Instructions For Form 6100 and Form 6150 (Filed Under 15 AAC 20.421(c)) 2015 Alaska Oil and Gas Corporation Net Income Tax Return

GENERAL INSTRUCTIONS

SPECIFIC INSTRUCTIONS

FORM 6150
UNITARY BUSINESS NOT PREDOMINANTLY A PETROLEUM BUSINESS

APPENDICES

HELPFUL TIP: Many tax return errors can be avoided by filing your corporate tax return using Revenue Online at:

https://online-tax.alaska.gov

You can also use Revenue Online to make payments!

WHAT'S NEW

Electronic Filing Requirement

The Department of Revenue (DOR) has adopted regulations that require a taxpayer to electronically file its Alaska corporate income tax return, if the taxpayer is required to electronically file its federal corporate income tax return. This requirement applies to tax years beginning on or after January 1, 2015. Please see Alaska Regulation 15 AAC 20.150–155 for more details.

There are two ways to file an Alaska corporate income tax return:

- **Revenue Online** is the state portal for electronic filing

- **MeF Modernized E-File** allows you to file your state return in conjunction with your federal tax return processing. This method requires the use of approved tax preparation software.

Return Information checkboxes

Several of the checkboxes on page 1 of the Forms 6100 and 6150 have been modified for clarification or space issues. Please see Specific Instructions below.

Qualified In-State Oil Refinery Infrastructure Expenditures Tax Credit

Recent legislation provides a tax credit for an in-state oil refinery that manufactures and sells refined products. The credit is the lesser of $10,000,000 or 40 percent of qualified infrastructure expenditures incurred in the state. The taxpayer may not get both a deduction and a credit for the same expenditure. The credit may be refundable if the credit exceeds the taxpayer's tax liability. The credit may also be carried forward for five tax years. See AS 43.20.053 for more details.

Upcoming Changes—Due Dates for 2016 tax returns

For tax years beginning in 2016, an Alaska corporate income tax return (for a C Corporation) will generally be due on the 15th day of the fifth month after the end of the tax year. For a calendar-year taxpayer, the 2016 return will be due on May 15, 2017. This change is required because an Alaska corporate income tax return must be filed within 30 days of the date that the taxpayer's federal return is required to be filed. (See AS 43.20.030(a).) This change is necessary because of recent changes to federal law.

On July 31, 2015, federal legislation was signed into law that changes the filing due date of federal corporate income tax returns. Currently, a federal corporate income tax return is required to be filed by the 15th of the third month after the end of the tax year. (March 15 for calendar-year taxpayers). With the new law, the federal corporate income tax return is required to be filed by the 15th day of the fourth month after the end of the tax year. Therefore, for a calendar-year C Corporation, the **2016** Alaska corporate income tax return will generally be due **May 15, 2017.**

The filing due date for S Corporation remains the 15th of the fourth month after the end ot the tax year.

Tax Rate Table

TAX RATE TABLE (tax years beginning on or after 8/26/13)				
(1) At Least	(2) But Less Than	(3) Your Tax is	(4) Plus	(5) Of The Amount Over
-0-	25,000	-0-	-0-	-0-
25,000	49,000	-0-	2%	25,000
49,000	74,000	480	3%	49,000
74,000	99,000	1230	4%	74,000
99,000	124,000	2230	5%	99,000
124,000	148,000	3480	6%	124,000
148,000	173,000	4920	7%	148,000
173,000	198,000	6670	8%	173,000
198,000	222,000	8670	9%	198,000
220,000 or more		10830	9.4%	222,000

If You Need Help

If you have questions, need additional information or require other assistance, please call:

Juneau: 907-465-2320
Anchorage: 907-269-6620

Current tax forms and instructions are available online at: **www.tax.alaska.gov.**

Avoid Common Mistakes

To facilitate the processing of the return, be sure to do the following:

1 Avoid common tax return preparation errors by filing the tax return through Revenue Online. It is quick and easy. Revenue Online also has other benefits, including real-time access to your account and convenient payment options. Use the correct form and schedules. Form 6100 (or the associated Form 6150) is required for any taxpayer engaged in the production of oil or gas from a lease or property in the state, or that owns an interest in a regulated pipeline in the state. Taxpayers that are not engaged in either of these activities in the state during the tax year are required to file Form 6000 Alaska Corporation Net Income Tax Return.

2) Form 6100 is for use by taxpayers whose unitary business is "predominantly petroleum," as defined in Alaska Regulation 15 AAC 20.421(c). If the taxpayer's unitary business is not "predominantly petroleum," use Form 6150.

3) The worldwide combined reporting method is mandatory in Alaska for all oil and gas corporations. A separate-company Alaska return is not permitted. Do not file using a water's edge combined reporting method. (See page 5 "Combined Report" and "Unitary Group or Unitary Business.")

4) If this taxpayer and one or more other Alaska taxpayers are included in a consolidated federal return, these same taxpayers must file a consolidated Alaska return, if they are part of the same unitary group

5) File with the correct taxpayer name. If the Alaska taxpayer is a member of a federal consolidated group, then the name on the Alaska return will often be different than the name on the federal return. See specific instructions on page 8 regarding taxpayer identification. Unless the corporation changed its name, enter the name as it appeared in the prior return. If the name on this return is different from the name reported on the prior return, then complete question 4 of Schedule B.

6) Provide the name, email address, and phone number of a contact person who can answer any question that the DOR may have regarding the tax return. This must be an officer or employee who is authorized to answer any such questions. Generally, the DOR cannot discuss taxpayer information with an outside party unless there is a Power of Attorney. See "Paid Preparer Authorization" on page 4.

7) If this is a consolidated Alaska return, then you must complete Schedule B, listing all members of the Alaska consolidated group, except the taxpayer listed on page 1. Do not list all members of the federal consolidated group, unless all of those corporations have nexus in Alaska. The requirement for Schedule B is not fulfilled by attaching federal Form 851 data.

