

State of Alaska
DEPARTMENT OF REVENUE

PO BOX 110420
Juneau, Alaska 99811-0420
(907) 465-2320

Dear Taxpayer:

I am pleased to present the 1996 Alaska Corporation Net Income Tax Return filing package. This booklet contains forms necessary to file a 1996 corporation income tax return.

It is our goal to continually improve service to our taxpayers. Each year, we try to implement taxpayer suggestions for clarifying and simplifying our forms and instructions. I want to express my appreciation for your assistance and encourage you to continue working with us to serve you more effectively. Please direct your comments or suggestions to Supervisor, Corporate Compliance at the above address.

Thank you for your cooperation in filing a complete and accurate return.

Sincerely,

Wilson L. Condon
Commissioner

NAME:	EIN:
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TAX RATE SCHEDULE (AS 43.20.011)

If your Alaska taxable income is:		(5) OF THE AMOUNT OVER		
(1) AT LEAST	(2) BUT LESS THAN	(3) YOUR TAX IS	(4) PLUS	
-0-	10,000	-0-	1%	-0-
10,000	20,000	100	2%	10,000
20,000	30,000	300	3%	20,000
30,000	40,000	600	4%	30,000
40,000	50,000	1,000	5%	40,000
50,000	60,000	1,500	6%	50,000
60,000	70,000	2,100	7%	60,000
70,000	80,000	2,800	8%	70,000
80,000	90,000	3,600	9%	80,000
90,000 or MORE		4,500	9.4%	90,000

SCHEDULE C TAX PAYMENT RECORD

ESTIMATED PAYMENTS	DATE	AMOUNT
(1)	04-711	
(2)	04-711	
(3)	04-711	
(4)	04-711	
TENTATIVE TAX 04-709		
OVERPAYMENT FROM PRIOR YEAR		
APPLY NONRESIDENT AFFIDAVIT CASH SECURITY		
LESS: QUICK REFUND (FORM 4466)		()
TOTAL PAYMENTS to Schedule A Line 11		\$

SCHEDULE D - ALASKA TAX COMPUTATION

(Includes Alternative Tax on Capital Gains)

(Compute alternative tax in column A. Compute regular tax in column B. Alaska tax is the lesser of the two.)

	A	B
1. Alaska taxable income from Schedule A, line 3	1	
2. Net capital gain from form 1120, Schedule D	2	
3. Alaska apportionment factor from Schedule I, line 5	3	
4. Apportioned net capital gain. Multiply line 2 by line 3	4	
5. Ordinary income. Subtract line 4 from line 1. If less than zero, enter zero	5	
6. To compute the tax on ordinary income, apply the amount on line 5 to the Tax Rate Schedule		
(a) Tax from column 3 of the Tax Rate Schedule	6a	
(b) Ordinary income from line 5 above	6b	
(c) Amount from column 5 of the Tax Rate Schedule	6c	
(d) Excess. Subtract line 6c from line 6b	6d	
(e) Percent from column 4 of the Tax Rate Schedule	6e	
(f) Multiply line 6(d) by line 6e	6f	
(g) Tax on ordinary income. Add lines 6a and 6f	6g	
7. Tax on net capital gains. Multiply line 4 by 4.5%	7	
8. Alaska income tax. Add lines 6g and 7	8	
9. Enter the lesser of line 8, column A or B here and on Schedule A, line 4	9	

SCHEDULE E - OTHER TAXES (AS 43.20.021)

	A		B
1. Personal Holding Company tax from federal form 1120 PH	1a	x 12.6%	1b
2. Alternative minimum tax from federal form 4626	2a	x 18%	2b
3. Credit for prior year minimum tax from Form 1120, schedule J, line 4e	3a	x 18%	3b ()
4. Federal environmental tax from federal form 4626	4a	x 18%	4b
5. Other federal taxes (attach schedule)	5a	x 18%	5b
6. Total other taxes. Add lines 1 through 5			6
7. Alaska apportionment factor, from Schedule I, line 5			7
8. Multiply line 6 by line 7. Enter here and on Schedule A, line 5			8

