for the use of said hospitals:

(c) Use monies raised by taxation, and take such other action as may be necessary to provide hospital facilities.

Approved March 12, 1953.