8) Attach a schedule as required by the forms. Schedules providing detail, by company, are required as explained in the instructions. Attaching complete schedules will ensure a valid filing and prevent unnecessary correspondence with the DOR. Be sure that attached schedules are properly referenced and agree to the totals reported on the form.

9) Attach a copy of the signed federal income tax return of the taxpayer as filed with the Internal Revenue Service (IRS). If the federal income tax return was electronically filed, you must attach a copy of the signed appropriate federal Form 8453 or Form 8879. Do not attach a pro-forma return. Send only the portions of the federal return specified in the instructions on page 4 if the federal return exceeds 50 pages.

10) To avoid interest and penalties, pay any tax due within two and one-half months of the tax year-end and file the return within 30 days of the due date for the federal return. Note that the thirty days may or may not correspond to the 15th day of the following month.

GENERAL INSTRUCTIONS

Who Must File

Every corporation engaged in either oil and gas production or transportation of oil or gas via regulated pipeline in the state must file an Alaska Oil and Gas Corporation Net Income Tax Return.

Nexus, sometimes referred to as “doing business” within the state, is the act of conducting business activity within the state and may exist as a result of a corporation’s direct activity, the activity of its employees or agents, or through its interest in a partnership or limited liability company.

Nexus-creating activities may include, but are not limited to:

1) owning or using property in the state, including leased or mobile property;

2) presence of employees in the state for business purposes;

3) making sales into the state; or

4) the generation of income from sources within the state without regard to whether there is a physical presence in the state.

Which Form to Use

Form 6100 (or the associated Form 6150) is required for any taxpayer engaged in the production of oil or gas from a lease or property in the state, or which owns an interest in a regulated pipeline in the state. Taxpayers that are not engaged in these activities in the state during the tax year are subject to water’s edge combined reporting, and are required to file Form 6000 Alaska Corporation Net Income Tax Return.

Form 6100 is used by taxpayers whose unitary business is “predominantly petroleum,” as defined in Alaska Regulation 15 AAC20.421(c). If the taxpayer’s unitary business is not “predominantly petroleum,” use Form 6150.

Sub-Chapter S Corporation (S Corporation)

An S Corporation doing business in Alaska is required to file an Alaska return, but Alaska does not impose a tax on the S Corporation for pass-through items of income. Generally, an S Corporation will satisfy its filing requirement by filing Form 6100 (page 1 only) checking the “S Corporation” box on page 1. Do not report amounts on Schedule A (or any other pages),unless a corporate-level tax is applicable. Attach a copy of pages 1 through 4 of the federal Form 1120S.

Alaska imposes both the federal excess net passive income tax and the corporate-level tax on built-in gains. These taxes are calculated at the highest Alaska marginal tax rate of 9.4%. If corporate-level taxes are imposed, attach copies of the schedules and forms calculating the federal tax and the Alaska tax. Enter the corporate-level taxes on Form 6100, Schedule E, line 7, or Form 6150, Schedule E, line 8, as appropriate.

Partnership

A partnership doing business in the state, having one or more corporations in the ownership chain, must file Form 6900 Alaska Partnership Information Return along with supporting schedules and a copy of the signed federal Form 1065, pages 1–5.

The partnership return is due 30 days after the federal due date of the Form 1065. See separate instructions for Form 6900.

Note that partnership income and factors are attributed to, and combined with, the income and factors of the corporate partner. Please see Alaska Regulation 15 AAC 20.320 for further information.

Caution: A Publicly Traded Partnership (PTP) is generally taxed as a corporation, and so must file an Alaska corporate income tax return. A PTP does not file Form 6900, unless it files as a partnership for federal tax purposes.

Limited Liability Company (LLC)

An LLC doing business in the state must file an Alaska tax return consistent with its federal tax status. If the LLC is characterized as a corporation for federal income tax purposes, the LLC must file a tax return in accordance with the instructions applicable to corporations. An LLC with corporate member(s) characterized as a partnership for federal income tax purposes, must follow the instructions applicable to partnerships, above.

Exempt Organization

Generally, an exempt organization is subject to the Alaska Corporation Net Income Tax to the same extent it is subject to tax under the IRC. If you file federal Form 990-T to report Unrelated Business Taxable Income (UBTI) with the IRS, you must complete the Alaska corporation income tax return reporting the taxable income or loss and calculate any applicable Alaska tax. Attach a signed copy of Form 990-T. An exempt organization does not file an Alaska return if it is not required to file Form 990-T.

Return Due Date

The Alaska return must be filed within 30 days of the date on which the corporation’s federal income tax return is required to be filed. Thus, the due date is not necessarily the 15th day of the month following the federal due date.

Extension of Time to File

A federal extension automatically extends the Alaska filing due date to 30 days after the federal extended due date. This is also true if the IRS extends a due date because of events such as a natural disaster. You must check the applicable box on Form 6100 or Form 6150, page 1 to report that a federal extension is in effect. An extension of time to file is not an extension of time to pay.

Payment Due Date

Full payment of the Alaska tax must be made on or before the 15th day of the third month after the close of the tax year. See instructions for "Estimated Tax Payments" below and "Payment of Tax" on page 6.

Where to Send Return

Mail the return with attachments to:

TAX DIVISION
ALASKA DEPARTMENT OF REVENUE
PO BOX 110420
JUNEAU AK 99811-0420

Who Must Sign

The return must be signed by an authorized officer of the corporation.

Paid Preparer Authorization

If the corporation wants to allow the DOR to discuss its tax return with the paid preparer who signed it, check the applicable box in the signature area of the return. This authorization applies only to the preparer whose signature appears at the bottom of the return. It does not apply to the firm.

If the applicable box is checked, the corporation is authorizing the DOR to call the paid preparer to answer any questions that arise during the processing of the return. The corporation is also authorizing the paid preparer to:

1) Call the DOR for information about the processing of the return or the status of any related refund or payment(s), and

2) Respond to certain DOR notices about math errors, offsets, and return preparation.

