



LAWS OF ALASKA

1970

Source

Chapter No.

FCCS HGSSB 383

102

AN ACT

Relating to the Industrial Incentive Tax Credit Act; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 43.26.010(a) is amended to read:

(a) A person who has established and owns or proposes to establish and own an eligible business is entitled to a tax credit not to exceed 50 per cent of the value of the investment made in the business as of the date it commenced operation. The grant of tax credit shall be effective for a period, established by the commissioner of economic development, not to exceed 10 years from the date of grant and shall be applied against the amount of certain taxes, as determined by the department, due the state during that period as a result of the development, organization, construction, establishment and operation of the specific business for which the credit is granted. The unused portion of a tax credit authorized under this chapter shall be forfeited at the expiration of the period of credit for which the grant was made. Only one grant of tax credit shall be made for an eligible business, irrespective of transfer of the business or other circumstances. If a tax for which credit is given under this chapter produces revenue shared with local political subdivisions, the state shall pay to any affected subdivision the amount of revenue it would receive had the tax credit not been given.

* Sec. 2. AS 43.26.070 is amended to read:

Sec. 43.26.070. TERMINATION DATE FOR APPLICATIONS. An application for a grant of tax credit under this chapter shall be received by the department until midnight of June 30, 1971, but not after that date.

* Sec. 3. AS 43.26.080 is amended to read:

Sec. 43.26.080. GRANT OF TAX CREDIT BY POLITICAL SUBDIVISION. With respect to taxes levied by it, a political subdivision of the state may award grants of tax credit in the same manner and subject to the same restrictions as provided for the department under this chapter, except that the amount of tax credit granted may not exceed 25 per cent of the value of the investment made in the business as of the date it commences operation, and a political subdivision shall levy and collect at least a real and personal property tax millage on the assessed valuation of the property which is equal to at least seven mills. This section applies only to businesses receiving grants authorized on applications for grants of tax credit made before February 2, 1970. Applications made before February 2, 1970 may not be transferred from one person to another.

* Sec. 4. AS 43.26 is amended by adding a new section to read:

Sec. 43.26.082. PUBLIC SCHOOL SUPPORT. (a) A business receiving a tax credit under this Act located within a political subdivision that levies and collects a real and personal property tax millage on the assessed valuation of property for the support of public schools which is less than 10 mills shall pay to the state Department of Revenue the difference between the millage rate levied and collected by the political subdivision and 10 mills.

(b) The taxes levied by this section shall be effective for the life of the grant of tax credit. This section applies only to businesses receiving grants authorized on applications for grants of tax credit made after February 1, 1970.

* Sec. 5. AS 43.26.095(b)(3) is repealed and re-enacted to read:

(3) "resident", at the end of the first year of tax credit, means a person who has been domiciled in Alaska for at least one year immediately before the granting of the tax credit to the business; "resident", at the end of the second and third year of tax credit, means a person who has been domiciled in Alaska for at least one year either immediately before the granting of the tax credit to the business or after the granting of the tax credit to the business.

* Sec. 6. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.