

Original sponsor: Hayes

Offered: 5/17/82  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

SENATE CS FOR HOUSE BILL NO. 866 (State Affairs)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act establishing a special investment tax credit;

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and providing for an effective date."

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

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\* Section 1. LEGISLATIVE FINDINGS AND INTENT. The legislature finds and

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declares that the establishment of a special investment tax credit will

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promote the mining of mines, wells, and other natural deposits (other than

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oil and gas) in the state and will assist the state by diversifying its

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economy to make it less dependent on oil and gas, provide increased employ-

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ment opportunities, and provide an incentive for investment in the state.

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

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(j) For purposes of calculating income tax payable under this

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chapter a domestic or foreign corporation may apply as a credit against

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its tax liability 36 percent of the investment credit allowed as to

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federal taxes under sec. 38 of the Internal Revenue Code (26 U.S.C. 38)

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upon the full amount of qualified investment put into use in the state

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for each taxable year for exploration, development, or mining of the

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natural deposits listed in sec. 613(b) of the Internal Revenue Code (26

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U.S.C. 613(b)). The credit provided by this subsection is available

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only to (1) a domestic corporation that incorporated for the first time

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in the state after December 31, 1981 and that is not the result of a

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business reorganization or acquisition or (2) a foreign corporation that

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receives a certificate of authority to transact business in the state

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for the first time after December 31, 1981. For the purposes of this

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subsection, "mining" has the meaning given in sec. 613(c)(2) of the

1 Internal Revenue Code (26 U.S.C. 613(c)(2)).

2 (k) For purposes of calculating income tax payable under this  
3 chapter, a taxpayer engaged in a venture on a previously undeveloped  
4 site may apply as a credit against its tax liability 36 percent of the  
5 investment credit allowed as to federal taxes under sec. 38 of the  
6 Internal Revenue Code (26 U.S.C. 38) upon the full amount of qualified  
7 investment put into use in the state for each taxable year for explora-  
8 tion, development, or mining of the natural deposits listed in sec. 613-  
9 (b) of the Internal Revenue Code (26 U.S.C. 613(b)). For the purposes  
10 of this subsection, "mining" has the meaning given in sec. 613(c)(2) of  
11 the Internal Revenue Code (26 U.S.C. 613(c)(2)).

12 (l) A credit may not be allowed under (j) or (k) of this section  
13 for any investment credit that is allowed as to federal taxes for leased  
14 property by reason of sec. 168(f)(8) of the Internal Revenue Code (26  
15 U.S.C. 168(f)(8)).

16 \* Sec. 3. This Act applies to tax years beginning after December 31,  
17 1981, and is retroactive to January 1, 1982.

18 \* Sec. 4. AS 43.20.030(j) and (k) as added in sec. 2 of this Act are  
19 repealed December 31, 1986.

20 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
21 070(c).