The corporation is not authorizing the paid preparer to receive any refund check, bind the corporation to anything (including any additional tax liability), or otherwise represent the corporation before the DOR.

If the corporation wants to revoke the authorization, it must file a Form 774 Power of Attorney.

Estimated Tax Payments

Payment of estimated tax is required as provided under IRC Section 6655. A corporation failing to pay the proper estimated tax when due will be subject to an underpayment penalty for the period of underpayment. If the corporation is relying on the Adjusted Seasonal Installment Method or the Annualized Income Installment Method, Form 6220 must be completed and the applicable box on Form 6220 must be checked. See separate instructions for Form 6220.

Quick Refund

A corporation that has overpaid its estimated tax for the tax year may apply for quick refund if the overpayment is:

- At least 10% of the expected tax liability and
- At least $500

The corporation applies for the refund by completing Form 6230 Alaska Quick Refund of Estimated Tax. Filing Form 6230 does not fulfill a corporation's filing obligation.

Filing a Consolidated Return

Two or more Alaska taxpayers included in the same federal consolidated return, who are in the same unitary business, must file a consolidated Alaska return. Additionally, two or more taxpayers may elect to file a consolidated return if they qualify to join in a consolidated federal return, and are in the same unitary business. Foreign corporations are treated as domestic corporations for purposes of determining eligibility to file a consolidated Alaska return. If any two taxpayers join in filing a consolidated Alaska return, all eligible taxpayers must be included in the consolidated return.

Alaska consolidated returns resemble, but do not mirror, the federal consolidated return. In an Alaska consolidated return, the federal consolidation rules are applied to construct the Alaska consolidated items; namely capital gain net income, charitable contributions, the dividends-received deduction, income tax, credits, and other taxes. If a taxpayer is a member of a consolidated business, then the taxpayer is required to determine its taxable income using the worldwide combined method of reporting. (See "Combined Report" on page 5.) A consolidated business is a group of corporations in which more than 50% common ownership of the group is owned, directly or indirectly, by one or more corporate or non-corporate common owner(s), or by one or more of the members of the group.

The taxable incomes of all taxpayers are then consolidated to comprise the consolidated Alaska return.

Adoption of the Internal Revenue Code (IRC)

Under AS 43.20.021, Alaska adopts IRC Sections 1–1399 and 6001–7872, with full force and effect, unless excepted to or modified by other provisions of Alaska law. In addition, AS 43.20.160 and AS 43.20.300 require the DOR to apply, as far as practicable, the administrative and judicial interpretations of the federal income tax law.

Note that Alaska law does not adopt IRC Sections 1400–1400U, which grant tax benefits for activities in certain geographic zones, including those in "Enterprise Zones" and "Gulf Opportunity Zones." If the taxpayer qualifies for special federal treatment under these code sections, this may require that the taxpayer to recompute some federal-based credits or deductions, for Alaska purposes.

Attachment of Federal Return

The corporation filing the Alaska tax return must provide a complete copy of its signed federal income tax return (Form 1120, 1120S, 990-T, etc.). The copy must be of the return actually filed with the IRS for the same tax year. If the Alaska return is based on a combined report, then a copy of the federal return filed by any of the members of the combined group must be attached.

A pro-forma return will not fulfill this requirement. Failure to provide the required federal return(s) will result in the Alaska return being deemed incomplete, and penalties may apply.

If Form 1120 is electronically filed, attach a copy of the appropriate Form 8453 or Form 8879, which must show the signature.

Note: If the federal return exceeds 50 pages, a corporation may submit the following portions of the required federal return in lieu of the entire federal return:

1) A copy of pages 1 through 5 of federal Form 1120, pages 1 through 4 of Form 1120S, pages 1 through 6 of the Form 1120F, etc. for the tax year.

2) If Form 1120 is electronically filed, attach a copy of the appropriate Form 8453 or Form 8879 (signed), as filed with the IRS.

3) Where a consolidated federal return is filed, attach copies of the schedules prepared for the computation of consolidated taxable income. The schedules must show the separate taxable incomes for each member of the federal consolidated group with the consolidating eliminations and adjustments made to arrive at consolidated taxable income.

4) Schedules M-3 and supporting schedules.

5) Schedule D and supporting schedules.

6) Form 4797 and supporting schedules.

7) Credits: If claimed on the Alaska return, include copies of Form 3800 with applicable supporting federal forms, and copies of federal forms supporting any credits not reported on Form 3800.

8) Extension: Form 7004, if applicable.

Electronic Filing of Federal Return Information

Federal tax return information can be filed in digital file format. Digital documents are accepted in .pdf or .tif format, only on the following media: CDs, DVDs, or thumb drives. All media must be physically labeled with Taxpayer Name, EIN and tax year. If multiple discs or thumb drives are used, they must be sequentially numbered. The federal tax return information should start with pages 1 through 5 of the federal tax return filed with the IRS. The DOR does not accept pro-forma returns.

Combined Report

Whenever two or more corporations are engaged in a unitary business conducted within and outside Alaska, the members of the unitary group that are Alaska taxpayers must apportion the combined income of the group to measure their Alaska taxable income. The worldwide combined reporting method is required for all oil and gas corporations.

Unitary Group or Unitary Business

A business is unitary if the entities involved are under common direction (formal or informal) and activities within and without the state are contributory and complementary in nature, such that profits of the group are inextricably related. Tests of unitary determination include functional integration, centralized management, and economies of scale.

Determination of whether the activities constitute a unitary trade or business depends on the facts of each case. The following factors are considered to be indications of a unitary trade or business, and the presence of any of these factors creates a presumption that the activities constitute a single trade or business.

1) Same type of business. Corporations are generally engaged in a unitary trade or business when the activities are in the same general line of business. For example, corporations that operate a chain of retail grocery stores are almost always engaged in a unitary business.

2) Steps in a vertical process. Corporations are engaged in a unitary trade or business when engaged in different steps in a vertically structured enterprise. For example, corporations that explore for and mine copper ores, concentrate, smelt and refine the copper ores, and fabricate the refined copper into consumer products are engaged in a unitary trade or business regardless of the fact that the various steps in the process are operated substantially independently of each other and with only general supervision from the executive offices.

