

HOUSE BILL NO. 287  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES ELLIS, Brown, Gruenberg, Navarre

Introduced: 4/17/91  
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act disallowing under the Alaska Net Income Tax Act a portion of the deduction  
2 authorized by the Internal Revenue Code for certain oil and hazardous substance discharge  
3 related expenditures; and providing for an effective date."

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

5 \* Section 1. AS 43.20.036 is amended by adding a new subsection to read:

6 (k) For purposes of determining the tax payable under this chapter, the taxpayer may  
7 deduct under 26 U.S.C. 162 expenses not to exceed \$500,000 incurred during the tax year to  
8 contain, clean up, and mitigate the effects of an oil discharge or of a discharge of a hazardous  
9 substance. The limitation of this subsection also applies to payments, whether compensatory or  
10 remedial in nature or otherwise, if made to the state or the federal government or to a trust to  
11 which the state is a party when required by a court order entered under 33 U.S.C. 1251 - 1376  
12 (Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, as  
13 amended) or 42 U.S.C. 9601 - 9657 (Comprehensive Environmental Response, Compensation,  
14 and Liability Act of 1980, as amended) or in settlement of litigation by the state against the

- 1 taxpayer made under one of those Acts or other law.
- 2 \* Sec. 2. This Act is retroactive to January 1, 1991, and applies to taxes payable under the Alaska
- 3 Net Income Tax Act (AS 43.20) after December 31, 1990.
- 4 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).