

CS FOR HOUSE BILL NO. 112(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/12/14

Referred: Rules

Sponsor(s): REPRESENTATIVES STOLTZE, Neuman, Reinbold

A BILL

FOR AN ACT ENTITLED

1 **"An Act repealing the film production tax credit and making conforming changes;**
2 **providing for an effective date by repealing the effective dates of secs. 31 - 33, ch. 51,**
3 **SLA 2012; and providing for an effective date."**

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

5 *** Section 1.** AS 43.75.130(f) is amended to read:

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

11 *** Sec. 2.** AS 43.77.060(e) is amended to read:

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

1 applying the credits.

2 * **Sec. 3.** AS 44.25.135, as enacted in sec. 28, ch. 51, SLA 2012, is amended to read:

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

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

13 * **Sec. 4.** AS 24.20.271(12); AS 43.98.030; AS 44.25.100, 44.25.105, 44.25.110, 44.25.115,
 14 44.25.120, 44.25.125, 44.25.130, 44.25.140, 44.25.145, 44.25.150, 44.25.190, and
 15 AS 44.33.231(c) are repealed.

16 * **Sec. 5.** AS 44.25.135 is repealed July 1, 2020.

17 * **Sec. 6.** Sections 31 - 33, 35, 36(b), 36(c), 36(d), 37, and 38, ch. 51, SLA 2012, are
 18 repealed.

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

21 TRANSITION. (a) Subject to AS 43.98.030(f), as that subsection read on June 30,
 22 2014, limiting the number of tax credits provided in the aggregate under AS 43.98.030, as that
 23 section read on June 30, 2014, the repeals in

24 (1) sec. 30, ch. 51, SLA 2012, do not prohibit the film office from determining
 25 a film production's qualified expenditures, awarding a tax credit, or reviewing a tax credit for
 26 a production that received a notice of qualification under AS 44.33.235 before July 1, 2013,
 27 under the provisions repealed by sec. 30, ch. 51, SLA 2012;

28 (2) sec. 4 of this Act do not prohibit the film office from determining a film
 29 production's qualified expenditures, awarding a tax credit, or reviewing a tax credit for a
 30 production that received a notice of qualification under AS 44.25.125 before July 1, 2014,
 31 under the provisions repealed by sec. 4 of this Act.

1 (b) A film production tax credit may be used to offset taxes imposed under the
2 provisions identified in AS 43.98.030(c), or sold or exchanged for a transferable tax credit
3 certificate under AS 43.98.030(a), within three years after being provided by the Department
4 of Revenue, notwithstanding the repeal of AS 43.98.030 in sec. 4 of this Act.

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

8 * **Sec. 8.** Sections 40 - 42, ch. 51, SLA 2012, are repealed.

9 * **Sec. 9.** Sections 1 - 4 and 6 - 8 of this Act take effect July 1, 2014.

10 * **Sec. 10.** Except as provided in sec. 9 of this Act, this Act takes effect immediately under
11 AS 01.10.070(c).