

State of Alaska
Department of Revenue

Commissioner Bryan Butcher



SEAN PARNELL, GOVERNOR

333 Willoughby Avenue, 11th Floor

P.O. Box 110400

Juneau, Alaska 99811-0400

Phone: (907) 465-2300

Fax: (907) 465-2389

The Honorable Kurt Olson
Co-Chair, House Labor and Commerce Committee
State Capitol Room 24
Juneau AK, 99801

April 12, 2011

The Honorable Craig Johnson
Co-Chair, House Labor and Commerce Committee
State Capitol Room 216
Juneau AK, 99801

Dear Co-Chairs Olson and Johnson:

A committee substitute to Senate Bill 23 was offered in House Labor and Commerce yesterday. Section 4 of version 27-LS0252\G of SB 23 will allow the film credit to be utilized against all taxes imposed under Title 43. Currently, the film credit can only be applied against the corporate income tax. The Department of Revenue has serious concerns about allowing the film credit to be utilized against all other tax types as the utilization may unintentionally reduce the amount of revenues for designated funds, revenue sharing, and other programs that rely on established funding levels.

At this time, we suggest the credit continue to be applied only against the corporate income tax until all issues associated with applying the credit to other tax types can be resolved.

Please feel free to contact me for any further details.

Sincerely,

Bruce Tangeman
Deputy Commissioner

cc: House Labor and Commerce Committee
Representative Chenault
Representative Saddler
Representative Thompson
Representative Holmes
Representative Miller