

ALASKA STATE LEGISLATURE

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HB 399 CORPORATE TAX: REMOVE EXEMPTIONS/CREDITS

Sectional Analysis

<u>Section</u>	<u>Statute</u>	<u>Change</u>	<u>Purpose or Effect</u>	<u>Indirect Expenditure Item</u>
1	AS 43.20.021 (a)	Amends current section	Conforming language, removes the list of federal credits as eligible items against Alaska corporate income tax liability.	Federal Credits
2	AS 43.20.145 (c)	Amends current section	Conforming language for "Affiliated Groups", removing the reference to the subsection on foreign royalty payments as eligible Alaska corporate income tax liability.	Foreign Royalty Exemption
3	AS 43.20.145 (d)	Amends current section	Conforming language for "Affiliated Groups", removing the reference to subsection on foreign royalty payments as eligible Alaska corporate Income tax liability.	Foreign Royalty Exemption
4	<u>REPEALER SECTION</u>	Repeals statutes	<p>AS 43.20.021 (c) – Repeals the reduced rate for capital gains income.</p> <p>AS 43.20.21 (d) – Repeals the eligibility of federal credits for Alaska corporate income tax liability.</p> <p>AS 43.20.036 (a) –</p>	<p>Capital Gains</p> <p>Federal Credits</p> <p>Federal Credits</p>

			<p>Repeals the eligibility of federal foreign tax credit for Alaska corporate income tax liability.</p> <p>AS. 43.20.036 (b) – Repeals the eligibility of federal investment credit for Alaska corporate income tax liability.</p> <p>AS 43.20.042 – Repeals the eligibility of federal special industrial incentive investment credit for Alaska corporate income tax liability.</p> <p>AS 43.20.144 (g) – Repeals the exemption for Alaska Corporate tax liability for entities participating in contracts related to the Stranded Gas Act.</p> <p>AS 43.20.145 (b)(3) – Repeals the foreign royalty exclusion.</p> <p>AS 43.20.145 (g) – Repeals the Stranded Gas Act exclusion.</p>	<p>Federal Credits</p> <p>Federal Credits</p> <p>Stranded Gas Act Exclusion</p> <p>Foreign Royalty Exclusion</p> <p>Stranded Gas Act Exclusion</p>
5	Uncodified Law			
			<p><u>Applicability</u> Sections 1, 2, 3, and portions of Section 4 as stated are subject to the effective date.</p>	
6	Uncodified Law	Adds new section	<p>Transition: Regulations Effective Date is January 1, 2019</p>	