

**SB 92 A**

Questions as of **4/2/2025**

**1. Current Tax Structure Example 1.1**

Income tax payable at Entity Level / Individual Shareholder or LLC Member Level

100% of Operations in Alaska

Federal tax is based on law for 2025 in effect as of **4/2/2025**

Assumes maximum IRC Section 199A deduction

	<b>C Corp</b>	<b>S Corp (Notes 1&amp;3)</b>	<b>LLC (Notes 2&amp;3)</b>
1 Net Taxable Income ( Pre Alaska Income Tax)	1,000,000,000	1,000,000,000	1,000,000,000
2			
3 Amount exempt from Alaska Tax at Entity Level		(1,000,000,000)	(1,000,000,000)
4 Amount subject to Alaska Corporate income Tax AS 43.20.011	<u>1,000,000,000</u>	<u>-</u>	<u>-</u>
5 <b>Alaska Corporate Income Tax</b> AS 43.20.011( e)			
6 Taxable income in excess of	<u>220,000</u>		
7 Amount subject to tax at 9.40%	<u>999,780,000</u>		
8	<u>9.4%</u>		
9 Tax on excess over 220,000	<u>93,979,320</u>		
10 Tax on first 220,000	<u>10,830</u>		
11 Gross Alaska Corporate Income Tax (before credits)	<u>93,990,150</u>		
12 <b>Federal Corporate Income Tax due at entity level</b>			
13 Federal Taxable income before Alaska Corporate Tax	1,000,000,000		
14 Alaska Corporate Tax	<u>(93,990,150)</u>		
15 Federal Taxable income after Alaska Corporate Tax	<u>906,009,850</u>		
16 Federal Corporate Tax Rate - 2025	<u>21.0%</u>		
17 Gross Federal Corporate Income Tax 2025 (before credits)	<u>190,262,069</u>		
18			
19 Total Federal and Alaska entity level corporate income tax	<u>284,252,219</u>		
20 <b>Federal Individual Income Tax - 2025</b>			
21 Federal Taxable Income		1,000,000,000	1,000,000,000
22 Assumed Qualified Business Income "QBI" Component %		<u>100%</u>	<u>100%</u>
23 Assumed QBI		<u>1,000,000,000</u>	<u>1,000,000,000</u>
24 Section 199A deduction %		<u>20%</u>	<u>20%</u>
25 Section 199A Deduction before potential limitation		<u>200,000,000</u>	<u>200,000,000</u>
26 Assumed Impact of Wage or UBIA limitation on 199A deduction		<u>-</u>	<u>-</u>
27 Section 199A deduction after limitation		<u>200,000,000</u>	<u>200,000,000</u>
28 Federal Taxable Income net of Section 199A deduction		<u>800,000,000</u>	<u>800,000,000</u>
29 Federal income taxed at lower than highest marginal rate in excess of		<u>(751,600)</u>	<u>(751,600)</u>
30 Federal income taxed as highest marginal rate		<u>799,248,400</u>	<u>799,248,400</u>
31 Federal Individual Income tax @ marginal rate		<u>37%</u>	<u>37%</u>
32 Federal income tax at marginal rate		<u>295,721,908</u>	<u>295,721,908</u>
33 Federal tax on amounts up to 751,600		<u>202,155</u>	<u>202,155</u>
34 Assumed total Gross federal income tax		<u>295,924,063</u>	<u>295,924,063</u>
35 Total Federal and Alaska Tax payable at entity level	<u>284,252,219</u>		
36 Total Federal and Alaska Tax payable at shareholder / LLC member level		<u>295,924,063</u>	<u>295,924,063</u>

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39 Note 1. For the purpose of this example 100% of the stock in the S Corp is assumed to be owned by 1 individual, using married filing joint tax status.

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41 Note 2. For the purpose of this example 100% of the membership interest in the LLC is assumed to be owned by 1 individual, using married filing joint tax status. Under federal law the LLC might be classified as a disregarded entity / sole proprietorship for income tax reporting purposes.

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43 Note 3. For the purpose of this example the corporate shares / LLC membership interests are assumed to be owned by an Alaskan Resident. For the purpose of this example no other taxable income or deductions have been assumed.

