

Original sponsor: Butrovich, Engstrom,
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1 IN THE SENATE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR HOUSE CS FOR SENATE BILL NO. 383

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Industrial Incentive Tax Credit
7 Act; and providing for an effective date."

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

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

10 (a) A person who has established and owns or proposes to establish
11 and own an eligible business is entitled to a tax credit not to exceed
12 50 [75] per cent of the value of the investment made in the business
13 as of the date it commenced operation. The grant of tax credit shall
14 be effective for a period, established by the commissioner of economic
15 development, not to exceed 10 years from the date of grant and shall
16 be applied against the amount of certain taxes, as determined by the
17 department, due the state during that period as a result of the
18 development, organization, construction, establishment and operation
19 of the specific business for which the credit is granted. The unused
20 portion of a tax credit authorized under this chapter shall be for-
21 feited at the expiration of the period of credit for which the grant
22 was made. Only one grant of tax credit shall be made for an eligible
23 business, irrespective of transfer of the business or other circum-
24 stances. If a tax for which credit is given under this chapter
25 produces revenue shared with local political subdivisions, the state
26 shall pay to any affected subdivision the amount of revenue it would
27 receive had the tax credit not been given.

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

29 Sec. 43.26.070. TERMINATION DATE FOR APPLICATIONS. An application

1 for a grant of tax credit under this chapter shall be received by the
2 department until midnight of June 30, 1971 [1973], but not after that
3 date.

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

5 Sec. 43.26.080. GRANT OF TAX CREDIT BY POLITICAL SUBDIVISION.
6 With respect to taxes levied by it, a political subdivision of the
7 state may award grants of tax credit in the same manner and subject to
8 the same restrictions as provided for the department under this
9 chapter, except that the amount of tax credit granted may not exceed
10 25 per cent of the value of the investment made in the business as
11 of the date it commences operation, and a political subdivision shall
12 levy and collect at least a real and personal property tax millage
13 on the assessed valuation of the property which is equal to at least
14 seven mills. This section applies only to businesses receiving grants
15 authorized on applications for grants of tax credit made before
16 February 2, 1970. Applications made before February 2, 1970 may not
17 be transferred from one person to another.

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

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

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

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

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

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

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