NAME:	EIN:
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SCHEDULE F - CREDITS

1. Current year Alaska general business credit		
(a) Current year federal general business credit. (Line 1m, Part I, Federal Form 3800)	1a	
(b) Current year federal investment tax credit (Line 4, Part I, Federal Form 3468)	1b	
(c) Total current year general business credit. Subtract line 1b from line 1a	1c	
2. Alaska apportionment factor from Schedule I, line 5	2	
3. Multiply line 1c by line 2	3	
4. Multiply line 3 by 18%	4	
5. Alaska general business credit carryover/carryback (attach schedule)	5	
6. Tentative general business credit. Add lines 4 and 5. (If less than \$4,500, enter here and on line 13)	6	
7. Other Alaska credits.		
(a) Orphan drug credit. (Line 4, Part I, Federal Form 6765)	7a	
(b) Nonconventional source fuel credit	7b	
(c) Qualified electric vehicle credit. (From form 8834)	7c	
(d) Total other Alaska credits. Add lines 7a through 7c	7d	
8. Multiply line 7d by line 2	8	
9. Multiply line 8 by 18%	9	
10. Alaska income tax from Schedule A, line 4	10	
11. Allowable other credits. Enter the lesser of line 9 or line 10	11	
12. General business credit limitation (if line 6 is less than \$4,500, proceed to line 13)		
(a) Alaska income tax from Schedule A, line 4	12a	
(b) Other credits from line 11	12b	
(c) Net regular tax. Subtract line 12b from 12a	12c	
(d) If line 12c is more than \$4,500, enter 25% of the excess	12d	
(e) Subtract line 12d from line 12c	12e	
13. General business credit. Enter the smaller of line 6 or 12e	13	
14. Allowable general business and other credits. Add lines 11 and 13 and enter in Schedule A, line 6 ..	14	
15. Alaska general business credit carryforward. Line 6 less line 13	15	

**SCHEDULE G — ALASKA EDUCATION CREDIT
(AS 43.20.014)**

A taxpayer is allowed a credit for cash contributions accepted for direct instruction, research and educational support purposes, including library and museum acquisitions. Contributions accepted for endowment purposes are also eligible for the credit. The contribution must be given to an accredited, nonprofit, two or four year public or private college or university in Alaska. Attach a schedule if more than four contributions were made. The Alaska education credit may not exceed \$150,000. A corresponding deduction for the gross qualified contribution (line 1 amount below) is not allowed under 26 U.S.C. 170 for purposes of this return.

Payor	Name of College or University	Contribution(s)	
		Date	Amount

1. Total qualified contributions. Enter the total of the qualified contributions but not more than \$200,000. Enter here and on Form 04-611 Schedule H (Water's Edge line 6c or Non-affiliated line 2c) or Form 04-611SF Schedule B line 2b		
2. Enter lesser of \$50,000 or 50% of line 1	2	
3. Subtract \$100,000 from line 1. If less than zero, enter zero. Do not enter more than \$100,000	3	
4. Total Alaska education credit. Add lines 2 and 3; enter here and on Schedule A, line 9 (maximum: \$150,000) But not more than the total tax reduced by incentive credits (Schedule A, line 7 less line 8)	4	

