

BY SEN. FRANK

1 IN THE SENATE

2

SENATE BILL NO. 440

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act establishing mineral exploration costs and
7 reclamation costs as a deductible expense from the
8 license tax on mining."

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

10 * Section 1. AS 43.65.010 is amended by adding a new subsection to
11 read:

12 (j) Mineral exploration costs on properties in the state not in
13 production from mining are deductible against the gross income of the
14 taxpayer from properties in production from mining as defined in
15 AS 43.65.060.

16 * Sec. 2. AS 43.65.060(3) is amended to read:

17 (3) "net income of the taxpayer (computed without allow-
18 ances for depletion) from the property" means the gross income from
19 the property, less allowable deductions attributable to the mineral
20 property upon which the depletion is claimed and the allowable de-
21 ductions attributable to ordinary treatment processes insofar as they
22 relate to the product of the property, including overhead and operat-
23 ing expenses, reclamation costs, development costs properly charged to
24 expense, depreciation, taxes, losses sustained, etc., but excluding
25 allowances for depletion, and deductions for federal income taxes, or
26 for the tax imposed by this chapter;