



House Bill 118

"An Act relating to a tax credit for corporate income taxes paid for qualified research and development expenditures; and providing for an effective date."

Sectional Analysis

Section 1. Amends AS 43.20 by adding a new section:

43.20.047 – Qualified research and development tax credit

This section outlines the terms and conditions of a qualified research and development tax credit in addition to any other credit that the taxpayer may be authorized to receive under the Alaska Net Income Tax Act. A taxpayer may apply a 20% credit not to exceed \$10 million provided the following terms and conditions are met:

- Research and development expenditures are attributable to the state if it is being conducted in this state.
- If the tax credit exceeds the taxpayers liability for the year the expenditure is incurred the excess of the tax may be carried forward up to seven years.
- A person may not claim a credit for research and development expenditures that were already deducted in calculating its tax liability or for which it claimed a federal credit that has been apportioned to Alaska.

Each year the Department of Revenue shall report the names of the taxpayers who received credits under this section for the prior tax year, the total amount of the credits given to taxpayers and the number of employees conducting the research and development.

This section also defines "base amount" and "qualified research and development".

Section 2. Effective date clause

Immediate effective date

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