# FISCAL NOTE

2014 LEGISLATIVE SESSION       Fiscal Note Number () Publish Date         identifier (file name)       HB334-DOR-TAX-03-05-14       Dept. Affected       Revenue         Sponsor       Rep. Pnuit       Dept. Affected       Revenue       Taxation and Treasury         Sponsor       Rep. Pnuit       OMB Component Number       2476         Sponsor       Rep. Pnuit       OMB Component Number       2476         Expenditures/Revenues       (Thousands of Dollars)       Net. Amounts do not include inflation unless otherwise noted below.         Net. Amounts do not include inflation unless otherwise noted below.       FY15       FY16       FY17       FY18       FY19       FY20         Personal Services       FY15       FY16       FY17       FY18       FY19       FY20         Commodities       Data       Data       Data       Data       Data       Data         Commodities       Data       Data <th></th> <th></th> <th><b>F15</b>C4</th> <th>AL NU</th> <th></th> <th></th> <th></th> <th></th>			<b>F15</b> C4	AL NU				
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Prepared by	Matt Fonder, Director	Phone (907) 269-1033			
Division	Тах	Date/Time 03/06/14 2:00 p.m.			
Approved by	Angela M. Rodell, Commissioner	Date 03/074/14			
Division	Department of Revenue				
(Revised 8/16/2013 OMB)		Page 1 of 2			

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## FISCAL NOTE ANALYSIS

# STATE OF ALASKA 2014 LEGISLATIVE SESSION

## BILL NO. HB 334

## Analysis

## Bill Language:

This bill would allow a person who obtained a credit under AS 43.20.049 (oil and gas service industry credit from More Alaksa Production Act) to apply to the department for a transferable tax credit certificate. That certificate could only be transferred to the initial purchaser of the tangible personal property which was the basis for the credit under AS 43.20.049.

A transferable tax credit certificate issued under this bill could only be applied against oil and gas property taxes under AS 43.56.

The bill also amends AS 43.56 by adding a new section which allows an oil and gas property taxpayer to apply a credit or a portion of a credit obtained under Section 1 of the bill against the property tax levied by the state. The credit may not reduce the taxpayer's liability below zero, and the bill also allows a taxpayer to carry-forward any unused credit amounts for five years immediately following the tax year in which the expenditure that was the basis of the credit was incurred.

#### **Revenues:**

The department is unable to determine the amount of credits which may be claimed by taxpayers as the department currently has no information about the amount of this type of activity in the state. Therefore, the department has no basis with which to formulate an estimated effect on revenues.

### **Expenditures:**

The department can implement the provisions of this bill with existing resources.

## **Regulations:**

The department expects it will need to draft regulations identifying the information a taxpayer will be required to provide when claiming the credit.