

Original sponsor: Rules Committee
by request of the Governor

Offered: 4/9/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 208 (FINANCE)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska net income tax deduc-
7 tions and credits; and providing for an effective date."

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

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

10 Sec. 43.20.036. FEDERAL TAX DEDUCTIONS AND CREDITS. (a) For
11 purposes of calculating the income tax payable under this chapter, the
12 taxpayer may not apply as a credit against his tax liability the
13 foreign tax credit allowed as to federal taxes under Internal Revenue
14 Code sec. 33 (26 U.S.C. sec. 33).

15 (b) For purposes of calculating the income tax payable under this
16 chapter, the taxpayer may apply as a credit against his tax liability
17 the job development investment credit allowed as to federal taxes under
18 Internal Revenue Code sec. 50 upon only the first \$500,000 of qualified
19 investment put into use for each taxable year (26 U.S.C. sec. 50). This
20 limitation does not apply to the amounts invested in equipment which
21 meets the definition of a certified pollution control facility as
22 defined under Internal Revenue Code sec. 169 (26 U.S.C. 159) as in effect
23 on the effective date of this Act except that the date specified in that
24 section does not apply.

25 (c) For purposes of calculating the income tax payable under this
26 chapter, the taxpayer may apply as an exemption from his tax liability
27 the tax exemption for domestic international sales corporations under
28 Internal Revenue Code sec. 991 (26 U.S.C. sec. 991), except those tax-
29 payers who are engaged in the exportation of non-renewable resources.

1 (d) For purposes of calculating the income tax payable under this
2 chapter, the taxpayer may not apply as a deduction from his tax liability
3 the deduction for depletion under Internal Revenue Code sec. 613 (26
4 U.S.C. sec. 613).

5 (e) For purposes of this chapter, the taxpayer may not apply for
6 a refund of 1974 individual income taxes under Internal Revenue Code
7 sec. 6428 (26 U.S.C. sec. 6428).

8 (f) For purposes of calculating the income tax payable under this
9 chapter, the taxpayer may not apply as a credit against his tax liabil-
10 ity the credit for personal exemptions under Internal Revenue Code
11 sec. 42 (26 U.S.C. sec. 42).

12 (g) For purposes of calculating the income tax payable under this
13 chapter, the taxpayer may not apply as a credit against his tax liabil-
14 ity the credit for earned income under Internal Revenue Code sec. 43
15 (26 U.S.C. sec. 43).

16 (h) For purposes of calculating the tax payable under this
17 chapter, the taxpayer may not apply as a credit against his tax liabil-
18 ity the credit for purchase of new principal residence under Internal
19 Revenue Code sec. 44 (26 U.S.C. sec. 44).

20 * Sec. 2. This Act is retroactive to January 1, 1975, and relates only
21 to income earned and received after December 31, 1974.

22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
23 070(c).