

Introduced: 5/5/79  
Referred: Finance

1 IN THE HOUSE

BY ROGERS

2 HOUSE BILL NO. 502

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL.

6 For an Act entitled: "An Act relating to the early development incentive tax  
7 credit; and providing for an effective date."

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

9 \* Section 1. AS 43.21 is amended by adding a new section to read:

10 Sec. 43.21.065. CREDIT AGAINST TAX. (a) There shall be allowed  
11 as a credit against the tax levied under this chapter on the taxable  
12 income from the production of oil or gas from a lease or property the  
13 early development incentive credit accrued for that lease or property  
14 under AS 43.58.180.

15 (b) The credit allowed for a lease or property may not exceed

16 (1) 50 per cent of the taxes levied under AS 43.55 on the  
17 production of oil or gas from that lease or property; or

18 (2) the taxes levied under this chapter, whichever is less.

19 (c) The credit shall be allowed at the time of payment of the tax  
20 or any installment of the tax levied under this chapter.

21 \* Sec. 2. AS 43.55.018 is amended to read:

22 Sec. 43.55.018. CREDIT AGAINST TAX. (a) The amount by which 50  
23 per cent of the tax payable under this chapter during a tax year exceeds  
24 the taxes payable under AS 43.21 for that year [THERE] shall be allowed  
25 as a credit against the taxes levied under this chapter for a lease or  
26 property. The credit under this subsection may not apply if the tax  
27 under AS 43.21 is declared unconstitutional [THE EARLY DEVELOPMENT  
28 INCENTIVE CREDIT ACCRUED FOR THAT LEASE OR PROPERTY UNDER AS 43.58.180.  
29 IN NO EVENT MAY THE CREDIT ALLOWED FOR A LEASE OR PROPERTY EXCEED 50 PER

1 CENT OF THE TAXES LEVIED UNDER THIS CHAPTER FOR THAT LEASE OR PROPERTY].  
2 (b) The credit shall be allowed on an annual [A MONTHLY] basis.  
3 \* Sec. 3. AS 43.58.180(a) is amended to read:  
4 (a) An early development incentive credit, calculated in accor-  
5 dance with this section, shall be applied to the tax payable under AS  
6 43.21 and 43.55 as provided in AS 43.21.065 and 43.55.018. The early  
7 development incentive credit for a lease or property is zero until  
8 changed as provided in this section.  
9 \* Sec. 4. AS 43.58.180(c) is amended to read:  
10 (c) The early development incentive credit for a lease or property  
11 shall be reduced annually [EACH MONTH] by the amount of tax credit  
12 allowed for that year [IN THAT MONTH] under AS 43.21.065 and 43.55.018  
13 for that lease or property.  
14 \* Sec. 5. AS 43.55.030(d) and 43.55.060 are repealed.  
15 \* Sec. 6. This Act applies to taxable income earned or received after  
16 December 31, 1977.  
17 \* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-  
18 070(c).  
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