

Revenue

Applicable Program
Corporate Income Tax

Indirect Expenditure Name
Federal Tax Credits

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Under Alaska's adoption of the Internal Revenue Code, taxpayers can claim most federal incentive credits. Federal credits that refund other federal taxes are not allowed. Multi-state taxpayers apportion their total federal incentive credits. For most credits, the credit is limited to 18% of the amount of the credit determined for federal tax purposes which is attributable to Alaska.

(2) Authorizing Statute Regulation or Other Authority

AS 43.20.021

(3) Year Enacted

1975

(4) Sunset or Repeal Date

None

(5) Legislative Intent

The adoption by reference of federal credits to support the efficient administration of the corporate income tax through uniformity with the federal incentive credits.

(6) Public Purpose

To generate state revenue by efficient administration of tax.

(7) Estimated Revenue Impact

FY 2009 - Unknown, not tracked

FY 2010 - Unknown, not tracked

FY 2011 - Unknown, not tracked

FY 2012 - Unknown, not tracked

FY 2013 - Unknown, not tracked

(8) Cost to Administer

None

(9) Number of Beneficiaries

Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

Unknown

(2) Estimate of Annual Benefit to Recipients

Unknown

(3) Legislative Intent Met?

No

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

Recommend termination. This rationale for this provision is conformity with the federal tax code, but this conformity is not necessary for efficient administration of the corporate income tax. No other state has adopted all federal tax