3) Strong centralized management. Corporations that might otherwise be considered as engaged in more than one trade or business are engaged in one unitary trade or business when there is strong centralized management. Some indications of strong centralized management are:

   (a) the existence of centralized departments that perform the normal functions that a truly independent business would perform for itself, such as accounting, personnel, insurance, legal, purchasing, advertising or financing; or

   (b) centralized executive officers who are involved in planning, operations or coordination.

Allocation and Apportionment of Income

A taxpayer with business income attributable to sources within and outside Alaska must apportion such income. To calculate the apportionment factor, use Schedule I – Apportionment Factor.

Apportionment refers to the division of business income among states by the use of an apportionment formula.

Allocation refers to the assignment of non-business income to a particular state.

Alaska applies both the transactional and functional tests of business income. Income resulting from transactions or activities that are within the regular course of the taxpayer's trade or business are business income. Income from tangible or intangible property is business income, if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business. Income meeting either the functional or the transactional test is business income. Income from transactions or activity that is unusual or infrequent is not non-business income solely because of the unusual or infrequent nature of the income, activity, or transaction.

Non-business income is all income other than business income.

Combined Affiliates Having Different Accounting Periods

The income of all affiliates included in a combined report must be determined on the basis of the same accounting period. Generally, the accounting period used in the return should be that of the common parent. Where no common parent exists, the income of the combined affiliates should be determined on the basis of the taxpayer's annual accounting period.

Generally, when it is necessary to convert an affiliate to the annual accounting period of the taxpayer, an interim closing of the books should be made for the members whose accounting period differs from the common parent and/or taxpayer. If no substantial misstatement of income results, a pro-rata conversion may be used.

Real Estate Investment Trusts (REITs)

A REIT that meets the more than 50% ownership test is required to be included in the combined group. The taxpayer may not claim an Alaska dividends-received deduction for the REIT dividends received, if the REIT income is included in the combined report net of the dividends-paid deduction.

Public Law (P.L.) 86-272

If one member of an Alaska consolidated group claims protection under P.L. 86-272, then that corporation will report no numerator values for property, payroll, or sales. The corporation will still be a member of the Alaska combined group. The corporation must be correctly listed on Schedule B, to be considered as having made a protective Alaska filing. Also, you must check the appropriate box on page 1 under "Return Information."

Insurance Companies

Alaska includes insurance companies in the combined group, with apportionment factors calculated under Alaska Regulation 15 AAC 20.610. If an insurance company pays Alaska premium tax under

AS 21.09.210, then that company is exempt from corporate income tax. This is accomplished by excluding that company's numerator values from the numerators of the combined group.

Payment of Tax

Payments can be conveniently made electronically using DOR's Revenue Online system. You may access this system at **https://online-tax.alaska.gov**. If you are a first-time taxpayer, the system will require you to register.

When an estimated tax payment is $100,000 or greater, or a payment with a return is $150,000 or greater, payment must be made through Revenue Online or by wire transfer; see Alaska Regulation 15 AAC 05.310.

You can also use Revenue Online to print a payment voucher, if you choose to pay by check or wire transfer. Revenue Online accommodates Automated Clearing House (ACH) debit payments. Revenue Online does not accept ACH credit or credit card transactions. The taxpayer will register directly with Revenue Online.

If a bank account has a debit block, any online payment request will be rejected by the bank. Rejected payments may result in late payment penalties and interest. If a bank account has a debit block, the taxpayer is encouraged to contact its bank before making an online payment to register the State of Alaska as an authorized ACH debit originator. The company ID for the Alaska Department of Revenue is 0000902050.

A taxpayer making a payment by wire transfer is required to notify the State of Alaska, Treasury Division by 2:00 p.m. the business day prior to the wire transfer settlement date. Prepare the payment voucher using Revenue Online and email to cashmgmt@ alaska. gov. If the payment covers multiple tax years, prepare a separate voucher for each year.

A check must be submitted with the appropriate return or payment voucher. Payment vouchers can be found on Revenue Online, or you may use Form 6240.

Mail check with return or payment voucher to:

TAX DIVISION
ALASKA DEPARTMENT OF REVENUE
PO BOX 110420
JUNEAU AK 99811-0420

Alaska Interest Rates

As of 1/1/14, Alaska charges simple interest on taxes due, at a rate which fluctuates each quarter. For current rates, refer to our website at **www. tax.alaska.gov**.

Amended Returns

An amended return must be filed as a complete return. If you are amending a 2013 or 2014 return, the form has a checkbox on page 1 to indicate "amended return." If you are amending a return for 2012, or an earlier tax year, you must file a complete return, and write "Amended Return," preferably in red, across the top of the amended return. If you are amending your return to claim a carryover of tax attributes such as a net operating loss (NOL), capital losses, or excess charitable contributions, then you must attach Form 6385 Tax Attribute Carryovers. This form may also be used to claim a carryback of NOL or capital losses.

If the federal return was also amended, a complete copy must be attached. If the Alaska amended return claims a refund based on an amended federal return, then you must attach documentation that the IRS has accepted the amended federal return. An amended Alaska return is also required if the federal return is adjusted by the IRS.

The DOR does not accept amended returns on Forms 611X or 611N.

Adjustments to Federal Income Tax Liability

A corporation is required to file an amended Alaska return to report any amendment of the taxpayer's federal income tax return, or re-computation of tax by the IRS. The Alaska amended return must be filed with full payment of any additional tax within 60 days after the final determination of the federal adjustment to avoid assessment of a penalty for failure to file. If the date that the adjustment is finalized is later than the date on federal Form 4549 or 4549A, the reason must be satisfactorily explained to avoid assessment of a penalty for failure to file. An alteration to the taxpayer's federal income tax return includes any alteration to the return of any member of the combined group of the taxpayer.

