

Commissioner to collect, supervise, and enforce the collection of all taxes and penalties that may be due under the provisions of this Act. The Commissioner shall also have the power and authority to make and publish rules and regulations, not inconsistent with this Act, in conformity with the laws of this Territory, necessary and advisable for its detailed administration, to enforce the provisions thereof, and to collect the taxes, fees and penalties herein imposed.

Section 18. Criminal Penalties.

(a) Any person who shall file, or cause to be filed, with the Commissioner any false or fraudulent report or statement, or shall aid or abet another in so filing any false or fraudulent report or statement, with the intent to defraud the Territory or evade the payment of any tax, penalty, or interest, or any part thereof, which shall be due pursuant to the provisions of this Act, and any person who shall knowingly swear to or affirm any false or fraudulent statement with intent to evade the payment of any tax imposed by this Act, or who, being under oath, shall testify falsely at

any hearing held pursuant to the provisions of this Act, shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$1000, or imprisoned not more than one year, or both, at the discretion of the court.

(b) Any person who violates any of the provisions of this Act, otherwise than hereinabove specified, shall be guilty of a misdemeanor and be liable to a fine of not more than \$250 for each separate offense.

Section 19. Severability. The provisions of this Act shall be severable and if for any reason any sentence, clause, or section hereof shall be determined to be unlawful, the same shall not be held to effect any other section, or sections, or provisions herewith.

Section 20. Repeals. Chapter 42, Session Laws of Alaska 1949, as amended by Chapter 81, Session Laws of Alaska 1951, Chapter 112, Session Laws of Alaska 1951, and Chapter 34, Session Laws of Alaska 1953, are hereby repealed.

Section 21. This Act shall be in effect on and after July 1, 1955.

Approved March 28, 1955

CHAPTER 188

AN ACT

Relating to the Territorial income tax; amending Section 5 of Chapter 115, SLA 1949, as repealed and re-enacted by Chapter 132, SLA 1951,

and Sections 4 and 8 of Chapter 115, SLA 1949; and declaring an emergency.

(H. B. 185)

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

Section 1. Section 4 of Chapter 115, Session Laws of Alaska 1949, is amended to read as follows:

Sec. 4. Taxable Years to Which Applicable. The provisions of this Act shall apply (1) to the taxable years beginning January 1, 1955, and be applicable to the entire current year, including that part which has elapsed prior to the effective date of this Act; (2) to fractions of fiscal years ending in 1955 computed from January 1, 1955; (3) to taxable years beginning in 1955 and ending in 1956; and (4) to all ensuing taxable years; provided, that nothing herein shall be construed to affect any tax liability, or actions or causes of action incident thereto, which arose or might have arisen under Chapter 115, Session Laws of Alaska 1949, as heretofore amended, prior to January 1, 1955.

Section 2. Sub-sections A and B of Section 5, Chapter 115, Session Laws of Alaska 1949, as repealed and re-enacted by Chapter 132, Session Laws of Alaska 1951, are amended to read as follows:

Sec. 5. Tax on Individuals, Fiduciaries, Corporations and Banks.

A. General Rule. There is here-

by levied and there shall be collected and paid for each taxable year upon the net income of every resident and non-resident individual, fiduciary, corporation and bank, required to make a return and pay a tax under the Federal income tax law, a tax equal to twelve and one-half percent of the total income tax that would be payable for the same taxable year to the United States under the provisions of Chapter 1 (except subchapter D thereof) of the Internal Revenue Code upon all income derived from sources within the Territory, without benefit of the deduction of the tax payable hereunder to the Territory; provided, that any taxpayer whose income includes a cost-of-living allowance which is exempt from the Federal income tax shall determine the amount due hereunder as if such cost-of-living allowance had not been so exempt.

B. Income from Sources Within the Territory. Income from sources within the Territory, for the purposes of this Act, shall mean and include income from real or tangible personal property located in the Territory; income from a business, trade, or profession, and compensation from services rendered, within this Territory; income from stocks, bonds, notes, bank deposits, and other

intangible personal property having a business or taxable situs in the Territory; rentals and royalties for the use of, or for the privilege of using in the Territory, patents, copyrights, secret processes and formulas, good will, trade-marks, trade brands, franchises, and other like property having a taxable or business situs in the Territory; and income from intangible personal property located outside the Territory, including without limitation interest and dividends received by a resident of the Territory; provided, that "resident" as used herein means and includes natural persons domiciled in the Territory, domestic corporations, and firms or business organizations of any kind which are organized under the laws of and doing business in the Territory.

Section 3. Sub-section 8B of Chapter 115, Session Laws of Alaska 1949, is amended to read as follows:

B. Requirement of Withholding.
Every employer making payment

of wages or salaries shall deduct and withhold a tax in the amount of twelve and one-half percent of the tax deducted and withheld under the provisions of subchapter (D), Chapter 9 of the Internal Revenue Code, except that in the case of employees whose wage or salary includes a cost-of-living allowance which is exempt from the Federal income tax, the amount to be deducted and withheld hereunder shall be determined as if such cost-of-living allowance had not been so exempt. Every employer making a deduction and withholding as outlined above, shall furnish to the employee upon request a record of the amount of tax withheld from such employee on forms to be prescribed, prepared and furnished by the Tax Commissioner.

Section 4. An emergency is hereby declared to exist, and this Act shall be in effect on and after its passage and approval, or upon its taking effect without such approval.

Approved March 28, 1955

CHAPTER 189

AN ACT

Pertaining to the leasing of petroleum and natural gas in Alaska's public, tide and shore lands; and declaring an effective date.

(H. B. 216)