

Introduced: 3/11/83
Referred: Labor and Commerce
and Finance

1 IN THE HOUSE

BY HAYES AND SZYMANSKI

2

HOUSE BILL NO. 258

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST 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
10 and declares that

11 (1) there exist areas of the state south of the Arctic Circle in
12 which the factors of established population centers, established infra-
13 structure, access to ice-free ports, and substantial uncommitted reserves
14 of natural gas combine to provide an optimum basis for gas processing
15 development for an export market;

16 (2) development of gas processing facilities in the areas will
17 minimize adverse population and environmental impacts on the other areas of
18 the state;

19 (3) development of gas processing facilities in the areas will
20 promote full and stable employment, promote the creation of export markets
21 for the natural energy resources of the state, and promote the long-term
22 development of other natural resources in the state;

23 (4) it is in the statewide public interest, and is declared to
24 be a public purpose, to promote the prosperity and general welfare of all
25 citizens of the state by stimulating the development of gas processing
26 facilities in such areas;

27 (5) it is further in the statewide public interest, and is
28 declared to be a public purpose, to promote the exploration, drilling of
29 wells, development, and mining of minerals and other natural deposits

1 (other than oil and gas) in the state, to assist the state by diversifying
2 its economy, to make it less dependent on oil and gas, provide increased
3 employment opportunities and provide an incentive for investment in the
4 state; and

5 (6) the establishment of a special investment tax credit is
6 necessary in order to promote and accomplish the objectives listed in (1) -
7 (5) of this section.

8 * Sec. 2. AS 43.20.021(d) is amended to read:

9 (d) Where a credit allowed under the Internal Revenue Code is
10 also allowed in computing Alaska income tax, it is limited to 18
11 percent for corporations of the amount of credit determined for fed-
12 eral income tax purposes which is attributable to Alaska. Where a
13 credit allowed under the Internal Revenue Code is also allowed in
14 computing Alaska income tax, it is limited to 18 percent for corpora-
15 tions of the amount of credit determined for federal income tax pur-
16 poses which is attributable to Alaska. This limitation shall not
17 apply to the credits allowed by AS 43.20.036(j) and (k).

18 * Sec. 3. AS 43.20.036 is amended by adding new subsections to read:

19 (j) For purposes of calculating income tax payable under this
20 chapter the taxpayer may apply as a credit against a tax liability 100
21 percent of the investment credit allowed as to federal taxes under
22 Internal Revenue Code Section 38 (26 U.S.C. 38 P.L. 87-834) on the
23 full amount of qualified investment put into use south of the Arctic
24 Circle in the state for each taxable year for gas processing facili-
25 ties; for the purposes of this paragraph, "gas processing facilities"
26 means plants and facilities for processing any product, other than
27 crude oil, of an oil or gas well, including but not limited to lique-
28 fied natural gas, methanol and urea processing plants and facilities,
29 excluding any pipelines from oil and gas wells to any plants and

1 facilities. The amount of credit allowed under this subsection shall
2 not be subject to the limitations imposed by (b) of this section, but
3 any credit which is allowed under this subsection shall not also be
4 allowed under (b) of this section. No credit shall be allowed under
5 this subsection for any investment credit which is allowed as to
6 federal taxes for leased property by reason of section 168(f)(8) P.L.
7 97-34 of the Internal Revenue Code (26 U.S.C. 168(f)(8) P.L. 97-34).

8 (k) For purposes of calculating income tax payable under this
9 chapter the taxpayer may apply as a credit against a tax liability 100
10 percent of the investment credit allowed as to federal taxes under
11 Internal Revenue Code Section 38 (26 U.S.C. 38 P.L. 87-834) on the
12 full amount of qualified investment put into use south of the Arctic
13 Circle in the state for each taxable year for exploration, drilling of
14 wells, development, or mining of the natural deposits listed in Sec-
15 tion 613(b) of the Internal Revenue Code (26 U.S.C. 613(b))(P.L.
16 89-809 and P.L. 88-571); for the purpose of this subsection, "mining"
17 has the meaning given in Section 613(c)(2) of the Internal Revenue
18 Code (26 U.S.C. 613(c)(2) P.L. 85-866). The amount of credit allowed
19 under this subsection shall not be subject to the limitations imposed
20 by (b) of this section, but any credit which is allowed under this
21 subsection shall not also be allowed under (b) of this section.
22 Credit shall not be allowed under this subsection for any investment
23 credit which is allowed as to federal taxes for leased property by
24 reason of Section 168(f)(8) of the Internal Revenue Code (26 U.S.C.
25 168(f)(8) P.L. 97-34).

26 * Sec. 4. This Act applies to tax years beginning after December 31,
27 1983.

28 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).