

CONCEPTUAL AMENDMENT # D.45

ADOPTED 4Y 3N
as amended

OFFERED IN THE SENATE
TO: CSHB 50(FIN)

BY SENATOR WIELECHOWSKI

1 ~~Page 1, line~~ 5, following "credits;":

2 Insert "establishing an income tax on certain entities producing or transporting
3 oil or gas in the state;"

4
5 ~~Page 32, following line 9.~~

6 Insert a new bill section to read:

7 "* **Sec. 37.** AS 43.20 is amended by adding a new section to read:

8 **Sec. 43.20.019. Tax on income attributable to a qualified entity; ~~renewable~~**
9 ~~energy and electrical grid projects or upgrades fund.~~ (a) If an entity has qualified
10 taxable income over \$4,000,000 in a tax year, the entity shall pay a tax of 9.4 percent
11 on the qualified taxable income over \$4,000,000.

12 (b) The tax under this section does not apply to a corporation paying tax under
13 AS 43.20.011.

14 (c) The department shall aggregate the qualified taxable income of two or
15 more entities for the purpose of determining the tax due under this section if the
16 department determines that, without the provisions of this section, the qualified
17 taxable income would reasonably be expected to be attributed to a single entity.

18 ~~(d) The renewable energy and electrical grid projects or upgrades fund is~~
19 ~~established in the general fund. The Department of Administration shall separately~~
20 ~~account for the tax collected under this section and deposit the tax into the renewable~~
21 ~~energy and electrical grid projects or upgrades fund.~~

22 (e) In this section,

23 (1) "entity" means a

ADD: The Department of Administration shall separately
account for the tax collected under this section.
Tax revenue collected under this section may be appropriated
by the legislature to fund renewable energy or electrical
grid projects and upgrades.

- 1 (A) sole proprietorship;
- 2 (B) partnership; or
- 3 (C) entity that has elected to file federal returns under 26
- 4 U.S.C. 1361 - 1379 (Internal Revenue Code);

5 (2) "qualified taxable income" means income from the production of
 6 oil or gas from a lease or property in the state or from the transportation of oil or gas
 7 by pipeline in the state before deductions for

- 8 (A) dividends and gifts; and
- 9 (B) wages, salaries, bonuses, or other similar payments to
- 10 owners, partners, members, or shareholders of the entity."

11
 12 Renumber the following bill sections accordingly.

13
 14 ~~Page 34, following line 20:~~

15 Insert new bill sections to read:

16 **** Sec. 40.** The uncodified law of the State of Alaska is amended by adding a new section to
 17 read:

18 APPLICABILITY. Section 37 of this Act applies to an entity with qualified taxable
 19 income over \$4,000,000 for a tax year beginning on or after January 1, 2023.

20 *** Sec. 41.** The uncodified law of the State of Alaska is amended by adding a new section to
 21 read:

22 TRANSITION: PAYMENT OF TAX. A person subject to tax before the effective
 23 date of sec. 37 of this Act under AS 43.20.019, added by sec. 37 of this Act, shall pay the
 24 balance of the tax due for a tax year ending before January 1, 2024, by January 1, 2025. Until
 25 January 1, 2025, the Department of Revenue shall waive interest that would otherwise accrue
 26 under AS 43.05.225 and civil and criminal penalties accruing under AS 43.05.220, 43.05.245,
 27 and 43.05.290 that are a result of the retroactivity of this Act."

28
 29 Renumber the following bill sections accordingly.

30
 31 ~~Page 35, line 2:~~

1 Delete all material and insert:

2 **"* Sec. 44.** The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 RETROACTIVITY OF REGULATIONS. Notwithstanding a contrary provision of
5 AS 44.62.240, if the Department of Revenue expressly designates in the regulation that the
6 regulation applies retroactively to a specific date, a regulation adopted by the department to
7 implement, interpret, make specific, or otherwise carry out sec. 37 of this Act applies
8 retroactively to that date.

9 *** Sec. 45.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 RETROACTIVITY. Sections 37, 40, and 41 of this Act are retroactive to January 1,
12 2023.

13 *** Sec. 46.** Sections 37, 40 - 42, 44, and 45 of this Act take effect immediately under
14 AS 01.10.070(c)."