SCHEDULE H — WATER'S EDGE COMPUTATION OF ALASKA INCOME

1. Federal taxable income, Form 1120, line 28, or Form 1120A, line 24, as actually filed by taxpayer or consolidated group	▶	1
2. Additions (Attach schedule - by company):		
(a) Form 1120, line 28 of U.S. domestic unitary corporations required to file U.S. tax return but not included in line 1	▼	2a
(b) Taxable or book income of other non-tax haven unitary corporations not included in line 1 or 2a		2b
(c) Taxable or book income of tax haven corporations		2c
(d) DISC federal taxable income		2d
(e) FSC profit before federal exclusions		2e
(f) Intercompany eliminations for transactions between affiliated corporations within and outside the water's edge group		2f
(g) Total additions (add lines 2a through 2f)		2g
3. Total. Add lines 1 and 2g		3
4. Subtractions:		
(a) Form 1120, line 28, federal taxable income of non-unitary corporations included in lines 1 or 2a (attach schedule - by company)		4a
(b) Unitary corporations included in lines 1 or 2 whose average U.S. factors are under 20% and meet the requirements of IRC 861(c) (Attach schedule - by company)		4b
(c) 80% of dividends received from foreign corporations included in lines 1 through 2e by a member of the water's edge group		4c
(d) Foreign dividend gross-up, Form 1120, Schedule C, to the extent not excluded in 4c		4d
(e) 80% of royalties accrued or received from foreign corporations by a member of the water's edge group		4e
(f) Intercompany eliminations for transactions between affiliated corporations within and outside the water's edge group		4f
(g) Total subtractions (add lines 4a through 4f)		4g
5. Total. Subtract line 4g from line 3.		5
6. Modification additions with respect to members of the water's edge group:		
(a) All taxes based on or measured by net income		6a
(b) Expenses incurred to produce non-apportionable income and income allocated to other states		6b
(c) Other (attach schedule)		6c
(d) Total modification additions (add lines 6a through 6c)		6d
7. Total. Add line 6d and line 5		7
8. Modification subtractions with respect to members of the water's edge group:		
(a) Interest from obligations of the United States		8a
(b) Allocable income (attach schedule)		8b
(c) Unitary intercompany dividends to the extent not otherwise eliminated or excluded. (attach schedule)		8c
(d) Special deductions from Form 1120, Schedule C, to the extent dividends are not otherwise eliminated or excluded. Add back special deductions for foreign dividends which exceed 80%. (attach schedule)		8d
(e) Other (attach schedule)		8e
(f) Total modification subtractions (add lines 8a through 8e)		8f
9. Total apportionable income (loss). Subtract line 8f from line 7		9
10. Apportionment factor from Schedule I, line 5		10
11. Income (loss) apportioned to Alaska (line 9 times line 10)	▶	11
12. Income (loss) allocated to Alaska (attach schedule)	▶	12
13. Alaska income (loss). Add lines 11 and 12. Enter here and on Schedule A, line 1.	▶	13

NAME:	EIN:
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SCHEDULE H - NON-AFFILIATED COMPUTATION OF ALASKA INCOME

To be used by Non-affiliated Corporations only

1. Federal taxable income, Form 1120, line 28 or Form 1120A, line 24, as actually filed	▼	▶	1	
2. Additions:				
(a) All taxes based on or measured by net income	2a			
(b) Expenses incurred to produce non-apportionable income and income allocated to other states	2b			
(c) Other (Attach schedule)	2c			
(d) Total additions. Add lines 2a through 2c			2d	
3. Total. Add lines 1 and 2d			3	
4. Subtractions:				
(a) Interest from obligations of the United States	4a			
(b) Special deductions from Form 1120, Schedule C	4b			
(c) Allocable income (attach schedule)	4c			
(d) Other (Attach schedule)	4d			
(e) Total subtractions. Add lines 4a through 4d			4e	
5. Total apportionable income (loss). Subtract line 4e from line 3.			5	
6. Apportionment factor from Schedule I, line 5			6	
7. Income (loss) apportioned to Alaska (line 5 times line 6)			7	
8. Income (loss) allocated to Alaska (Attach schedule)			8	
9. Alaska income (loss). Add lines 7 and 8. Enter here and on Schedule A, line 1			9	

SCHEDULE I — APPORTIONMENT FACTOR SUMMARY

To be used by Corporations Doing Business in Multiple States

	▼ A Total within Alaska	▼ B Total within & without Alaska	C Decimal Factor A ÷ B Round to six decimal places
1. Property factor, Part 1, line 22	1		.
2. Payroll factor, Part 2, line 10	2		.
3. Sales factor, Part 3, line 11	3		.
4. Total of lines 1, 2 and 3			.
5. Alaska apportionment factor. Divide line 4C by 3. (If less than 3 factors are used, see instructions.) Enter here as a decimal to six points and on Schedule D, line 3; Schedule E, line 6; Schedule F, line 4; and the applicable Schedule H			.
			▶ 5

NAME:	EIN:
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SCHEDULE I - PART 1 - PROPERTY FACTOR DETAIL

Property is reported for the corporations included in a federal consolidated return and for other unitary corporations that are not included in the federal consolidated return. See instructions.

