

# SB 92: Tax analysis

By John Letourneau, CPA, Thomas, Head and Greisen

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

- *\$50 million gross income*
- *\$40 million qualified expenses and deductions*

*Resulting in \$10 million pre tax taxable income*

# Current tax structure: Alaska State Corporate Income Tax

	C-Corps	S-Corps & LLCs
Taxable income	\$10,000,000	\$10,000,000
<ul style="list-style-type: none"><li>Alaska Corporate Tax owed*</li></ul>	\$930,150	\$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	\$10 million
Gross Alaska Corporate tax	\$930,150
Federal taxable income after Alaska Corporate tax, expenses and deductions	\$9,069,850
Gross Federal Corporate income tax*	\$1,904,669

### Federal individual income tax

	S-Corps & LLCs
Federal taxable income**	\$8,000,000
Tax on first \$751,600	\$202,155
Tax on income above \$751,600***	\$2,681,908
Total federal individual income tax	\$2,884,063

\* Federal corporate tax rate is 21%

\*\* Includes a 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	\$930,150	-
Federal corporate income tax (2026 Current IRC)	\$1,904,669	-
Federal individual income tax (2026 Current IRC )	-	\$2,884,063
<b>Total</b>	<b>\$2,834,819</b>	<b>\$2,884,063</b>

# SB 92 tax structure: Alaska Income Tax

	C-Corps	S-Corps
Alaska taxable income	\$10,000,000	\$5,000,000*
Tax owed	\$930,150	\$470,000**

*\* 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	\$10,000,000
Alaska Corporate income tax	\$930,150
Federal taxable income after Alaska Corporate tax	\$9,069,850
Gross Federal Corporate income tax paid*	\$1,904,669

\*Federal corporate tax rate is 21%

\*\*Including 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	\$10,000,000
Alaska Qualified Entity income tax	\$470,000
Federal taxable income**	\$7,624,000
Tax on first \$751,600	\$202,155
Tax on income above \$751,600***	\$2,542,788
Federal Individual Income Tax	\$2,744,943

# Under SB 92: Total gross income tax liability

	C-Corps	S-Corps & LLCs
State Corporate Income tax State Qualified Entity Income Tax	\$930,150	\$470,000
Federal corporate income tax	\$1,904,669	-
Federal individual income tax*	-	\$2,744,943
<b>Total</b>	<b>\$2,834,819</b>	<b>\$3,214,943</b>

\*payable by owners