Note: The taxpayer's obligation to report and pay additional tax resulting from adjustments to federal income tax liability is not affected by the expiration of the statute of limitations period for the taxpayer's original Alaska corporate tax return.

Protective Claim

A protective refund claim is filed to preserve the taxpayer's right to claim a refund when the taxpayer's right to the refund is contingent on future events and may not be determinable until after the statute of limitations expires. A protective refund claim is made by submitting an amended return, checking the box for a protective claim, and including a written statement that clearly identifies the basis for the claim, as well as the contingency affecting the claim. Any claimed overpayment is not refunded until the matter is resolved. The DOR will treat the amended return as an "information return."

If it is necessary to amend your return while a protective claim is pending, do not take into account changes reported on the protective claim.

Once the relevant matter is resolved, the claim is perfected by filing a follow-up amended return which reports the Alaska tax liability, as finally resolved.

Late Filing of Return

A corporation that does not file its complete return by the due date, including extension, is subject to a failure to file penalty of 5% of the unpaid tax for each 30 day period or portion of a period the return is late, up to a maximum of 25% of the unpaid tax.

Late Payment of Tax

A corporation that does not pay the full amount of tax due within 2-1/2 months after the close of the tax year is subject to a failure to pay penalty of 5% of the unpaid tax for each 30 day period or portion of a period the payment is late, up to a maximum of 25% of the unpaid tax. If during any period or portion of a period, both the failure to file and failure to pay penalties are applicable, only the failure to file penalty is imposed.

Voluntary Disclosure Program

Alaska provides a Voluntary Disclosure Program to qualified taxpayers. The taxpayer must voluntarily come forward, have never filed an Alaska corporate tax return, have not been the subject of an inquiry from the DOR, and meet other requirements. Certain penalties are waived, but tax and interest must be fully paid. For additional information, please see Form 6750 and the associated instructions.

Disclaimers

When this form was drafted, the current year federal tax forms were not finalized. Therefore, references to lines and schedules on federal forms may not be accurate. Nothing in these instructions or associated forms should be read to conflict with Alaska statutes or regulations.

These instructions are presented to assist the taxpayer in preparing a corporate return for Alaska. Every effort is made to ensure that the instructions are accurate and helpful. The instructions are not intended to address every legal situation. The taxpayer is advised to consult Alaska Statutes Title 43, Chapters 05, 19, and 20 and related regulations, and to consult a legal advisor.

SPECIFIC INSTRUCTIONS

Taxpayer Identification

Enter the name and federal Employer Identification Number (EIN) of the taxpayer. If this is a consolidated Alaska return, enter the name and EIN of one taxpayer included in the consolidated filing. Do not use the name of the federal consolidated group ("XXX Corporation and Subs"). All other Alaska taxpayers are listed on Schedule B, line 1.

If the common parent of the federal consolidated group is an Alaska taxpayer, use its name and EIN on page 1. Otherwise select the taxpayer with the largest Alaska presence. Continue to use that name and EIN for subsequent tax periods until the taxpayer leaves the Alaska consolidated group or the common parent becomes an Alaska taxpayer. If this taxpayer or consolidated group has previously filed under the name and EIN of a common parent not having nexus in Alaska, change the designated taxpayer according to these instructions and complete Schedule B, question 4.

Contact Person

Provide the name, email address, and telephone number of an individual to whom correspondence regarding this return should be directed. This must be an officer or employee authorized to receive confidential tax information. Generally, the DOR cannot discuss tax matters with an outside party unless there is a Power of Attorney on file (see "Paid Preparer Authorization" on page 4).

Return Information

Check all boxes that apply.

- ☐ Final Alaska return: Check this box if you do not expect to have nexus in Alaska after this tax year.
- ☐ Consolidated Alaska return: check this box if this tax return is being filed by two or more Alaska taxpayers. "Consolidated" applies to the Alaska taxpayers, not their federal return status. Note that a consolidated return is required in some cases. See "Filing a Consolidated Return" on page 4 for more information.
- ☐ Amended return: Check this box if this return is an amended return. You must file a complete return to amend, including all schedules. Do not mark schedules "As originally reported." Be sure to attach a statement explaining the changes being reported. (See instructions for related checkboxes below.)
- ☐ Filing extension: A federal extension automatically extends the Alaska filing due date. You must check this box to report that an extention is in effect.
- ☐ Election to waive carryback period for net operating loss: Check this box if the tax return shows a net operating loss on Schedule A, line 1, and you are electing to waive the carryback period. This election is state-specific; a federal waiver is not effective. The election is made for the entire net operating loss; a partial election is not allowed. The election must be made on a timely-filed return (including extensions). Alaska follows federal rules where a taxpayer wants to make a late election or to revoke an election, as applicable.
- ☐ Public Law 86-272 (P.L. 86-272): Check this box if the corporation named on page 1 is claiming protection under P.L. 86-272. If this is a consolidated return, and another Alaska

corporation is claiming protection under P.L. 86- 272, then that corporation checks the appropriate box on Schedule B, line 1. See "Public Law (P.L.) 86-272" discussion on page 6.

□ Exempt organization with UBTI: If the corporation is an exempt organization that is filing federal Form 990-T to report Unrelated Business Taxable Income (UBTI), then check this box. If the organization does not report any UBTI, then the organization should not file an Alaska corporate income tax return.

□ S Corporation: Check this box if the corporation is an S Corporation under federal law.

□ Personal Holding Company: Check this box if the corporation is a "Personal Holding Company" as defined in IRC Section 542.

□ Amended return to report IRS audit or Form 1120X: Check this box if this is an amended return filed to report audit changes by the IRS, or the filing of an amended federal tax return (Form 1120X). You must attach a complete copy of the federal audit report "RAR" showing federal changes by company, along with federal documentation showing that the changes are "final." If this is a refund claim based on an amended federal tax return, attach documentation that the federal amendment has been accepted by the IRS.

□ Protective claim: If this is an amended return filed to make a protective claim, check the additional box, and attach a statement explaining the protective claim. See additional instructions for "Protective Claim" on page 7. Note that a protective claim is made on an amended return. An original tax return is never considered a protective claim.