OWNED PROPERTY

		A Alaska Property	B Total Property
1. Inventories	(a) Consolidated	1a	
	(b) Unitary Non-consolidated	1b	
2. Depletable assets	(a) Consolidated	2a	
	(b) Unitary Non-consolidated	2b	
3. Buildings and other depreciable assets	(a) Consolidated	3a	
	(b) Unitary Non-consolidated	3b	
4. Land	(a) Consolidated	4a	
	(b) Unitary Non-consolidated	4b	
5. Other real and tangible personal property	(a) Consolidated	5a	
	(b) Unitary Non-consolidated	5b	
6. Partnership property not included in lines 1 - 5	➤	6	
7. Less construction in progress	(a) Consolidated	7a () ()	
	(b) Unitary Non-consolidated	7b () ()	
8. SUBTOTAL. Add lines 1 - 7	➤	8	
9. Less property of unitary corporations not in the water's edge group	(a) Consolidated	9a () ()	
	(b) Unitary Non-consolidated	9b () ()	
10. Less owned property of non-unitary consolidated corporations	➤	10 () ()	
11. TOTAL WATER'S EDGE OWNED PROPERTY. Add lines 8 - 10	➤	11	

RENTED PROPERTY

12. Federal 1120, rents	(a) Consolidated	12a	
	(b) Unitary Non-consolidated	12b	
13. Federal 1120, rents in cost of goods sold	(a) Consolidated	13a	
	(b) Unitary Non-consolidated	13b	
14. Federal 1120, rents in other deductions	(a) Consolidated	14a	
	(b) Unitary Non-consolidated	14b	
15. Federal 1120, other rents	(a) Consolidated	15a	
	(b) Unitary Non-consolidated	15b	
16. Partnership rents not included in lines 12 - 15	➤	16	
17. SUBTOTAL. Add lines 12 - 16	➤	17	
18. Less rents of unitary corporations not in the water's edge group	(a) Consolidated	18a () ()	
	(b) Unitary Non-consolidated	18b () ()	
19. Less rents of non-unitary consolidated corporations	➤	19 () ()	
20. Subtotal. Add lines 17 through 19	➤	20	
21. TOTAL WATER'S EDGE RENTS. Line 20 times 8	➤	21	
22. TOTAL WATER'S EDGE PROPERTY. Add lines 11 and 21. Enter here and on Schedule I, line 1, Columns A and B	➤	22	

NAME:	EIN:
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SCHEDULE I - PART 2 - PAYROLL FACTOR DETAIL

Payroll is reported for the corporations included in a federal consolidated return and for other unitary corporations that are not included in the federal consolidated return. See instructions.

		A Alaska Payroll	B Total Payroll
1. Salaries and wages	(a) Consolidated	1a	
(Include jobs credit wages)	(b) Unitary Non-consolidated	1b	
2. Salesperson salaries and commissions (if employees)	(a) Consolidated	2a	
	(b) Unitary Non-consolidated	2b	
3. Payroll in cost of goods sold	(a) Consolidated	3a	
	(b) Unitary Non-consolidated	3b	
4. Payroll in repairs and improvements	(a) Consolidated	4a	
	(b) Unitary Non-consolidated	4b	
5. Compensation of officers	(a) Consolidated	5a	
	(b) Unitary Non-consolidated	5b	
6. Partnership payroll not included in lines 1 - 5		6	
7. SUBTOTAL. Payroll, add lines 1 - 6		7	
8. Less payroll of unitary corps not in the water's edge group	(a) Consolidated	8a ()	()
	(b) Unitary Non-consolidated	8b ()	()
9. Less payroll of non-unitary consolidated corporations		9 ()	()
10. TOTAL WATER'S EDGE PAYROLL. Add lines 7 through 9. Enter here and on Schedule I, line 2 Columns A and B		10	

SCHEDULE I - PART 3 - SALES FACTOR DETAIL

Sales are reported for the corporations included in a federal consolidated return and for other unitary corporations that are not included in the federal consolidated return. See instructions.

