

**HOUSE BILL NO. 100**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES CHENAULT, Olson, Neuman, Wilson, Saddler, Tilton, Johnson

Introduced: 2/9/15

Referred: Resources, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act establishing a credit against the net income tax for an in-state processing  
2 facility that manufactures urea or ammonia; and providing for an effective date."

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

4 \* **Section 1.** AS 43.20 is amended by adding a new section to read:

5 **Sec. 43.20.052. Credit for the in-state manufacture of urea or ammonia.**

6 (a) A taxpayer that owns an in-state processing facility whose primary function is the  
7 manufacturing and sale of urea or ammonia to third parties in arm's length transactions  
8 is entitled to receive a credit under this section against the tax due under this chapter.  
9 The credit under this section is equal to the amount of royalty paid under  
10 AS 38.05.135 on natural gas from a state lease that is delivered to the taxpayer entitled  
11 to a credit under this section.

12 (b) A tax credit or portion of a tax credit under this section may not be used to  
13 reduce the taxpayer's tax liability under this chapter below zero.

14 \* **Sec. 2.** AS 43.20.052 is repealed.

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

3             **APPLICABILITY.** AS 43.20.052, added by sec. 1 of this Act, applies to the amount of  
4 royalty paid under AS 38.05.135 on natural gas from a state lease that is delivered to a facility  
5 on or after July 1, 2017, and before January 1, 2027.

6     \* **Sec. 4.** Sections 1 and 3 of this Act take effect July 1, 2017.

7     \* **Sec. 5.** Section 2 of this Act takes effect January 1, 2027.