

SB 92: Tax analysis

By John Letourneau, CPA, Thomas, Head and Greisen

*Assume the following for an entity with operations
entirely sourced to Alaska:*

\$1 billion pre tax taxable income

Current tax structure: Alaska State Corporate Income Tax

	C-Corps	S-Corps & LLCs
Taxable income	\$1,000,000,000	\$1,000,000,000
<ul style="list-style-type: none">Alaska Corporate Tax owed*	\$93,990,150	\$0

** tax is \$10,830 on the first \$220,000 and 9.4% on everything above \$220,000*

Current tax structure: Federal taxes – 2025

Current Federal Law

Federal corporate income tax

	C-Corps
Pre AK tax Federal taxable income	\$1,000,000,000
Gross Alaska Corporate tax	\$93,990,150
Federal taxable income after Alaska Corporate tax, expenses and deductions	\$906,009,850
Gross Federal Corporate income tax*	\$190,262,069

* Federal corporate tax rate is 21%

Federal individual income tax

	S-Corps & LLCs
Federal taxable income**	\$800,000,000
Tax on first \$751,600	\$202,155
Tax on income above \$751,600***	\$295,721,908
Total federal individual income tax	\$295,924,063

** Assumes a full 199A deduction of 20%

*** Highest marginal tax rate is 37%

Current structure: Total Gross Income tax liability

	C-Corps	S-Corps & LLCs
Alaska corporate income tax	\$93,990,150	-
Federal corporate income tax (2026 Current IRC)	\$190,262,069	-
Federal individual income tax (2026 Current IRC)	-	\$295,924,063
Total	\$284,252,219	\$295,924,063

SB 92 tax structure: Alaska Income Tax

	C-Corps	S-Corps
Alaska taxable income	\$1,000,000,000	\$995,000,000*
Tax owed	\$93,990,150	\$93,530,000**

** SB 92 exempts the first \$5,000,000 from taxation*

*** Tax rate is 9.4% on all taxable income over \$5,000,000*

SB 92 tax structure: Federal taxes – 2025 Current IRC

Federal corporate income tax

	C-Corps
Pre Ak tax taxable income	\$1,000,000,000
Alaska Corporate income tax	\$93,990,150
Federal taxable income	\$906,009,850
Gross Federal Corporate income tax paid*	\$190,262,069

*Federal corporate tax rate is 21%

**Assumes a full IRC Sec 199A deduction of 20%

*** Highest marginal tax rate is 37%

Federal individual income tax

	S-Corps
Federal taxable income before Alaska tax & 199A deduction	\$1,000,000,000
Alaska Corporate income tax	\$93,530,000
Federal taxable income**	\$725,176,000
Tax on first \$751,600	\$202,155
Tax on income above \$751,600***	\$268,037,028
Federal Individual Income Tax	\$268,239,183

Under SB 92: Total gross income tax liability

	C-Corps	S-Corps & LLCs
State Corporate Income tax State Qualified Entity Income Tax	\$93,990,150	\$93,530,000
Federal corporate income tax	\$190,262,069	-
Federal individual income tax*	-	\$268,239,183
Total	\$284,252,219	\$361,769,183

*payable by owners