		A Alaska Sales	B Total Sales
1. Gross receipts or sales	(a) Consolidated	1a	
	(b) Unitary Non-consolidated	1b	
2. Gross rents (Net of Sub-Rents)	(a) Consolidated	2a	
	(b) Unitary Non-consolidated	2b	
3. Gross receipts from sales/exchanges	(a) Consolidated	3a	
	(b) Unitary Non-consolidated	3b	
4. Other gross income	(a) Consolidated	4a	
	(b) Unitary Non-consolidated	4b	
5. Partnership sales not included in lines 1 - 4		5	
6. Sales of property shipped from Alaska to the United States government and sales from Alaska where the seller is not taxed in the destination state or country of the buyer		6a	
	(a) Consolidated	6a	
	(b) Unitary Non-consolidated	6b	
7. Other (attach schedule)	(a) Consolidated	7a	
	(b) Unitary Non-consolidated	7b	
8. SUBTOTAL. Sales, add lines 1 - 7		8	
9. Less sales of unitary corps not in the water's edge group	(a) Consolidated	9a ()	()
	(b) Unitary Non-consolidated	9b ()	()
10. Less sales of non-unitary consolidated corporations		10 ()	()
11. TOTAL WATER'S EDGE SALES. Add lines 8 through 10. Enter here and on Schedule I, line 3 Columns A and B		11	

FORM 04-611X -- AMENDED ALASKA CORPORATION NET INCOME TAX RETURN

(Use Part III to carry back net operating losses and net capital losses)

Corporation name and mailing address (Please print or type)	For the tax year ended:		
	Employer Identification Number		
	Is the corporation currently under audit by the Alaska Department of Revenue?	YES	NO
Name and address used on original return, if different from above	This box for Dept Use Only		

PART I. ALASKA TAX SUMMARY

	(a) As originally reported or as adjusted	(b) Net change (Explain in Part II)	(c) Correct amount	(d) Dept Use Only
1. Apportionable income				
2. Alaska apportionment factor				AF
3. Alaska apportioned income				
4. Additions to apportioned income				
5. Total. Add lines 3 and 4				
6. Subtractions from apportioned income:				NL
(a) Alaska net operating loss deduction				
(b) Other				
(c) Total. Add lines 6(a) and 6(b)				
7. Alaska Taxable Income. Subtract line 6(c) from line 5				TI
8. Alaska income tax				TX
9. Total credits				CR
10. Subtract line 9 from line 8				
11. Other taxes				OT
12. Net income tax. Add lines 10 and 11				NT
13. Net payments. (Total previous payments less total previous refunds, credits, penalties and interest)				PT
14. (a) If tax on line 12, column (c) is larger than net payments on line 13, enter tax due				
(b) Interest on amount on line 14(a) from ___/___/___ to ___/___/___ (See instructions for interest rates)				IN
(c) Total amount due				
15. If prepayments on line 13 are larger than tax on line 12, column (c), enter overpayment				RF

ADDITIONAL REQUIRED INFORMATION. A complete copy of the federal amended return, if filed, must be provided to constitute a complete amended return.

I declare under penalty of perjury that an original return has been filed for this corporation and that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief this amended return is true, correct, and complete. If prepared by a person other than the taxpayer, preparer's declaration is based on all information of which preparer has knowledge.

Signature of Officer	Name of Officer (Type or print)	Title	Date
Signature of Preparer	Preparer's name (Type or Print)	Preparer's EIN or Soc. Sec. No.	Date

Firm name, address, telephone and fax number of preparer	THIS AREA FOR DEPT USE ONLY		Date Received
Refund as claimed.	_____ Amt	PMD:	
APPROVED	_____ Date		
Phone: _____ Fax: _____			