Schedule A – Net Income Tax Summary

Line 2, Alaska net operating loss (NOL) deduction: If there is Alaska taxable income reported on line 1, then enter the amount of NOL to be utilized in the current year in the space provided on line 2. Form 6385 Tax Attribute Carryovers must be attached to claim NOLs being carried forward from previous years.

If this is an amended tax return filed to claim a carryback from a year after 2015, enter the amount of carryback to be utilized in the space on line 2. Use Form 6385 to identify the loss years.

Do not enter the federal net operating loss deduction. The Alaska net operating loss deduction may differ from the federal net operating loss as a result of state adjustments to federal taxable income, differences between the federal consolidated group and the Alaska combined group, and the amount of income or loss apportioned to other states.

The application of an Alaska net operating loss is governed by applicable IRC provisions.

Line 7, Other Alaska incentive credits: Enter amount from Form 6300, line 45 to report Alaska incentive credits that are not refundable credits. This includes the Income Tax Education Credit.

Line 11, Alaska credit for prior year minimum tax: The Alaska credit for prior year minimum tax (AMT credit) is based on the federal AMT credit, multiplied by 18% and apportioned, if appropriate. The Alaska credit may not exceed the cumulative Alaska alternative minimum tax previously paid to Alaska since the 1987 tax year, net of prior year Alaska AMT credit previously applied. For further details, please refer to Alaska Regulation 15 AAC 20.135(f) and (g).

Use the worksheet below to calculate the amount of Alaska AMT credit allowable in the current year. You must complete and attach Form 6385 Tax Attribute Carryovers.

Alaska Credit for Prior Year Minimum Tax Worksheet

(see instructions above)

1.	Credit for prior year minimum tax from Form 1120, Schedule J attributable to the combined group	
2.	Multiply line 1 by 18%	
3.	Apportionment factor	
4.	Apportioned tentative credit. Multiply line 2 by line 3	
5.	Alaska alternative minimum tax previously paid from line 20 of Form 6385 Tax Attribute Carryovers. You must attach Form 6385 to the return.	
6.	Alaska credit for prior year minimum tax. Lesser of line 4 or 5. Enter here and on Schedule A, line 11	

Line 17, Overpayment credited to estimated tax: This is a binding election and the overpayment cannot be re-applied or reduced at a later date. See federal Treas. Reg. 301.6402-3(a) and (d).

If this is an amended return filed to report an additional overpayment (in excess of the overpayment reported on the original return), then you can make the election to carry the additional overpayment to the next succeeding year, only if the amended return is filed before the payment due date for the succeeding tax year. This is also true if the original return did not report an overpayment, but the amended return shows an overpayment.

Schedule B – Alaska Taxpayer Information

Line 1, Alaska taxpayer information: This schedule must be completed if the Alaska return is a consolidated return. List each member of the Alaska consolidated group on Schedule B, line 1, except the taxpayer shown on page 1. If the corporation is claiming protection under P.L. 86-272, check the box next to that corporation's name on line 1. Otherwise, check the boxes indicating which activities (property, extraction, sales) that corporation has in Alaska. The list of corporations on Schedule B must agree to the corporations reporting Alaska factors on Schedule I, except those corporations claiming exemption under P.L. 86-272.

If a corporation is protected under P.L. 86-272, and the corporation is joining in filing an Alaska consolidated return as a protective measure, then that corporation must be properly listed on Schedule B to effect a protective filing.

Caution: If Schedule B is not properly completed, then the DOR may determine that a particular corporation, doing business in Alaska, has not filed a tax return, and may subject the corporation to a penalty for failure to file.

Do not list affiliated corporations that are not Alaska taxpayers. Replicating the federal Form 851 information does not constitute a properly completed Schedule B.

If Alaska activity is conducted by a Disregarded Entity, then its activity is attributed to its corporate owner. List that corporate owner on Schedule B, not the Disregarded Entity. Do not list a partnership on Schedule B; report the corporation holding that partnership interest.

Schedule C – Tax Payment Record

Enter the dates and amounts of estimated tax payments made for the tax year. If a payment was made under a name and EIN different from the taxpayer shown on page 1, identify the payer by notation in the area below the "Estimated Payments" section. Total payments must equal Schedule A, line 10.

If this is an amended tax return, use the section "Amended return only" to account for payments made, and refunds received, based on the original return, or as last amended or adjusted by the DOR.

Schedule D – Alaska Tax Computation

Line 2, Net capital gain: Enter amount from Schedule J, line 18. You may not claim the special capital gains tax rate of 4.5% unless capital and Section 1231 gains are properly reported on Schedule J.

Line 4, Tax on ordinary income: Use the Tax Rate Table to compute the tax on line 4. The tax rate table is on page 2 of these instructions.

If the corporation is a Personal Holding Company (PHC), the corporation must calculate its tax on Schedule D using the graduated rates in addition to the 12.6% add-on tax that is reported on Schedule E, line 4.

Schedule E – Other Taxes

Line 1, Alternative Minimum Tax (AMT): In column A, report the amount of the federal AMT that is applicable to the water's edge combined group from federal Schedule J. Multiply the amount in column A by 18% and enter the result in column B.

Line 4, Personal Holding Company (PHC) tax: Report the PHC tax of 12.6%, apportioned if appropriate. This tax is assessed in addition to tax calculated at ordinary tax rates on Schedule D.

Line 5, Increase in tax liability due to cessation of commercial operations of a gas storage facility under AS 43.20.046(h). Use Form 6321 to calculate the increase in tax liability, and attach to the tax return.

Line 6, Increase in tax liability due to cessation of commercial operations of a liquefied natural gas storage facility under AS 43.20.047(h). Use Form 6323 to calculate the increase in tax liability, and attach to the tax return.

