

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

1 IN THE HOUSE

BY HAYES

2 HOUSE BILL NO. 866 am

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

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

15 \* Sec. 2. AS 43.20.036 is amended by adding new subsections to read:

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

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

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

1 farming; for the purposes of this paragraph

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

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

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

11 (3) fishing; for the purposes of this paragraph, "fishing"  
12 means the commercial taking or processing of a specific fishery resource  
13 (including both fin fish and shell fish) and the maintenance, management  
14 or development of vessels, gear and equipment for fishing or processing  
15 of fish; or

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

21 (k) No credit shall be allowed under (j) of this section for any  
22 investment credit which is allowed as to federal taxes for leased prop-  
23 erty by reason of Section 168(f)(8) of the Internal Revenue Code (26  
24 U.S.C. 168(f)(8)).

25 \* Sec. 3. This Act applies to tax years beginning after December 31,  
26 1981.