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**SB 92 A**

Questions as of **4/2/2025**

**1. Current Tax Structure Example 1.2**

Income tax payable at Entity Level / Individual Shareholder or LLC Member Level

100% of Operations in Alaska

Federal tax is based on law for 2025 in effect as of **4/2/2025**

Assumes no IRC Section 199A deduction

	<b>C Corp</b>	<b>S Corp (Notes 1&amp;3)</b>	<b>LLC (Notes 2&amp;3)</b>
1 Net Taxable Income ( Pre Alaska Income Tax)	1,000,000,000	1,000,000,000	1,000,000,000
2			
3 Amount exempt from Alaska Tax at Entity Level		(1,000,000,000)	(1,000,000,000)
4 Amount subject to Alaska Corporate income Tax AS 43.20.011	1,000,000,000	-	-
5 <b>Alaska Corporate Income Tax</b> AS 43.20.011( e)			
6 Taxable income in excess of	220,000		
7 Amount subject to tax at 9.40%	999,780,000		
8	9.4%		
9 Tax on excess over 220,000	93,979,320		
10 Tax on first 220,000	10,830		
11 Gross Alaska Corporate Income Tax (before credits)	93,990,150		
12 <b>Federal Corporate Income Tax due at entity level</b>			
13 Federal Taxable income before Alaska Corporate Tax	1,000,000,000		
14 Alaska Corporate Tax	(93,990,150)		
15 Federal Taxable income after Alaska Corporate Tax	906,009,850		
16 Federal Corporate Tax Rate - 2025	21.0%		
17 Gross Federal Corporate Income Tax 2025 (before credits)	190,262,069		
18			
19 Total Federal and Alaska entity level corporate income tax	284,252,219		
20 <b>Federal Individual Income Tax - 2025</b>			
21 Federal Taxable Income		1,000,000,000	1,000,000,000
22 Assumed Qualified Business Income "QBI" Component %		100%	100%
23 Assumed QBI		1,000,000,000	1,000,000,000
24 Section 199A deduction %		20%	20%
25 Section 199A Deduction before potential limitation		200,000,000	200,000,000
26 Assumed Impact of Wage or UBIA limitation on 199A deduction		(200,000,000)	(200,000,000)
27 Section 199A deduction after limitation		-	-
28 Federal Taxable Income net of Section 199A deduction		1,000,000,000	1,000,000,000
29 Federal income taxed at lower than highest marginal rate in excess of		(751,600)	(751,600)
30 Federal income taxed as highest marginal rate		999,248,400	999,248,400
31 Federal Individual Income tax @ marginal rate		37%	37%
32 Federal income tax at marginal rate		369,721,908	369,721,908
33 Federal tax on amounts up to 751,600		202,155	202,155
34 Assumed total Gross federal income tax		369,924,063	369,924,063
35 Total Federal and Alaska Tax payable at entity level	<b>284,252,219</b>		
36 Total Federal and Alaska Tax payable at shareholder / LLC member level		<b>369,924,063</b>	<b>369,924,063</b>

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39 Note 1. For the purpose of this example 100% of the stock in the S Corp is assumed to be owned by 1 individual, using married filing joint tax status.

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41 Note 2. For the purpose of this example 100% of the membership interest in the LLC is assumed to be owned by 1 individual, using married filing joint tax status. Under federal law the LLC might be classified as a disregarded entity / sole proprietorship for income tax reporting purposes.

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43 Note 3. For the purpose of this example the corporate shares / LLC membership interests are assumed to be owned by an Alaskan Resident. For

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the purpose of this example no other taxable income or deductions have been assumed.