Line 7, Other taxes: Report on line 7 any other federal taxes, or additions to tax liability, applicable through Alaska's adoption of the IRC under AS 43.20.021(a). In addition, use this line to report other taxes, and additions to tax liability, required under other Alaska tax statutes. Such taxes include, but are not limited to:

- "Look-back interest" is based on federal interest rates, and apportioned to Alaska (18% does not apply). Attach a copy of federal Form 8866 or 8697, as applicable.
- Recapture of (federal) low-income housing credit must be multiplied by 18% and apportioned, if applicable. Attach a copy of federal Form 8611.
- Recapture of Alaska investment tax credit is subject to federal recapture rules, to the extent that the investment originally generated an Alaska investment tax credit. The subject amount is then multiplied by 18%, but is not apportioned.
- S corporations use line 7 to report built-in gains or excess net passive income taxes. Attach a statement showing the tax calculation and apportionment, if applicable.

Schedule G – Computation of Alaska Income

Line 1: Taxpayers should refer to Alaska Regulation 15 AAC 20.300. Typically this line should include federal taxable income line 28 for all domestic corporations included in the combined group and the federal taxable income of foreign corporations as defined in 15 AAC 20.300(e), subject to the election at 15 AAC 20.300(f). Attach a schedule by company that details the amount entered on line 1.

Line 28 will not be applicable in certain situations. If the taxpayer is subject to federal minimum taxable income requirements, or if the taxpayer is deducting contributions to a Merchant Marine capital construction fund, then the taxpayer will calculate its FTI as Form 1120 line 30, increased by the sum of lines 29a and 29b on federal Form 1120. See federal instructions for Form 1120, line 30 for more information on these special situations.

Line 2a: Enter the FTI reported on the federal tax return(s) of all domestic unitary corporations not included in line 1 with 20% or greater U.S. factors. Attach a schedule, by company.

Line 2b: Enter the income of unitary foreign corporations of the combined group. Attach a schedule, by company.

The income of a foreign corporation is the taxable income before net operating loss determined under the Internal Revenue Code, subject to modification under Alaska law, as if the corporation were a domestic corporation. Alternatively, the taxpayer may elect to report the book income of the foreign corporation, or its Earnings and Profits, as reported on federal Form 5471. Please refer to 15 AAC 20.300(e) and (f) for further information.

Note that the income of the foreign corporation must be reported for the entire corporation. The corporation may not report federal taxable income shown on federal Form 1120-F, unless the Form 1120-F includes all income of the corporation.

Line 2c: Remove the income or loss of companies included in line 1 that are not included in the unitary business of the taxpayer(s). **Attach a schedule, by company.**

Line 2d: Enter the adjustment for intercompany transactions that are necessary to reflect the combined income of the world-wide combined reporting group. The incomes of the companies represented in lines 1 through 2c may or may not include adjustments to, or the elimination of, intercompany profits as required under the combined method of reporting. An intercompany transaction of a federal consolidated group may not be an intercompany transaction of the world-wide combined reporting group. This may include the reversal of a consolidating elimination or adjustment from the consolidated federal return, the initiation of an elimination, or adjustment for inter-group transactions that are not reflected in the income reported on lines 1 or 2a–2c, or a combination of the two.

Alaska regulations provide that intercompany transactions between any two members of the combined group, if those two members join in a consolidated federal return, must be accounted for in the combined report in the same manner as the transaction is accounted for in the consolidated federal return. Refer to Alaska Regulation 15 AAC 20.300(m).

The most common adjustment is for intercompany profits in beginning and ending inventory. Reverse end-of-year intercompany profit eliminations between corporations within and outside of the world-wide combined reporting group to the extent they are included in the measure of income reported on lines 1 through 2c. Reverse beginning-of-year intercompany profits on transactions between corporations within the world-wide combined group to the extent they were not reversed in the measure of income reported on lines 1 through 2c.

Line 3h: Enter the amount of expenditures that are being claimed for the Qualified Oil and Gas Service Industry Expenditure Credit, from Form 6327, line 2.

Line 5c: Enter depreciation based on IRC Section 167, as it read on June 30, 1981, or financial statement depreciation. See 15 AAC 20.480 for more details.

If the corporation is claiming a credit for in-state oil refinery expenditures, the Alaska depreciation must be adjusted to exclude depreciation associated with such expenditures.

Line 5e: Enter the dividends between members of the worldwide combined group that are included as income in line 1 above. Do not enter dividends between members of a federal consolidated group that were eliminated in the federal consolidated return. (Also see instructions for Schedule L on page 11.)

Line 5g: Enter amount of capital gain income from federal Form 1120, line 8. Do not include any capital gain income excluded as non-business income on line 5i.

Line 5h: Enter amount of federal Section 1231 gains that are taxable as ordinary income, from federal Form 4797, line 12. Do not enter federal accumulated nonrecaptured net Section 1231 losses from prior years (Form 4797, line 8).

Line 5i: Enter any non-business income or loss claimed and attach a schedule by category of income. Enter on line 3g expenses incurred to produce non-business income. You must attach a schedule of all non-business income claimed by type of income and by company.

Line 9: Enter non-business income or loss allocated to Alaska and attach schedule by category of income.

Line 10a: Enter the taxpayer's Alaska capital and Section 1231 gains and losses from Schedule J, line 20.

Line 10b: Enter the taxpayer's Alaska charitable contribution deduction from Schedule K, line 10.

Line 10c: Enter the taxpayer's Alaska dividends-received deduction as limited under IRC Section 246. Use the worksheet in Appendix B to calculate the allowable deduction, and enter the amount on line 10c.

Schedule I – Apportionment Factor

If the taxpayer does business only in Alaska, enter "1.000000" on line 14. If the taxpayer has business activity both within and outside of Alaska, then Schedule I must be fully completed. Note that the list of taxpayers listed on lines 1, 5, or 9 must match the list of taxpayers listed on Schedule B, plus the taxpayer named on page 1 of the tax return. An exception is a corporation claiming exemption under P.L. 86- 272.

If the taxpayer is a "disregarded entity" under federal law, then that entity is disregarded for Alaska purposes. On Schedule I, list the name and EIN of the owner of that disregarded entity.

