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HB 334 Sectional Analysis

Section 1. Adds a new section to AS 43.20, creating a transferable tax credit certificate for qualified oil and gas service industry expenditures.

Subsection (a) Allows those who qualify for the credit to apply to the DOR for a transferable tax credit certificate and makes the certificate applicable to AS 43.56, the Oil and Gas Exploration, Production, and Pipeline Transportation Property Taxes.

Subsection (b) Allows the tax credit certificate to be sold, assigned, exchanged, conveyed, or transferred in whole or in part.

Subsection (c) Allows DOR to review, audit, and bring legal proceedings to recover any amount of the tax credit awarded to the taxpayer if they are found liable to damages to the state or if the amount of the credit is found to be incorrect.

Subsection (d) Requires the tax credit to be used within five years regardless if it has been sold, assigned, exchanged, conveyed, or otherwise transferred. Also states that the tax credit or part of the tax credit may not reduce the taxpayers liability under AS 43.56 below zero.

Subsection (e) Allows the taxpayer acquiring this tax credit to combine or split up their certificate(s) for the purpose of sale, assignment, exchange, conveyance, or other transfer. Also requires the DOR to state the expiration date and amount of each credit and clarifies that combining or splitting unused amounts doesn't change or extend the expiration date.