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Nauman
3/4/14

CS FOR HOUSE BILL NO. 334()

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - SECOND SESSION**

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE PRUITT

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) 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. Except as provided in (d) of this
10 section, a tax credit certificate issued under this section may be applied against a tax
11 levied under AS 43.56.

12 (b) A tax credit certificate provided under (a) of this section may be sold,
13 assigned, exchanged, conveyed, or otherwise transferred in whole or in part.

14 (c) The department may review, audit, and bring legal proceedings to recover

1 any amount of a tax credit awarded under this section from the taxpayer to which a
2 credit was initially awarded if the department determines that the taxpayer is liable for
3 damages to the state or a political subdivision of the state or if the amount of the credit
4 is found to be incorrect upon review.

5 (d) A transferable tax credit certificate provided under (a) of this section,
6 whether sold, assigned, exchanged, conveyed, or otherwise transferred, in whole or in
7 part, must be used within five years after being provided by the department. A tax
8 credit or a portion of a tax credit under this section may not reduce the taxpayer's tax
9 liability under this chapter or AS 43.56 below zero.

10 (e) A person acquiring two or more tax credit certificates provided under (a)
11 of this section may combine the unused amounts of the credits for sale, assignment,
12 exchange, conveyance, or other transfer. At the request of a person holding a tax credit
13 certificate, the department shall replace a certificate that represents the full amount of
14 tax credit available with multiple certificates that each represent a portion of the total
15 tax credit available for the purpose of sale, assignment, exchange, conveyance, or
16 other transfer under this subsection or, on request, shall provide one tax credit
17 certificate that represents the combined value of multiple tax credit certificates. A tax
18 credit certificate provided by the department under this subsection must state the
19 expiration date and the amount of each credit that is included in the certificate.
20 Combining or splitting unused amounts of credits under this subsection does not
21 change or extend the period in which each credit that is included in the combination or
22 split must be used.