

## CHAPTER 172

## AN ACT

Relating to the Alaska Business License Act; amending Sec. 2 (d) and Sec. 3 of Ch. 43, SLA 1949.

(S. B. 122)

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

Section 1. Subsection (d) of Sec. 2 of Ch. 43, SLA 1949 is hereby amended to read as follows:

(d) "Gross receipts" shall mean all receipts from sources within the Territory, whether in the form of money, credits or other valuable consideration, received from engaging in or conducting a business, without deduction on account of the cost of the property sold, the cost of the materials used, labor or service cost, interest paid, taxes, losses or any other expense whatsoever; provided, however, that "gross receipts" shall not include cash discounts allowed and taken on sales, and sales refunds, either in cash or by credit, uncollectible accounts written off from time to time, and payments received in final liquidation of accounts included in the gross receipts of any previous return made by the person. Receipts from sales, wherever made, of goods, wares and merchandise manufactured or processed or originating in the Territory shall be considered to be a part of gross receipts from sources within the Territory, and any holder of a Territorial license hereunder doing business within and without the Territory shall be liable hereunder as to that portion of his gross receipts attributable to his Alaska opera-

tions. Gross receipts shall also include all amounts paid or assigned to sub-contractors. Individuals representing firms taxed hereunder on volume of business done, working as agents on commission instead of as employees, may compute their gross receipts as equal to their gross commissions.

Sec. 2. Sec. 3 of Ch. 43, SLA 1949 is amended to read as follows:

**Sec. 3. Exemptions.**

(a) The following gross receipts shall be exempt from taxation hereunder:

(1) Gross receipts from educational, religious, benevolent, fraternal, or charitable activities, where the entire amount of such receipts is held or expended for such purposes, except receipts which are the result of a continuous engaging in a business or occupation otherwise subject hereto.

(2) Gross receipts obtained in the operation of a hospital.

(3) Gross receipts from municipally owned and operated utilities and from operation of utilities by incorporated utility districts or non-profit associations and non-profit cooperatives.

(4) Gross receipts from home handicrafts up to \$500.00.

(5) Gross receipts of resident wholesale firms registered in Alaska as domestic corporations, or otherwise identifiable as wholesalers who are residents, which are derived from sales of finished products to dealers for resale to consumers upon which resale the tax levied hereunder applies.

(6) Gross receipts derived from any sale made to any person in a foreign country for shipment out of the United States, except when the goods or products sold are exported in bond for re-entry into the United States.

(7) Gross receipts of manufacturers or processors derived from sales of their products manufactured or processed in Alaska, except where such products are sold directly to the consumer.

(8) Gross receipts subject to the gross production tax imposed by Chapter 7, ESLA 1955, except that any person subject to said gross production tax shall in no event be excused from making application for a business license and paying the initial \$25.00 license fee or any part thereof.

(b) The word "consumer" as used in this Sec. 3 shall mean the person who, in the ordinary common meaning of the term, ultimately uses goods, and so diminishes or destroys their utilities as long as they last or until such person desires to do away with them.

(c) The exemption from taxation of certain gross receipts as herein provided shall in no case be construed to excuse the payment of the \$25.00 initial license fee or any part thereof.

Approved April 4, 1957

## CHAPTER 173

### AN ACT

Relating to Title 42, Insurance, ACLA 1949; repealing and re-enacting Sections 42-1-7, 42-1-10, 42-1-12, 42-1-13, 42-1-16, 42-1-17, 42-2-13, 42-3-1, 42-3-2, (as amended by Ch 160, SLA 1955), 42-3-3 through 42-3-6 and 42-3-9, ACLA 1949, and Ch. 100, SLA 1953; and amending Sec. 42-1-14, ACLA 1949, Ch. 18, SLA 1955 and Ch. 29, SLA 1955; adding a new section, repealing conflicting laws to the extent of the conflict.

(C. S. for H. B. 105)

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

Section 1. Sec. 42-1-7, ACLA 1949, is hereby repealed and is re-enacted as follows:

Sec. 42-1-7. **Organization Expense.**

The maximum organization expense which may be incurred shall in no case exceed twenty per cent of the value of said stock, and no portion of such amount shall be used in the payment of salaries for officers and directors before the issuance, by