Form **6320**

Alaska Gas Exploration and Development Tax Credit

(AS 43.20.043)

2016

EIN	Name Shown on Return

	Name of Gas Reservoir A	Location B	First Production C	Qualified Investment D	Qualified Services E	Total Qualified Expenditures F
1.						

2.	Total qualifying expenditures. Add amounts on line 1 column F	2	
3.	Tentative current year credit. Multiply line 2 by 25%	3	

Report the amount on line 3 as indicated below:

- Corporations – Form 6300, line 2a
- Partnerships – Form 6900, Schedule A, line 12

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Instructions for Form 6320, Gas Exploration and Development Tax Credit

GENERAL INSTRUCTIONS

Purpose of Form

Use Form 6320 to calculate the potential current gas exploration and development tax credit.

What's New

Form 6320 has been redesigned to accommodate credit being claimed for multiple gas reservoirs.

General Instructions

An incentive credit is available for gas exploration and development costs to produce gas reserves lying south of 68 degrees North latitude. The credit reported on this form is for costs incurred after December 31, 2009.

The credit is claimed by filing this form with a timely filed or amended tax return for the year in which the qualified capital investment is made, or for the year immediately following the year in which the qualified capital investment is made. The credit is not transferrable unless the taxpayer's business is acquired by another taxpayer.

The credit may be carried over for five years.

SPECIFIC INSTRUCTIONS

Line 1: In column A, enter the name of the gas reservoir.

In column B, enter the location of the gas reservoir. To claim the credit, the gas reservoir must lie south of 68 degrees North latitude.

In column C, enter the date that gas was first produced by the reservoir.

In column D, enter the expenditures for real property or tangible personal property used in this state for the exploration and development of the gas reserve. Expenditures for a given reserve are claimed from the date the property is placed in service, and may continue through the date of first commercial production, or the date of determination that commercial production is not capable.

In column E, enter the expenditures for labor, seismic, and other services that are directly applicable to a qualified capital investment. Do not include lease operating expenses. Expenditures for qualified services are allowed in the year the qualified capital investment is first claimed, and in subsequent years.

Line 2: Add the amounts on line 1 column F.

Line 3: Multiply line 2 by 25%. Report this amount as follows:

- Corporations – Form 6300, line 2a
- Partnerships – Form 6900, Schedule A, line 12