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Questions as of **4/2/2025**

**2. Potential change to tax structure Example 2.1**

Income tax payable at Entity Level / Individual Shareholder or LLC Member Level

100% of Operations in Alaska

Federal tax is based on law for 2025 in effect as of **4/2/2025**

Assumes maximum IRC Section 199A deduction

	<b>C Corp</b>	<b>S Corp (Notes 1&amp;3)</b>	<b>LLC (Notes 2&amp;3)</b>
1 Net Taxable Income ( Pre Alaska Income Tax)	1,000,000,000	1,000,000,000	1,000,000,000
2			
3 Amount exempt from Alaska Tax at Entity Level		(5,000,000)	(5,000,000)
4 Amount subject to Alaska Corporate income Tax AS 43.20.011	1,000,000,000		
5 Amount subject to Alaska Tax on income attributable to qualified			
6 entity AS 43.20.019		995,000,000	995,000,000
7 <b>Alaska Corporate Income Tax</b> AS 43.20.011( e)			
8 Taxable income in excess of	220,000		
9 Amount subject to tax at 9.40%	999,780,000		
10	9.4%		
11 Tax on excess over 220,000	93,979,320		
12 Tax on first 220,000	10,830		
13 Gross Alaska Corporate Income Tax (before credits)	93,990,150		
14 <b>Alaska Tax on Income Attributable to Qualified Entity</b> AS 43.20.019 (a)			
15 Alaska Taxable Income		1,000,000,000	1,000,000,000
16 Exemption AS 43.20.019 (a)		(5,000,000)	(5,000,000)
17 Amount subject to tax at		995,000,000	995,000,000
18		9.4%	9.4%
19 <b>Gross Alaska Tax on Income Attributable to Qualified Entity</b>		93,530,000	93,530,000
20 <b>Federal Corporate Income Tax due at entity level</b>			
21 Federal Taxable income before Alaska Corporate Tax	1,000,000,000		
22 Alaska Corporate Tax	(93,990,150)		
23 Federal Taxable income after Alaska Corporate Tax	906,009,850		
24 Federal Corporate Tax Rate - 2025	21.0%		
25 Gross Federal Corporate Income Tax 2025 (before credits)	190,262,069		
26			
27 Total Federal and Alaska entity level corporate income tax	284,252,219		
28 <b>Federal Individual Income Tax - 2025</b>			
29 Federal Taxable income before Alaska Tax - Assumed		1,000,000,000	1,000,000,000
30 Gross Alaska Tax on Income Attributable to Qualified Entity		(93,530,000)	(93,530,000)
31 Federal taxable income prior to 199A deduction		906,470,000	906,470,000
32 Assumed Qualified Business Income "QBI" Component %		100%	100%
33 Assumed QBI		906,470,000	906,470,000
34 Section 199A deduction %		20%	20%
35 Section 199A Deduction before potential limitation		181,294,000	181,294,000
36 Assumed Impact of Wage or UBIA limitation on 199A deduction		-	-
37 Section 199A deduction after limitation		181,294,000	181,294,000
38 Federal Taxable Income net of Section 199A deduction		725,176,000	725,176,000
39 Federal income taxed at lower than highest marginal rate in excess of		(751,600)	(751,600)
40 Federal income taxed as highest marginal rate		724,424,400	724,424,400
41 Federal Individual Income tax @ marginal rate		37%	37%
42 Federal income tax at marginal rate		268,037,028	268,037,028
43 Federal tax on amounts up to 751,600		202,155	202,155
44 Assumed total Gross federal income tax		268,239,183	268,239,183
45 Total Federal and Alaska Tax payable at entity level	284,252,219		
46 Total Federal and Alaska Tax payable at shareholder / LLC member level		268,239,183	268,239,183

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Note 1. For the purpose of this example 100% of the stock in the S Corp is assumed to be owned by 1 individual, using married filing joint tax status.

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Note 2. For the purpose of this example 100% of the membership interest in the LLC is assumed to be owned by 1 individual, using married filing joint tax status. Under federal law the LLC might be classified as a disregarded entity / sole proprietorship for income tax reporting purposes.

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Note 3. For the purpose of this example the corporate shares / LLC membership interests are assumed to be owned by an Alaskan Resident. For the purpose of this example no other taxable income or deductions have been assumed.