PART II. EXPLANATION OF CHANGES

PART III. APPLICATION FOR TENTATIVE REFUND

BASED ON CARRYBACK OF NET OPERATING LOSS OR CAPITAL LOSS

Corporation name and mailing address (Please print or type)	Employer Identification Number
	This box for Dept. use only
Is the corporation currently under audit by the Alaska Department of Revenue? <input type="checkbox"/> YES <input type="checkbox"/> NO	PMD:

1. This application is to carryback:	a. Net operating loss	b. Net capital loss
2. Loss year	Tax year ended	

Computation of Decrease in Tax

	3rd preceding tax year:		2nd preceding tax year:		1st preceding tax year:	
	(a) Before carryback	(b) After carryback	(c) Before carryback	(d) After carryback	(e) Before carryback	(f) After carryback
3. Taxable income from tax return						
4. Net capital loss deduction						
5. Subtract line 4 from line 3						
6. Net operating loss deduction after carryback						
7. Taxable income. Subtract line 6 from line 5						
8. Income Tax						
9. Credits						
10. Other taxes						
11. Net income tax. Subtract line 9 from line 8 and add line 10						
12. Net payments. (Total previous payments less total previous refunds, credits, penalties and interest)						
13. Enter amounts from line 11, columns (b), (d) and (f)						
14. Net Overpayment. Subtract line 13 from line 12						
15. Total refund claimed						

I declare under penalty of perjury that I have examined this application and accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than the taxpayer, preparer's declaration is based on all information of which preparer has knowledge.

Signature of Officer	Name of Officer (Type or print)	Title	Date
Signature of Preparer	Preparer's name (Type or print)	Preparer's EIN or Soc. Sec. No.	Date

Firm name, address, telephone and fax number of preparer	THIS AREA FOR DEPT. USE ONLY
Phone: _____ Fax: _____	Refund as claimed _____ Amt _____ APPROVED _____ Date _____
	DATE RECEIVED _____ PMD: _____

UNDERPAYMENT OF ESTIMATED TAX BY CORPORATIONS

Attach to your tax return

Name of Corporation	Employer Identification Number
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PART 1. How to compute the underpayment.

1. Net income tax from Schedule A, line 10, form 04-611 or 04-611SF				
2. Personal holding company tax from Schedule E, form 04-611				
3. Subtract line 2 from line 1. If the result is less than \$500, do not complete the rest of this form. No penalty is due				
4. (a) Enter 100% of line 3				
(b) Enter 100% of the tax shown on your return for the previous year if tax was reported. (See instructions)				
(c) Enter the lesser of line 4(a) or line 4(b)				
5. Enter in columns A through D the installment due dates (the 15th day of the 4th, 6th, 9th and 12th months of the tax year)	A	B	C	D
6. Enter 25% of line 4(c) in columns A through D unless (a) or (b) below applies to the corporation:				
(a) If you use the annualized income installment method and/or the adjusted seasonal installment method, check here <input type="checkbox"/> and enter the required installment. (Attach federal worksheet with Alaska numbers)				
(b) If you are a "large corporation," check this box <input type="checkbox"/> and see the instructions for the amount to enter in each column of line 6				
7. Amount paid or credited for each period (For column A only, enter the amount from line 7 on line 11)				
Complete lines 8 through 14 for one column before completing the next column.				
8. Enter the amount, if any, from line 14 of the previous column				
9. Add lines 7 and 8				
10. Add amounts on lines 12 and 13 of the preceding column				
11. Subtract line 10 from line 9. If less than zero, enter zero. (For column A only, enter the amount from line 7)				
12. Remaining underpayment from previous period. If the amount on line 11 is zero, subtract line 9 from line 10 and enter the result. Otherwise, enter zero				
13. Underpayment. If line 11 is less than or equal to line 6, subtract line 11 from line 6, enter the result, compute the penalty in Part 2, and then go to line 8 of the next column. Otherwise, go to line 14				
14. Overpayment. If line 6 is less than line 11, subtract line 6 from line 11 and enter the result. Then go to line 8 of the next column				
PART 2. How to compute the penalty.				
15. Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier. (See instructions)				
16. Number of days from the due date of the installment on line 5 to the date shown on line 15				
17. Number of days on line 16 divided by the number of days in the tax year times the applicable rate (see instructions) times the amount on line 13	\$	\$	\$	\$
18. Add amounts on line 17, columns A through D. Enter here and on Schedule A, line 14 of form 04-611 or 04-611SF				\$

Instructions

Underpayment of Estimated Tax by Corporations

Purpose of the Form

Corporations use form 04-708 to determine whether they are subject to the penalty for underpayment of estimated tax and, if so, the amount of the penalty.

