

NOTICE OF PROPOSED CHANGES IN THE
REGULATIONS OF THE DEPARTMENT OF REVENUE

Brief Description: The Department of Revenue proposes to adopt new regulations relative to the implementation and administration of the Alaska film production incentive program

The Department of Revenue proposes to adopt new regulations in Title 15 of the Alaska Administrative Code, dealing with the film production tax credit, including the following:

- (1) 15 AAC 20.260, which implements the film production tax credit under the administration of corporate net income tax and credits, is repealed and addressed in Chapter 44 Alaska Film Office.
- (2) 3 AAC 188 is repealed to reflect the change in administration of the film production incentive program from the Department of Commerce, Community, and Economic Development to the Department of Revenue.
- (3) 15 AAC 44 is a proposed new chapter under title 15 of the Alaska Administrative Code to implement the Alaska film tax credit.
- (4) 15 AAC 44.100 is a proposed new section detailing how the film office determines the qualification period for which the producer must incur at least \$75,000 in expenses within 36 consecutive months.
- (5) 15 AAC 44.110 is a proposed new section which outlines the qualification application process and stipulates restrictions for qualification.
- (6) 15 AAC 44.120 is a proposed new section which further clarifies what constitutes a qualifying expenditure.
- (7) 15 AAC 44.130 is a proposed new section that sets out requirements for submitting a final application and establishes parameters that the Film Office will consider when making a recommendation to the Film Commission for approval.
- (8) 15 AAC 44.140 is a proposed new section that stipulates use of a film production tax credit certificate and allows for the transference of a film production tax credit with departmental approval under specified conditions.
- (9) 15 AAC 44.990 is a proposed new section defining terms used in film tax production credit regulations and statutes.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Claire Lettow at the Department of Revenue at 550 West 7th Avenue, Suite 500, Anchorage, Alaska, 99501. Additionally, the Department of Revenue will accept comments by electronic mail at claire.lettow@alaska.gov. The comments must be received no later than 4:00 p.m. on October 16, 2014. Written comments received are public records and are subject to public inspection.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Claire Lettow at 907-375-7706, no later than October 1, 2014 to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Claire Lettow at 907-375-7706, or go to www.tax.state.ak.us and select the appropriate link under Regulations, Other Taxes, Draft Regulations.

After the public comment period ends, the Department of Revenue will either adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.**

Statutory Authority: AS 44.25.140

Statutes Being Implemented, Interpreted, or Made Specific: AS 44.25.115; AS 44.25.120; AS 44.25.125; AS 44.25.130; AS 44.25.135; AS 44.25.140; AS 44.25.150; AS 44.25.190

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

9-2-14

Date



Matthew R. Fonder, Director, Tax Division