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**SB 92 A**

Questions as of **4/2/2025**

**2. Potential change to tax structure Example 2.2**

Income tax payable at Entity Level / Individual Shareholder or LLC Member Level

100% of Operations in Alaska

Federal tax is based on law for 2025 in effect as of **4/2/2025**

Assumes no IRC Section 199A deduction

	<b>C Corp</b>	<b>S Corp (Notes 1&amp;3)</b>	<b>LLC (Notes 2&amp;3)</b>
1 Net Taxable Income ( Pre Alaska Income Tax)	1,000,000,000	1,000,000,000	1,000,000,000
2			
3 Amount exempt from Alaska Tax at Entity Level		(5,000,000)	(5,000,000)
4 Amount subject to Alaska Corporate income Tax AS 43.20.011	<u>1,000,000,000</u>		
5 Amount subject to Alaska Tax on income attributable to qualified			
6 entity AS 43.20.019		<u>995,000,000</u>	<u>995,000,000</u>
7 <b>Alaska Corporate Income Tax</b> AS 43.20.011( e)			
8 Taxable income in excess of	220,000		
9 Amount subject to tax at 9.40%	<u>999,780,000</u>		
10	9.4%		
11 Tax on excess over 220,000	<u>93,979,320</u>		
12 Tax on first 220,000	<u>10,830</u>		
13 Gross Alaska Corporate Income Tax (before credits)	<u>93,990,150</u>		
14 <b>Alaska Tax on Income Attributable to Qualified Entity</b> AS 43.20.019 (a)			
15 Alaska Taxable Income		1,000,000,000	1,000,000,000
16 Exemption AS 43.20.019 (a)		<u>(5,000,000)</u>	<u>(5,000,000)</u>
17 Amount subject to tax at		<u>995,000,000</u>	<u>995,000,000</u>
18		9.4%	9.4%
19 <b>Gross Alaska Tax on Income Attributable to Qualified Entity</b>		<u>93,530,000</u>	<u>93,530,000</u>
20 <b>Federal Corporate Income Tax due at entity level</b>			
21 Federal Taxable income before Alaska Corporate Tax	1,000,000,000		
22 Alaska Corporate Tax	<u>(93,990,150)</u>		
23 Federal Taxable income after Alaska Corporate Tax	<u>906,009,850</u>		
24 Federal Corporate Tax Rate - 2025	21.0%		
25 Gross Federal Corporate Income Tax 2025 (before credits)	<u>190,262,069</u>		
26			
27 Total Federal and Alaska entity level corporate income tax	<u>284,252,219</u>		
28 <b>Federal Individual Income Tax - 2025</b>			
29 Federal Taxable income before Alaska Tax - Assumed		1,000,000,000	1,000,000,000
30 Gross Alaska Tax on Income Attributable to Qualified Entity		<u>(93,530,000)</u>	<u>(93,530,000)</u>
31 Federal taxable income prior to 199A deduction		<u>906,470,000</u>	<u>906,470,000</u>
32 Assumed Qualified Business Income "QBI" Component %		100%	100%
33 Assumed QBI		<u>906,470,000</u>	<u>906,470,000</u>
34 Section 199A deduction %		20%	20%
35 Section 199A Deduction before potential limitation		<u>181,294,000</u>	<u>181,294,000</u>
36 Assumed Impact of Wage or UBIA limitation on 199A deduction		<u>(181,294,000)</u>	<u>(181,294,000)</u>
37 Section 199A deduction after limitation		-	-
38 Federal Taxable Income net of Section 199A deduction		<u>906,470,000</u>	<u>906,470,000</u>
39 Federal income taxed at lower than highest marginal rate in excess of		<u>(751,600)</u>	<u>(751,600)</u>
40 Federal income taxed as highest marginal rate		<u>905,718,400</u>	<u>905,718,400</u>
41 Federal Individual Income tax @ marginal rate		37%	37%
42 Federal income tax at marginal rate		<u>335,115,808</u>	<u>335,115,808</u>
43 Federal tax on amounts up to 751,600		<u>202,155</u>	<u>202,155</u>
44 Assumed total Gross federal income tax		<u>335,317,963</u>	<u>335,317,963</u>
45 Total Federal and Alaska Tax payable at entity level	<u>284,252,219</u>		
46 Total Federal and Alaska Tax payable at shareholder / LLC member level		<u>335,317,963</u>	<u>335,317,963</u>

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Note 1. For the purpose of this example 100% of the stock in the S Corp is assumed to be owned by 1 individual, using married filing joint tax status.

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