

HOUSE BILL NO. 334

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE PRUITT

Introduced: 2/24/14

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the qualified oil and gas service industry expenditure credit; and
2 relating to a credit against oil and gas exploration, production, and pipeline
3 transportation property taxes."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 43.20 is amended by adding a new section to read:

6 **Sec. 43.20.052. Transferable qualified oil and gas service industry**
7 **expenditure credit certificate.** A person that is entitled to take a credit under
8 AS 43.20.049 that wishes to transfer the unused credit to another person may apply to
9 the department for a transferable tax credit certificate. A tax credit certificate issued
10 under this section may only be transferred to the initial purchaser of the tangible
11 personal property that was the basis for the credit under AS 43.20.049. A tax credit
12 certificate issued under this section may only be applied against a tax levied under
13 AS 43.56 and in accordance with AS 43.56.015.

14 * **Sec. 2.** AS 43.56 is amended by adding a new section to read:

1 **Sec. 43.56.015. Qualified oil and gas service industry expenditure credit.** A
2 taxpayer may apply against the tax levied by the state under AS 43.56.010(a) a tax
3 credit certificate obtained under AS 43.20.052. A tax credit or portion of a tax credit
4 under this section may not reduce the taxpayer's tax liability under this chapter below
5 zero. Any unused tax credit or portion of a tax credit under this section may only be
6 applied in the five tax years immediately following the tax year in which the qualified
7 oil and gas service industry expenditure that was the basis for the credit was incurred.