

CHAPTER 55

AN ACT

Relating to the net income tax; amending Subsec. A of Sec. 5, Ch. 115, SLA 1949 as last amended by Ch. 181, SLA 1957; amending Subsec. B of Sec. 8, Ch. 115, SLA 1949 as last amended by Ch. 21, SLA 1959.

(H.B. 40)

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

Section 1. Subsec. A of Sec. 5, Ch. 115, SLA 1949, as repealed and re-enacted by Ch. 132, SLA 1951, as amended by Ch. 188, SLA 1955, as repealed and re-enacted by Ch. 64, SLA 1957, and as amended by Ch. 181, SLA 1957, is amended to read:

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

A. General Rule. There is hereby levied and there shall be collected and paid for each taxable year upon the net income of every resident and non-resident individual, fiduciary and bank required to make a return and pay a tax under the Federal Income Tax law, a tax equal to 16 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 of subtitle A of the 1954 Internal Revenue Code, Public Law 591, 83rd Congress, 2nd Session, as amended, upon all income derived from sources within the state, without benefit of the deduction of the tax payable hereunder to the state: Provided, however, that there is hereby levied and shall be collected and paid for each taxable year upon the net income of every resident and non-resident corporation required to make a return and any tax under the Federal Income tax law, a tax equal to 18% of the total income tax that would be payable for the same taxable year to the United States under provisions of Chapter 1 of Sub Title A of the 1954 Internal Revenue Code, Public Law 591, 83rd Congress, 2nd Session, as amended, upon all income derived from sources within the state without benefit of the deductions of the taxes payable hereunder to the state: Provided, however, the following exceptions, modifications and additions to the general rule shall apply:

(1) All taxpayers whose income includes a cost of living allowance which

is exempt from the Federal Income Tax shall determine and include such amount as part of their income as if such cost of living allowance had not been exempt.

(2) Standard exemptions, credits and deductions may not be claimed by persons who are not residents of Alaska for the full twelve months of the tax year and they shall be subject to the following limitations:

(a) Personal exemption and dependency credits claimed shall be allowed only in that proportion of the total exemptions and credits as the number of months said taxpayer is physically present in Alaska bears to 12 months. A fractional part of the month shall be disregarded unless it amounts to more than one-half of a month in which case it shall be considered as a month.

(b) 1. Deductions claimed shall be allowed only if and to the extent that they are directly connected with:

a. income which arises from sources within Alaska; or

b. property having a situs for taxation within Alaska.

2. Contributions or gifts claimed shall be allowed only:

a. in the amounts otherwise authorized in this Act; and

b. if such contributions or gifts were made within the tax year to Alaska or any political subdivision thereof for use exclusively for public purposes within Alaska, or to a non-profit corporation or association formed and/or located within Alaska.

Sec. 2. Subsec. B of Sec. 8, Ch. 115, SLA 1949 as amended by Ch. 188, SLA 1955 and Ch. 21, SLA 1959 is amended to read:

B. Requirement of Withholding. Every employer making payment of wages or

salaries shall deduct and withhold a tax in the amount of sixteen 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 a 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 Commissioner of Revenue.

Sec. 3. This Act shall apply retroactively from January 1, 1961.

Approved April 8, 1961

CHAPTER 56

AN ACT

Relating to the acquisition, construction and equipping of certain buildings of the University of Alaska and to the issuance and sale of not to exceed \$6,750,000 of negotiable revenue bonds of the University to pay part or all of the cost thereof; creating a Housing System and a Housing System Revenue Fund of the University; authorizing the issuance and sale of refunding bonds; and providing for an effective date.

(H.B. 163)

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

Section 1. As used in this Act, unless the context otherwise requires:

- a. "University" means the University of Alaska, located at College, Alaska.
- b. "Bonds" means the University revenue bonds authorized by this Act.
- c. "Board" means the Board of Regents of the University.
- d. "Improvements" means the apartments, residences, dormitories, dining facilities and other buildings to be acquired, constructed and equipped out of the proceeds of sale of the Bonds, as authorized in Sec. 4 of this Act.
- e. "Housing System" means the housing system of the University created in Sec. 2 of this Act.
- f. "Revenue Fund" means the Housing System Revenue Fund created by Sec. 3 of this Act.

Sec. 2. There is hereby created the Housing System of the University which shall consist of all apartment, residence, dormitory, housing, dining, boarding, hospital, infirmary, parking, and student activity buildings and facilities and book stores of the University which are made a part of the Housing System by the Board.

Sec. 3. There is hereby created a special fund of the University to be known as the "Housing System Revenue Fund" which shall be completely segregated and set apart from all other funds of the University, shall be a trust fund for the uses and purposes herein provided, and into which shall be paid all revenues, fees, charges and rentals derived by the University from the ownership, lease, use or operation of the Housing System.

The moneys in the Revenue Fund shall be pledged or used only for the purpose of paying or securing the payment of the principal of and interest on the Bonds, for the purpose of paying or securing the payment of the principal of and interest on any other revenue bonds of the University issued by authorization of the legislature to provide funds to acquire, construct and equip buildings, improvements and facilities which later are made a part of the Housing System as provided in Sec. 2 of this Act, the purpose of paying the normal and necessary costs of equipping, maintaining and operating the Housing System and all of the buildings, facilities and operations thereof, the purpose of paying the cost of renewals, replacements and normal and extraordinary repairs to the Housing System and all of the buildings, facilities and equipment thereof, the purpose of redeeming ahead of their fixed maturity any and all revenue bonds of the Univer-