

**HOUSE CS FOR SENATE BILL NO. 7(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATORS GIESSEL, Egan, Wielechowski, French, Dyson, McGuire, Bishop, Fairclough, Meyer, Micciche, Dunleavy, Kelly

REPRESENTATIVE Kawasaki

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the computation of the tax on the taxable income of a corporation  
2 derived from sources within the state; relating to the ineligibility and eligibility of  
3 certain productions to receive a film production tax credit; and providing for an  
4 effective date."

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

6 \* **Section 1.** AS 43.20.011(e) is amended to read:

7 (e) There is imposed for each taxable year upon the entire taxable income of  
8 every corporation derived from sources within the state a tax computed as follows:

9	If the taxable income is:	Then the tax is:
10	Less than <u>\$25,000</u> [\$10,000]	<u>zero</u> [1 PERCENT OF THE
11		TAXABLE INCOME]
12	<u>\$25,000</u> [\$10,000] but less than	[\$100 PLUS] 2 percent of the
13	<u>\$49,000</u> [\$20,000]	taxable income over <u>\$25,000</u>
14		[\$10,000]

\$49,000 [\$20,000] but less than  
\$74,000 [\$30,000]

\$480 [\$300] plus 3 percent of the  
taxable income over \$49,000  
[\$20,000]

\$74,000 [\$30,000] but less than  
\$99,000 [\$40,000]

\$1,230 [\$600] plus 4 percent of the  
taxable income over \$74,000  
[\$30,000]

\$99,000 [\$40,000] but less than  
\$124,000 [\$50,000]

\$2,230 [\$1,000] plus 5 percent of the  
taxable income over \$99,000  
[\$40,000]

\$124,000 [\$50,000] but less than  
\$148,000 [\$60,000]

\$3,480 [\$1,500] plus 6 percent of the  
taxable income over \$124,000  
[\$50,000]

\$148,000 [\$60,000] but less than  
\$173,000 [\$70,000]

\$4,920 [\$2,100] plus 7 percent of the  
taxable income over \$148,000  
[\$60,000]

\$173,000 [\$70,000] but less than  
\$198,000 [\$80,000]

\$6,670 [\$2,800] plus 8 percent of the  
taxable income over \$173,000  
[\$70,000]

\$198,000 [\$80,000] but less than  
\$222,000 [\$90,000]

\$8,670 [\$3,600] plus 9 percent of the  
taxable income over \$198,000  
[\$80,000]

\$222,000 [\$90,000] or more

\$10,830 [\$4,500] plus 9.4 percent of  
the taxable income over \$222,000  
[\$90,000].

\* **Sec. 2.** AS 44.25.115, as enacted by sec. 28, ch. 51, SLA 2012, is amended by adding a  
new subsection to read:

(c) The following productions are not eligible, regardless of the production  
costs:

- (1) news, weather, or current events programming;
- (2) a production produced primarily for industrial, corporate, or  
institutional purposes, and for internal use;

1 (3) an advertisement, infomercial, or any other production that solicits  
2 funds, except for a commercial television advertisement produced for national  
3 distribution;

4 (4) a political advertisement; or

5 (5) a production that is determined by the film office to contain  
6 sexually explicit conduct as defined in 18 U.S.C. 2256.

7 \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
8 read:

9 APPLICABILITY. AS 43.20.011(e), as amended by sec. 1 of this Act, applies to the  
10 taxable income of a corporation derived from sources within the state during a taxable year  
11 that begins on or after the effective date of sec. 1 of this Act.

12 \* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 TRANSITION. Subject to AS 43.98.030(f), as that subsection read on June 30, 2013,  
15 secs. 30 and 31, ch. 51, SLA 2012, do not prohibit the film office from determining a film  
16 production's qualified expenditures, awarding a tax credit, or reviewing a tax credit for a  
17 production that has received a notice of qualification under former AS 44.33.234 before  
18 July 1, 2013, or the Department of Revenue from providing a transferable film production tax  
19 credit to a producer under former AS 43.98.030, by applying the former provisions repealed  
20 by secs. 30 and 31, ch. 51, SLA 2012, the regulations adopted by the Department of  
21 Commerce, Community, and Economic Development under former AS 44.33.238, and the  
22 regulations adopted by the Department of Revenue under former AS 43.98.030.

23 \* **Sec. 5.** Sections 2 and 4 of this Act take effect July 1, 2013.