

Rep. Holmes

28-LS0634\N.3
Bullock
4/11/13

AMENDMENT #1

OFFERED IN THE HOUSE

TO: CSSB 83(FIN)

1 Page 1, line 3, following "Code;":

2 Insert "relating to the assignment of certain tax credits;"

3

4 Page 1, following line 8:

5 Insert a new bill section to read:

6 **** Sec. 2.** AS 43.55 is amended by adding a new section to read:

7 **Sec. 43.55.029. Assignment of tax credit certificate.** (a) An explorer or
8 producer that has applied for a production tax credit under AS 43.55.023(a), (b), or (d)
9 or 43.55.025(a) may make a present assignment of the production tax credit certificate
10 expected to be issued by the department to a third-party assignee. The assignment may
11 be made either at the time the application is filed with the department or not later than
12 30 days after the date of filing with the department. Once a notice of assignment in
13 compliance with this section is filed with the department, the assignment is irrevocable
14 and cannot be modified by the explorer or producer without the written consent of the
15 assignee named in the assignment. If a production tax credit certificate is issued to the
16 explorer or producer, the notice of assignment remains effective and shall be filed with
17 the department by the explorer or producer together with any application for the
18 department to purchase the certificate under AS 43.55.028(e).

19 (b) To be effective, the assignment does not require the approval or consent of
20 the department. The assignment must, at a minimum,

21 (1) be made in writing and signed by an officer or legally qualified
22 agent of the explorer or producer making the assignment and the assignee,
23 respectively;

1 (2) identify the explorer or producer making the assignment, the
2 assignee in whose favor the assignment is being made, and the production tax credit
3 application that is the subject of the assignment;

4 (3) define the interest in the production tax credit being assigned,
5 expressed as either an amount in dollars, which may not exceed 90 percent of the
6 credit applied for, or a percentage of the credit to be issued by the department;

7 (4) specify an account with a bank located in the state, with sufficient
8 information for the electronic transfer of funds, to receive any future proceeds from
9 the purchase of the tax credit certificate under AS 43.55.028(e);

10 (5) cite this section and acknowledge that, once filed with the
11 department, the assignment is irrevocable and cannot be modified without the written
12 consent of the assignee.

13 (c) An assignment complying with this section creates a property interest
14 owned by the assignee in the application and any production tax credit certificates
15 issued by the department to the explorer or producer and any future proceeds resulting
16 from the application, in the amount or to the extent set out in the assignment. An
17 assignee may create a valid and enforceable security interest in that property as
18 otherwise provided by law.

19 (d) Notwithstanding any other provision of law, and to the maximum extent
20 permitted under federal laws, an assignment complying with this section shall give the
21 assignee a first priority claim, not dischargeable in bankruptcy, against the proceeds
22 received by the explorer or producer, including its estate, trustee or other
23 representative, resulting from the production tax credit application that is the subject
24 of the assignment under this section, if the assignee has taken the steps necessary
25 under state and federal law to perfect a security interest in the assignment.

26 (e) Nothing in this section affects the terms and conditions otherwise required
27 for an explorer or producer to qualify for a production tax credit or the determination
28 by the department of the amount of credit the explorer or producer is qualified to
29 receive.

30 (f) Neither the state nor the department, or any other agency, officer, or
31 employee of the state, shall be subject to suit or any claim arising out of or in

1 connection with an assignment made under this section, whether by act or omission.

2 (g) The department may adopt regulations to carry out the purposes of this
3 section."

4

5 Renumber the following bill sections accordingly.

AMENDMENT #2
offered by Rep Munoz

OFFERED IN THE HOUSE
TO: CSSB 83(FIN)

1 Page 1, line 1, following "Act":

2 Insert **"making the income received by a regional aquaculture association or a**
3 **salmon hatchery permit holder from the sale of salmon or salmon eggs under or from a**
4 **cost recovery fishery exempt from the corporation income tax;"**

6 Page 1, line 3, following "Code":

7 Insert **"providing for an effective date by repealing the effective date of sec. 8, ch.**
8 **51, SLA 2012;"**

10 Page 1, following line 4:

11 Insert new bill sections to read:

12 **** Section 1.** AS 43.20.012(a) is amended to read:

13 (a) The tax imposed by this chapter does not
14 (1) apply to an individual;
15 (2) apply to a fiduciary; [OR]
16 (3) for a tax year beginning after December 31, 2012, apply to an
17 Alaska corporation that is a qualified small business and that meets the active business
18 requirement in 26 U.S.C. 1202(e) as that subsection read on January 1, 2012; or

19 **(4) for a tax year beginning after June 30, 2007, apply to the**
20 **income received by a regional association qualified under AS 16.10.380 or**
21 **nonprofit corporation holding a hatchery permit under AS 16.10.400 from the**
22 **sale of salmon or salmon eggs under AS 16.10.450 or from a cost recovery fishery**
23 **under AS 16.10.455.**

1 * **Sec. 2.** AS 43.20.012(a), as amended by sec. 1 of this Act, is repealed and reenacted to
2 read:

- 3 (a) The tax imposed by this chapter does not apply to
- 4 (1) an individual;
- 5 (2) a fiduciary; or
- 6 (3) the income received by a regional association qualified under
- 7 AS 16.10.380 or nonprofit corporation holding a hatchery permit under AS 16.10.400
- 8 from the sale of salmon or salmon eggs under AS 16.10.450 or from a cost recovery
- 9 fishery under AS 16.10.455."

10

11 Renumber the following bill sections accordingly.

12

13 Page 1, line 5:

14 Delete "**Section 1**"

15 Insert "**Sec. 3**"

16

17 Page 1, following line 8:

18 Insert new bill sections to read:

19 "*** Sec. 4.** AS 43.20.012(c) and 43.20.012(d) are repealed July 1, 2023.

20 *** Sec. 5.** Section 8, ch. 51, SLA 2012, is repealed.

21 *** Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
22 read:

23 TRANSITION; CLAIM FOR CREDIT OR REFUND. Notwithstanding the limitation
24 on the period in which a person may file a claim for credit or refund of a tax paid under
25 AS 43.20, a person that has paid a tax under AS 43.20 on income that is exempt under
26 AS 43.20.012(a)(4), as enacted by sec. 1 of this Act, may file a claim for credit or refund on
27 the tax paid on the exempt income within two years after the effective date of sec. 1 of this
28 Act."

29

30 Renumber the following bill sections accordingly.

31

1 Page 1, line 11:

2 Delete "Section 1"

3 Insert "Section 3"

4

5 Page 1, line 12:

6 Delete all material and insert:

7 "* **Sec. 8.** Section 45, ch. 51, SLA 2012, is repealed.

8 * **Sec. 9.** Section 2 of this Act takes effect July 1, 2023.

9 * **Sec. 10.** Except as provided in sec. 9 of this Act, this Act takes effect immediately under
10 AS 01.10.070(c)."