



LAWS OF ALASKA

2013

Source
HCS SB 7(FIN)

Chapter No.

AN ACT

Relating to the computation of the tax on the taxable income of a corporation derived from sources within the state; relating to the ineligibility and eligibility of certain productions to receive a film production tax credit; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to the computation of the tax on the taxable income of a corporation derived from
2 sources within the state; relating to the ineligibility and eligibility of certain productions to
3 receive a film production tax credit; and providing for an effective date.

4

5 * **Section 1.** AS 43.20.011(e) is amended to read:

6

(e) There is imposed for each taxable year upon the entire taxable income of
7 every corporation derived from sources within the state a tax computed as follows:

7

8

If the taxable income is:

Then the tax is:

9

Less than **\$25,000** [\$10,000]

zero [1 PERCENT OF THE
10 TAXABLE INCOME]

10

11

\$25,000 [\$10,000] but less than

[\$100 PLUS] 2 percent of the

12

\$49,000 [\$20,000]

taxable income over **\$25,000**

13

[\$10,000]

1	<u>\$49,000</u> [\$20,000] but less than	<u>\$480</u> [\$300] plus 3 percent of the
2	<u>\$74,000</u> [\$30,000]	taxable income over <u>\$49,000</u>
3		[\$20,000]
4	<u>\$74,000</u> [\$30,000] but less than	<u>\$1,230</u> [\$600] plus 4 percent of the
5	<u>\$99,000</u> [\$40,000]	taxable income over <u>\$74,000</u>
6		[\$30,000]
7	<u>\$99,000</u> [\$40,000] but less than	<u>\$2,230</u> [\$1,000] plus 5 percent of the
8	<u>\$124,000</u> [\$50,000]	taxable income over <u>\$99,000</u>
9		[\$40,000]
10	<u>\$124,000</u> [\$50,000] but less than	<u>\$3,480</u> [\$1,500] plus 6 percent of the
11	<u>\$148,000</u> [\$60,000]	taxable income over <u>\$124,000</u>
12		[\$50,000]
13	<u>\$148,000</u> [\$60,000] but less than	<u>\$4,920</u> [\$2,100] plus 7 percent of the
14	<u>\$173,000</u> [\$70,000]	taxable income over <u>\$148,000</u>
15		[\$60,000]
16	<u>\$173,000</u> [\$70,000] but less than	<u>\$6,670</u> [\$2,800] plus 8 percent of the
17	<u>\$198,000</u> [\$80,000]	taxable income over <u>\$173,000</u>
18		[\$70,000]
19	<u>\$198,000</u> [\$80,000] but less than	<u>\$8,670</u> [\$3,600] plus 9 percent of the
20	<u>\$222,000</u> [\$90,000]	taxable income over <u>\$198,000</u>
21		[\$80,000]
22	<u>\$222,000</u> [\$90,000] or more	<u>\$10,830</u> [\$4,500] plus 9.4 percent of
23		the taxable income over <u>\$222,000</u>
24		[\$90,000].

25 * **Sec. 2.** AS 44.25.115, as enacted by sec. 28, ch. 51, SLA 2012, is amended by adding a
26 new subsection to read:

27 (c) The following productions are not eligible, regardless of the production
28 costs:

- 29 (1) news, weather, or current events programming;
- 30 (2) a production produced primarily for industrial, corporate, or
- 31 institutional purposes, and for internal use;

1 (3) an advertisement, infomercial, or any other production that solicits
2 funds, except for a commercial television advertisement produced for national
3 distribution;

4 (4) a political advertisement; or

5 (5) a production that is determined by the film office to contain
6 sexually explicit conduct as defined in 18 U.S.C. 2256.

7 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 APPLICABILITY. AS 43.20.011(e), as amended by sec. 1 of this Act, applies to the
10 taxable income of a corporation derived from sources within the state during a taxable year
11 that begins on or after the effective date of sec. 1 of this Act.

12 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 TRANSITION. Subject to AS 43.98.030(f), as that subsection read on June 30, 2013,
15 secs. 30 and 31, ch. 51, SLA 2012, do not prohibit the film office from determining a film
16 production's qualified expenditures, awarding a tax credit, or reviewing a tax credit for a
17 production that has received a notice of qualification under former AS 44.33.234 before
18 July 1, 2013, or the Department of Revenue from providing a transferable film production tax
19 credit to a producer under former AS 43.98.030, by applying the former provisions repealed
20 by secs. 30 and 31, ch. 51, SLA 2012, the regulations adopted by the Department of
21 Commerce, Community, and Economic Development under former AS 44.33.238, and the
22 regulations adopted by the Department of Revenue under former AS 43.98.030.

23 * **Sec. 5.** Sections 2 and 4 of this Act take effect July 1, 2013.