

surtax and shall be computed in the manner provided by the Internal Revenue Code for the Federal tax except as specifically provided by this chapter. The schedule of rates is:

(1) for the normal tax, 5.4 per cent of taxable income, and

(2) for the surtax, 3.96 per cent of the amount by which the taxable income (computed without regard to the deduction, if any, provided in sec. 242 of the Internal Revenue Code for partially tax-exempt interest) exceeds \$25,000.

Sec.3. AS 43.20.010(c) is amended by adding a new paragraph to read:

(4) In computing the taxable income under this section, the taxpayer is not entitled to deduct from the taxable income the taxes payable to the state under this chapter.

Sec.4. AS 43.20.170(a) is amended to read:

(a) Every employer making payment of wages or salaries shall deduct and withhold a tax in the amount of

20.5 per cent of the tax deducted and withheld under secs. 3401; 3402(a) — (1); 3403; 3404; 3502(b); 3504; 6011(a); 6051; 6081; 6415; 6501(a), (b) (2), (c) (1)—(3); 6502(a); 6513(c); 6611(a), (b), (d); 6651(a); 6659; 6674; 7204; 7205 of the Internal Revenue Code of 1954, except that in the case of an employee whose wage or salary includes a cost-of-living allowance which is exempt from the federal income tax, the amount deducted and withheld under this subsection shall be determined as if the cost-of-living allowance is not exempt. Every employer making a deduction and a withholding shall furnish to the employee upon request a record of the amount of tax withheld from the employee on a form prescribed, prepared, and furnished by the commissioner of revenue.

Sec. 5. This Act, except sec. 4, is expressly declared to be retrospective to January 1, 1964.

Sec. 6. This Act takes effect March 5, 1964.

Approved March 5, 1964

## CHAPTER 11

### AN ACT

Relating to cumulative voting for corporation directors; and providing for an effective date.

(S.B. 229)

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

Section 1. AS 10.05.162 is amended to read:

Sec. 10.05.162. **Voting for Directors and Cumulative Voting Option.** At an election for directors every shareholder entitled to vote may vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote, or may cumulate his votes by giving one candidate as many

votes as the number of directors to be elected multiplied by the number of his shares equals, or by distributing these votes on the same principle among any number of candidates. Any corporation may provide in its by-laws that shareholders shall not cumulate their votes but must vote shares held by them for as many persons as there are directors to be elected.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved March 9, 1964