

tangible personal property. Sales, other than sales of tangible personal property, are in this state if:

(a) the income-producing activity is performed in this state; or

(b) the income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

(20) Determination of property and payroll factors for freight and passenger carriers. The value of vessels operating on the high seas and compensation of employees engaged in operating such vessels shall be apportioned to the state in the ratio which the number of days spent in ports within the state bears to the total number of days spent in ports within and without the state. The term "days spent in ports" shall not include periods when ships are tied up because of strikes or withheld from the Alaska service for repairs, or because of seasonal reduction of service. Days in port shall be computed by dividing the aggregate number of hours in all ports by 24. The value of aircraft and automotive vehicles operating as freight and passenger carriers from, to and within the state and compensation of employees engaged in such operations, shall be apportioned to the state in the ratio which the number of days during which such services are rendered with the state bears to the total number of days during which such services are rendered within and without the state.

(21) Apportionment by Commissioner of Revenue. If the allocation and apportionment provisions of this Subsection do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for or the Commissioner of Revenue may require, in respect to all or any part of the

taxpayer's business activity, if reasonable:

(a) the exclusion of any one or more of the factors;

(b) the inclusion of one or more additional factors which will fairly represent the taxpayer's business activity in this state; or

(c) the employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.

The Commissioner of Revenue is specifically authorized to use revenue miles traveled both within and without the state as a factor in apportioning the income of carriers, if in the opinion of the Commissioner of Revenue, the use of such factor would better represent the extent of the carrier's business activity in the state. The Commissioner of Revenue may promulgate proper apportionment rules and regulations in conformity with this Subsection for general application in similar cases. In the case of two or more organizations, trades or businesses owned or controlled directly or indirectly by the same interest, the Commissioner of Revenue is authorized to distribute, apportion, or allocate the tax where such action is necessary to prevent evasion of payment.

Sec. 2. Subsection D of Sec. 5, Ch. 115, SLA 1949 as repealed and re-enacted by Ch. 132, SLA 1951 is hereby repealed.

Sec. 3. Subsection E of Section 5, Chapter 115, SLA 1949, as repealed and re-enacted by Ch. 132, SLA 1951, is amended to read as follows:

**D. Exemption.** The tax levied hereunder shall not apply to the pay of members of the armed forces of the United States or auxiliary branches thereof.

Sec. 4. This Act shall take effect on January 1, 1960.

Approved May 4, 1959

## CHAPTER 176

### AN ACT

**Authorizing the Governor of Alaska to accept federal grants and transfers of prop-**

erty and to cover such grants into a special account; providing for the disposition of such grants; and providing for an effective date.

(C.S.H.B. 192)

**Be it enacted by the Legislature of the State of Alaska:**

Section 1. The Governor is hereby authorized to accept on behalf of the State of Alaska all federal grants and transfers of property of an emergency, transitional or omnibus nature upon such conditions as may be imposed by the federal government.

Sec. 2. All grants of money accepted under the provisions of this Act shall be covered into a special account which is hereby created within the general fund; said account to be designated as the Federal Transitional Grants Account.

Sec. 3. All chattels accepted under the provisions of this Act shall be subject

to the jurisdiction of the Department of Administration for distribution to the appropriate department.

Sec. 4. All lands accepted under the provisions of this Act shall be subject to the jurisdiction of the Department of Lands or its successor.

Sec. 5. All public buildings accepted under the provisions of this Act shall be subject to the jurisdiction of the Alaska Highway and Public Works Department or its successor.

Sec. 6. This Act shall take effect immediately upon its passage and approval or upon its becoming law without such approval.

Approved May 4, 1959

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CHAPTER 177

AN ACT

**Authorizing the Governor of Alaska to expend monies in the Federal Transitional Grants Account; and providing for an effective date.**

(C.S.H.B. 191)

**Be it enacted by the Legislature of the State of Alaska:**

Section 1. The Governor is hereby authorized to expend federal grants from the Federal Transitional Grants Account on an emergency basis during the interim between the regular sessions of the First State Legislature. Such interim expenditure of federal grants shall be made only for the programs and functions that were intended by the Congress of the United States in making the grants, whether or not the grants are so

conditioned.

Sec. 2. The intent of the Congress of the United States in establishing the amounts of any such grants shall govern the expenditure of the grants under this Act, insofar as Congressional records, journals and committee reports indicate such Congressional intent.

Sec. 3. This Act shall take effect immediately upon its passage and approval or upon its becoming law without such approval.

Approved May 4, 1959

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CHAPTER 178

AN ACT

**Relating to the use of State-owned vehicles; providing for rules and regulations providing exemptions; providing for penalties; and providing for an effective date.**