

REPRESENTATIVE PEGGY WILSON

House District 2

Sectional Analysis CSHB 236 (FIN)

[This Act](#) imposes an education tax on wages and net earnings from self-employment in Alaska and provides that the tax collected be separately accounted for and may be appropriated for education. The tax imposed may not exceed \$100 per calendar year.

Section 1: Provides a short title: Alaska Education Tax Act.

Section 2: Adds the education tax to the list of taxes that are prior, paramount and superior to all other taxes upon the real and personal property of the person liable for the tax.

Section 3:

43.45.011: Imposes a tax, not to exceed a combined total of \$100 a calendar year on wages and net earnings from self-employment in excess of \$600. The tax is imposed at a rate of 0% on the first \$600 of earnings, 10% on the next \$1,000 of earnings and 0% on all other earnings.

43.45.021: Provides that the education tax is to be collected from wages by employers in accordance with regulations adopted by the Department of Revenue.

43.45.026: Provides that the department may require security deposits from employers who have been delinquent in remitting the education tax.

43.45.031: Provides that self-employed individuals remit their education tax in accordance with regulations adopted by the Department of Revenue.

43.45.041: Provides for refunds of overpayment of the education tax.

43.45.051: Requires that a person required to report a payment to a self-employed individual to the federal government report the same information to the Department of Revenue.

43.45.061: Provides that the tax collected be accounted for separately and may be used for education.

43.45.099: Defines critical terms by reference to the Internal Revenue Code (26 U.S.C.)

Section 4: Allows the department to develop regulation to implement the Act before the effective date of the Act.

Section 5: Allows Section 4 of the Act to take effect immediately.

Section 6: Allows the other sections of the Act to take effect January 1, 2005, although the education tax will not actually be imposed until the CBR trigger point is reached.