

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

Brief Explanation of Changes: HB 36 Sponsor Substitute

Several changes were made between version J of HB 36 (introduced 1/18/17) and version I (introduced 2/27/17).

The title has been changed to the “Fair Contribution by High Profit Businesses Act.”

The current version, version I, now ensures that all oil companies across the state will be taxed in same manner and at the same rate, regardless of the business type.

The taxable income scale has been updated to a higher minimum profit level.

In version J, taxes under HB 36 would have applied to individual owners/shareholders. In version I, the tax under HB 36 applies to a business entity itself. In keeping with this change, version I maintains the income tax credit system already in place, and removes the repeal of the income tax credit that was contained in version J.

Version I directs the Department of Revenue to adopt regulations for the implementation of the bill.