Who Must Pay the Underpayment Penalty

If the corporation did not pay sufficient estimated tax by any due date for paying estimated tax, it may be charged a penalty. This is true even if the corporation is due a refund when its return is filed. The penalty is computed separately for each installment due date. Therefore, the corporation may owe a penalty for an earlier installment due date, even if it paid enough tax later to make up the underpayment.

Generally, a corporation is subject to the penalty if its tax liability is \$500 or more and it did not pay on time the lesser of: 100% of its tax liability for this tax year, or 100% of its tax liability for the previous tax year, if a return was filed showing a tax liability, and it covered a full 12 months. (A large corporation may base only its first required installment on 100% of the prior year's tax liability.) A corporation may be able to reduce or eliminate the penalty by using the annualized income or adjusted seasonal installment method.

How to Use This Form

Complete Part 1 of form 04-708 to determine if there is an underpayment for any of the four installment due dates. If there is an underpayment on line 13 (column A, B, C or D), go to Part 2, How to Compute the Penalty. Attach form 04-708 to the income tax return (Form 04-611 or 04-611SF).

Part 1. How to Compute the Underpayment

Complete lines 1 through 14 in Part 1. The instructions for most of these lines are on the form itself. For other lines, follow the instructions below.

Line 4(b)--Compute your previous year's tax in the same way that the amount on line 3 of this form was determined, using the taxes and credits from your previous year's tax return. If you did not file an Alaska return showing a tax liability for the previous tax year, or if that tax year was for less than 12 months, do not complete this line. Instead, enter the amount from line 4(a) on line 4(c).

Line 6(a)--**Annualized income installment method or adjusted seasonal installment method:** If the corporation's income varied during the year because, for example, it operated its business on a seasonal basis, it may be able to lower the amount of one or more required installments by using the annualized income installment method or the adjusted seasonal installment method. The annualized income installment or adjusted seasonal installment may be less than the required installment under the regular method for one or more due dates, thereby reducing or eliminating the penalty for those due dates.

To use one or both of these methods to compute one or more required installments, use the worksheet for federal form 2220, using Alaska figures, rates, and computations. If you use the worksheet for any payment date, you must use it for all payment due dates.

Line 6(b)--**Large corporations:** A large corporation is one that it or its predecessor had \$1 million or more of Alaska taxable income for any of the three tax years immediately preceding the tax year involved. For this purpose, taxable income does not include net operating loss or capital loss carrybacks or carryovers. Members of a controlled group, as defined in IRC section 1563, must divide the \$1 million among themselves in accordance with IRC section 1561.

If you are not using the annualized income installment method or adjusted seasonal installment method, follow the instructions below to compute the amount to enter on line 6. Also check the box on line 6(b).

If line 4(a) is less than line 4(b), enter 25% of line 4(a) in columns A through D.

If line 4(b) is less than line 4(a), in column A enter 25% of line 4(b). In column B, determine the amount to enter by:

- (i) subtracting line 4(b) from line 4(a),
- (ii) adding the result to the amount on line 4(a), and
- (iii) multiplying the total by 25%.

In columns C and D, enter 25% of line 4(a).

Line 7--In column A, enter the estimated tax payments deposited by the 15th day of the 4th month of your tax year; in column B, enter payments made after the 15th day of the 4th month through the 15th day of the 6th month of your tax year; in column C, enter payments made after the 15th day of the 6th month through the 15th day of the 9th month of your tax year; and in column D, enter payments made after the 15th day of the 9th month through the 15th day of the 12th month of your tax year.

Generally, a prior year's overpayment will be applied against the earliest installment, unless the taxpayer instructs the Department otherwise.

