

Introduced: 2/16/82  
Referred: Labor & Commerce  
and Finance

1 IN THE HOUSE

BY HAYES

2 HOUSE BILL NO. 866

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a special investment tax credit;  
7 and providing for an effective date."

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

9 \* Section 1. LEGISLATIVE FINDINGS AND INTENT. The legislature finds and  
10 declares that the establishment of a special investment tax credit will  
11 promote the development of farming, fishing, timber, and mining of mines,  
12 wells, and other natural deposits (other than oil and gas) in the state and  
13 will assist the state by diversifying its economy to make it less dependent  
14 on oil and gas, provide increased employment opportunities, and provide an  
15 incentive for investment in the state.

16 \* Sec. 2. AS 43.20.036 is amended by adding a new subsection to read:

17 (j) For purposes of calculating income tax payable under this  
18 chapter the taxpayer may apply as a credit against his tax liability 100  
19 percent of the investment credit allowed as to federal taxes under  
20 Internal Revenue Code sec. 38 (26 U.S.C. 38) upon the full amount of  
21 qualified investment put into use in the state for each taxable year for  
22 any of the following purposes:

23 (1) exploration, development, or mining of the natural  
24 deposits listed in sec. 613(b) of the Internal Revenue Code (26 U.S.C.  
25 613(b)); for the purposes of this paragraph, "mining" has the meaning  
26 given in sec. 613(c)(2) of the Internal Revenue Code (26 U.S.C. 613(c)-  
27 (2));

28 (2) farming or the clearing of land for the purpose of making  
29 the land suitable for use in farming, or soil or water conservation for

1 land used in farming, or for the prevention of erosion of land used in  
2 farming; for the purposes of this paragraph

3 (A) "farming" has the meaning given in sec. 464(e) of  
4 the Internal Revenue Code (26 U.S.C. 464(e));

5 (B) "clearing of land" and "land suitable for use in  
6 farming" has the meaning given in sec. 182(c) of the Internal  
7 Revenue Code (26 U.S.C. 182(c)); and

8 (C) "soil or water conservation for land used in farm-  
9 ing" and "prevention of erosion of land used in farming" have the  
10 meanings given in sec. 175(c) of the Internal Revenue Code (26  
11 U.S.C. 175)(c));

12 (3) fishing; or

13 (4) planting, including preparation of the timber site for  
14 planting or for natural seeding, cultivation, maintenance, management,  
15 development, cutting or harvesting of timber; for the purposes of this  
16 paragraph "timber" has the same meaning as "timber" in sec. 611 of the  
17 Internal Revenue Code (26 U.S.C. 611).

18 \* Sec. 3. This Act is retroactive to January 1, 1982, and applies to tax  
19 years beginning after December 31, 1981.

20 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
21 070(c).  
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