



HB 4005

Sectional Analysis Special Session Mining Tax Bill

Section 1: Eliminates the ability to take the mining exploration tax credit against royalty payments

Section 2: Removes references to royalties in the mining exploration tax credit provisions in AS 27.30.030(a)

Section 3: Removes references to royalties in the mining exploration tax credit provisions in AS 27.30.040

Section 4: Removes references to royalties in the mining exploration tax credit provisions in AS 27.30.050.

Section 5: Changes the existing tax holiday for new mining operations from three and one-half years to 2 years.

Section 6: Changes the tax rate on mining income in excess of \$100,000 from 7 percent to 9 percent.

Section 7: Provides for a \$50 annual mining license fee.

Section 8: Provides that changes to the exploration tax credit are applicable to royalty payments after the effective date of section 1. Provides that the two year tax holiday applies to mining operations that begin production after the effective date of section 6. Provides that the new tax rate begins the first tax year after the effective date of section 6.

Section 9: Provides the exploration tax credit accounting in current law applies to a mining operation which began mining production prior to the effective date of this act.

Section 10: Allows for the Department of Revenue to adopt regulations to administer this act.

Section 11: Provides for an immediate effective date for section 10.

Section 12: Provides that the rest of the bill is effective July 1, 2016.