Line 15--A payment of estimated tax is applied against underpayment of required installments in the order in which such installments are required to be paid, regardless of which installment the payment pertains to. If the corporation has made more than one payment for a required installment, compute the penalty separately for each payment.

Line 17--Use Alaska interest rates. (See General Instructions)

Form 04-711 (Regular and Water's Edge Corporation) Payment of Estimated Alaska Corporation Net Income Tax		Important: To insure proper credit, use the same Name and EIN that will be used on the return.
Date	Employer Identification Number	<input type="checkbox"/> Fiscal year ending ___/___/___
Name of Corporation		<input type="checkbox"/> Calendar year 1997
Mailing Address		<input type="checkbox"/> Other: Begin _____, 19__ End _____, 19__
City, State, Zip Code		Installment No. (Check appropriate box) 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/>
First Year Doing Business in Alaska	Total Estimated Tax \$	Installment Amount \$

ALASKA DEPARTMENT OF REVENUE
PO BOX 110420
JUNEAU, ALASKA 99811-0420

For Dept. Use Only

Date received

PMD:

Form 04-711 (Rev. 11/96) THIS FORM MUST ACCOMPANY ESTIMATED PAYMENTS

Form 04-711 (Regular and Water's Edge Corporation) Payment of Estimated Alaska Corporation Net Income Tax		Important: To insure proper credit, use the same Name and EIN that will be used on the return.
Date	Employer Identification Number	<input type="checkbox"/> Fiscal year ending ___/___/___
Name of Corporation		<input type="checkbox"/> Calendar year 1997
Mailing Address		<input type="checkbox"/> Other: Begin _____, 19__ End _____, 19__
City, State, Zip Code		Installment No. (Check appropriate box) 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/>
First Year Doing Business in Alaska	Total Estimated Tax \$	Installment Amount \$

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Form 04-709 (Regular and Water's Edge Corporation) Payment of Tentative Alaska Corporation Net Income Tax		Important: To insure proper credit, use the same Name and EIN that will be used on the return.
PAYMENT DUE DATE	The 15th day of the third month following the end of the tax year (e.g. March 15 for calendar year taxpayers) IMPORTANT: To insure proper credit, use the same Name and EIN that will be used on the return.	<input type="checkbox"/> Fiscal year ending ___/___/___
Date	Employer Identification Number	<input type="checkbox"/> Calendar year 1996
Name of Corporation		<input type="checkbox"/> Other: Begin _____, 19__ End _____, 19__
Mailing Address		(a) Tentative Amount of Tax \$
City, State, Zip Code		(b) Less estimated tax payments* \$
		(c) Balance due Subtract line (b) from line (a) \$

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* Include amount of preceding year's overpayment allowed as a credit.

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Payment of Estimated Alaska
Corporation Net Income Tax**

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JUNEAU, ALASKA 99811-0420

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Date	Employer Identification Number	<input type="checkbox"/> Fiscal year ending ___/___/___
Name of Corporation		<input type="checkbox"/> Calendar year 1997
Mailing Address		<input type="checkbox"/> Other: Begin _____, 19___ End _____, 19___
City, State, Zip Code		Installment No. (Check appropriate box) 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/>
First Year Doing Business in Alaska	Total Estimated Tax \$	Installment Amount \$

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Form 04-711 (Rev. 11/96) THIS FORM MUST ACCOMPANY ESTIMATED PAYMENTS

**Form 04-711 (Regular and Water's Edge Corporation)
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Corporation Net Income Tax**

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First Year Doing Business in Alaska	Total Estimated Tax \$	Installment Amount \$

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**Form 04-711 (Regular and Water's Edge Corporation)
Payment of Estimated Alaska
Corporation Net Income Tax**

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City, State, Zip Code		Installment No. (Check appropriate box) 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/>
First Year Doing Business in Alaska	Total Estimated Tax \$	Installment Amount \$

PMD:

**Alaska Department of Revenue
Income and Excise Audit Division
PO Box 110420
Juneau, Alaska 99811-0420**

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Juneau, Alaska

**1996
Alaska Corporation
Net Income Tax Return
Booklet**

TO: