

Natural Resources

Applicable Program

Mining, Land and Water

Indirect Expenditure Name

Exploration Incentive Credits (EIC) for Mining Activities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Provides exploration incentive credit for exploration activities.

(2) Type

Tax Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 27.30.010

(4) Year Enacted

1995

(5) Sunset or Repeal Date

None

(6) Legislative Intent

For purpose of determining existence, location, extent, or quality of a locatable or leasable mineral or coal deposit.

(7) Public Purpose

For purpose of determining existence, location, extent, or quality of a locatable or leasable mineral or coal deposit.

(8) Estimated Revenue Impact

FY 2011 - \$2,517,412

FY 2012 - \$0

FY 2013 - \$0

FY 2014 - \$0

FY 2015 - \$0

(9) Cost to Administer

\$2,500 (approximate)

(10) Number of Beneficiaries / Who Benefits

One per year

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

\$0

(3) Legislative Intent Met?

No

(4) Should it be Continued, Modified or Terminated?

Recommend reconsideration. The credit has not been used since FY11. The legislature may wish to revisit the credit

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(4) Should it be Continued, Modified or Terminated? (cont.)

to ensure that it is effective in spurring mineral exploration.