



# LAWS OF ALASKA

2015

**Source**

CSSB 39(L&C) am H

**Chapter No.**

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**AN ACT**

Repealing the film production tax credit; providing for an effective date by repealing the effective dates of secs. 31 - 33, ch. 51, SLA 2012; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1



**AN ACT**

1 Repealing the film production tax credit; providing for an effective date by repealing the  
2 effective dates of secs. 31 - 33, ch. 51, SLA 2012; and providing for an effective date.

3  
4 **\* Section 1.** AS 43.75.130(f) is amended to read:

5 (f) For purposes of this section, tax revenue collected under AS 43.75.015  
6 from a person entitled to a credit under AS 43.75.035 **or** [,] 43.75.036 [, OR  
7 AS 43.98.030] shall be calculated as if the person's tax were collected without  
8 applying the credit; tax revenue collected does not include the amount of a tax credit  
9 recaptured under AS 43.75.035(g) or 43.75.036(g).

10 **\* Sec. 2.** AS 43.75.130(f), as amended by sec. 14, ch. 61, SLA 2014, is amended to read:

11 (f) For purposes of this section, tax revenue collected under AS 43.75.015  
12 from a person entitled to a credit under AS 43.75.035 [OR AS 43.98.030] shall be  
13 calculated as if the person's tax were collected without applying the credit; tax revenue

1 collected does not include the amount of a tax credit recaptured under  
2 AS 43.75.035(g).

3 \* **Sec. 3.** AS 43.77.060(e) is amended to read:

4 (e) For purposes of this section, tax revenue collected under AS 43.77.010  
5 from a person entitled to a credit under AS 43.77.035 **or** [,] 43.77.045 [, OR  
6 AS 43.98.030] shall be calculated as if the person's tax had been collected without  
7 applying the credits.

8 \* **Sec. 4.** AS 43.77.060(e), as amended by sec. 17, ch. 61, SLA 2014, is amended to read:

9 (e) For purposes of this section, tax revenue collected under AS 43.77.010  
10 from a person entitled to a credit under AS 43.77.045 [OR AS 43.98.030] shall be  
11 calculated as if the person's tax had been collected without applying the credits.

12 \* **Sec. 5.** AS 44.25.135 is amended to read:

13 **Sec. 44.25.135. Recovery of film production tax credit.** (a) The **Department**  
14 **of Revenue** [FILM OFFICE] may review, audit, and bring legal proceedings to  
15 recover any amount of a tax credit awarded under **former AS 44.25.125 and former**  
16 **AS 44.33.235** [AS 44.25.125] from a producer or production **that received the credit**  
17 **if the Department of Revenue** [TO WHICH A CREDIT WAS AWARDED IF THE  
18 FILM OFFICE] determines that the film producer or production is liable for damages  
19 to the state [,] or any political subdivision of the state.

20 (b) Legal proceedings may not be brought under (a) of this section more than  
21 six years after the date the tax credit was awarded under **former AS 44.25.125 and**  
22 **former AS 44.33.235** [AS 44.25.125].

23 \* **Sec. 6.** Section 28(b), ch. 61, SLA 2014, is amended to read:

24 (b) For purposes of AS 43.75.130, tax revenue collected under AS 43.75.015  
25 from a person entitled to a credit under AS 43.75.035 **or** [,] 43.75.036 [, OR  
26 AS 43.98.030] shall be calculated as if the person's tax were collected without  
27 applying the credit; tax revenue collected does not include the amount of a tax credit  
28 recaptured under AS 43.75.035(g) or 43.75.036(g). For purposes of AS 43.77.060, tax  
29 revenue collected under AS 43.77.010 from a person entitled to a credit under  
30 AS 43.77.035 **or** [,] 43.77.045 [, OR AS 43.98.030] shall be calculated as if the  
31 person's tax had been collected without applying the credits.

1 \* **Sec. 7.** AS 24.20.271(12); AS 43.98.030; AS 44.25.100, 44.25.105, 44.25.110, 44.25.115,  
2 44.25.120, 44.25.125, 44.25.130, 44.25.140, 44.25.145, 44.25.150, 44.25.190; and  
3 AS 44.33.231(c) are repealed.

4 \* **Sec. 8.** AS 44.25.135 is repealed July 1, 2021.

5 \* **Sec. 9.** Sections 31 - 33, 35, 36(b), 36(c), 36(d), 37, and 38, ch. 51, SLA 2012, and secs.  
6 15, 18, 24, 25, 28(c), and 30, ch. 61, SLA 2014, are repealed.

7 \* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to  
8 read:

9 TRANSITION. (a) Subject to AS 43.98.030(f), as that subsection read on June 30,  
10 2015, limiting the number of tax credits provided in the aggregate under AS 43.98.030, as that  
11 section read on June 30, 2015, the repeals in

12 (1) sec. 30, ch. 51, SLA 2012, do not prohibit the Department of Revenue  
13 from determining a film production's qualified expenditures, awarding a tax credit, or  
14 reviewing a tax credit for a production that received a notice of qualification under  
15 AS 44.33.235 before July 1, 2013, under the provisions repealed by sec. 30, ch. 51, SLA  
16 2012;

17 (2) sec. 7 of this Act do not prohibit the Department of Revenue from  
18 determining a film production's qualified expenditures, awarding a tax credit, or reviewing a  
19 tax credit for a production that received a notice of qualification under AS 44.25.125 before  
20 July 1, 2015, under the provisions repealed by sec. 7 of this Act.

21 (b) To qualify for a film production tax credit under (a) of this section, a film  
22 producer shall, before January 1, 2019, provide to the Department of Revenue a complete  
23 production cost report detailing the qualified expenditures of the production, with verification  
24 by an independent certified public accountant licensed in the state and approved by the  
25 Department of Revenue, that the costs claimed in the report are qualified expenditures under  
26 former AS 44.25.130 or former AS 44.33.236, as applicable, and that there is no outstanding  
27 balance for a qualified expenditure that is due to a person in the state. The Department of  
28 Revenue may not authorize a film production tax credit if the cost report is filed after  
29 December 31, 2018.

30 (c) A film production tax credit may be used to offset taxes imposed under the  
31 provisions identified in AS 43.98.030(c), or sold or exchanged for a transferable tax credit

1 certificate under AS 43.98.030(a), within six years after being provided by the Department of  
2 Revenue, notwithstanding the repeal of AS 43.98.030 in sec. 7 of this Act.

3 (d) A film production tax credit that is being withheld under AS 44.25.125(h) may  
4 continue to be withheld by the Department of Revenue, notwithstanding the repeal of  
5 AS 44.25.125 in sec. 7 of this Act.

6 \* **Sec. 11.** Sections 40 - 42, ch. 51, SLA 2012, are repealed.

7 \* **Sec. 12.** Sections 1, 3, 5 - 7, and 9 - 11 of this Act take effect July 1, 2015.

8 \* **Sec. 13.** Section 2 of this Act takes effect on the effective date of sec. 14, ch. 61, SLA  
9 2014.

10 \* **Sec. 14.** Section 4 of this Act takes effect on the effective date of sec. 17, ch. 61, SLA  
11 2014.

12 \* **Sec. 15.** Except as provided in secs. 12 - 14 of this Act, this Act takes effect immediately  
13 under AS 01.10.070(c).