If a corporation owns an interest in a partnership that conducts business in Alaska, then the partnership's apportionment factors (property, sales, and payroll) are attributed to that corporate partner. On Schedule I, report the corporation's property, payroll, and sales, including its share of partnership factors. Do not list the name or EIN of the partnership on lines 1, 5, or 9.

All factor calculations (lines 4, 8, 12, and 14) must be rounded to the sixth decimal place. If both the numerator and denominator (for a particular factor) are zero, disregard that factor and divide line 13 by the remaining number of factors and enter the result on line 14.

Taxpayers should consult the regulations at Alaska Regulation 15 AAC 20.490 and 15 AAC 20.500 for rules concerning the modified apportionment formulas under AS 43.20.144. The appropriate formula is determined based on the activities of the taxpayer's unitary business.

If the unitary business is engaged only in oil or gas production in the state, check the appropriate box at the top of Schedule I. In that case, complete lines 1–8. Skip lines 9–12. Then go to line 13. Enter on line 13 the total of lines 4 and 8. Divide line 13 by 2 and enter the result on line 14. See Alaska Regulation 15 AAC 20.490(2) for more information.

If the unitary business is engaged only in regulated pipeline activity in the state, check the appropriate box at the top of Schedule I. In that case, complete lines 1–4 and lines 9–12. (Skip lines 5–8.) Then go to line 13. Enter on line 13 the total of lines 4 and 12. Divide line 13 by 2 and enter the result on line 14. See Alaska Regulation 15 AAC 20.490(1) for more information.

If the unitary business produces oil or gas in the state, and also transports oil or gas by regulated pipeline in the state, then all three factors apply. Check both of the relevant boxes at the top of Schedule I. Complete lines 1–13. Divide the amount on line 13 by 3 and enter the result on line 14. See Alaska Regulation 15 AAC 20.490(3) for more information.

In accordance with an Attorney General's Opinion of October 20, 1999, the Department allows taxpayers to determine the appropriate apportionment formula under AS 43.20.144, based on the activities of the taxpayer's worldwide unitary business. For more information on this issue, consult the notice issued November 19, 1999, "Notice of Application of AS 43.19.010 Art. 4, Sec. 18(c) To Allow Factor Relief For Certain AS 43.20.072 Taxpayers". The full text of this notice can be found under "Tax Types," "Corporate Income Tax," "Tax Notices" on our website at: **www.tax.alaska. gov.**

If the Attorney General's opinion applies, check the relevant box at the top of Schedule I. Then complete lines 1–12. This will result in zero being reported on line 8 (in the case of a transportation company), or line 12 (in the case of a producing company). Enter on line 13 the total of lines 4, 8, and 12. Divide line 13 by 3 and enter the result on line 14.

Schedule J – Alaska Capital and Section 1231 Gains and Losses

Schedule J is used to calculate the taxpayer's Alaska net capital gain. Gains and losses are measured after allocation and apportionment. Enter the taxpayer's current gains and losses, before any federal limitations, according to their character. Corporations that conduct business both within and without Alaska enter total gains and losses on lines 1, 5, and 11 and enter non-business capital gain or loss on lines 6 and 12 as appropriate. Enter the portion of non-business gain or loss that is allocable to Alaska on lines 8 and 14, as appropriate. Taxpayers using the combined method of reporting should report the gains and losses of the entire combined group.

Note: If you are filing an amended return, Schedule J must be fully completed, based on information from federal Schedule D (without regard to federal capital loss carryovers or carrybacks) and Form 4797. Do not report amounts net of federal capital loss carryovers or carrybacks.

Line 1: Enter in column A the current Section 1231 gains and (losses) from federal Form 4797, line 7 attributable to the combined group. Do not use the amount from Form 4797, line 17, which includes ordinary gains and losses.

Line 2: The taxpayer's Alaska non-recaptured net Section 1231 losses are based on the apportioned Section 1231 gains and losses in prior years and may not correspond to the taxpayer's federal non- recaptured net Section 1231 losses.

Line 5: Enter the amount from federal Schedule D, the sum of lines 1–5 attributable to the combined group. Do not use line 7 which includes federal unused capital loss carryover. (See line 9 instructions below to report Alaska unused capital losses.)

Line 9: Enter on line 9 the Alaska excess capital loss to be utilized in the current year. The Alaska excess capital loss is the taxpayer's allocated and apportioned net capital losses from prior years. Enter in the first space on line 9 the amount from Form 6385 Tax Attribute Carryovers, line 12. Do not enter the taxpayer's federal capital loss carryover from federal Schedule D.

Special capital loss carryback notes: If this is an amended return filed to claim a capital loss carryback, enter the amount of carryback to be utilized in the current year, in the space provided on line 9. This generally comes from Form 6385, line 16. Note that a capital loss carryback cannot create or increase a current net operating loss. This may require an iterative process to calculate the allowable capital loss carryback. In this situation, you would prepare the return with the following steps:

1. Schedule G (Alaska income) through line 9
2. Schedule J (capital gains/losses) including capital loss carryover to current year, but excluding capital loss carryback
3. Schedule K (charitable contributions)
4. Schedule L (dividends-received deduction)
5. Calculate as-if Alaska taxable income (Schedule A, line 1) using items 1–4 above.
   - If as-if taxable income is greater than zero, then a capital loss carryback may be partially or fully allowable
   - If as-if taxable income is less than, or equal to zero, then a capital loss carryback is not allowable.
6. Enter the allowable capital loss carryback in the space provided on Schedule J, line 9
7. Complete the remainder of the return.

Line 11: Enter the amount of long-term capital gains and losses from Schedule D, the sum of lines 8–10, plus lines 12–14). Do not use the amount from line 15, as it includes Section 1231 gains and losses which must be reported on Schedule J, line 1.

Line 17: If line 10 is a gain and line 16 is a loss, offset the loss from line 16 against the gain from line 10 and enter the result on line 17, but not less than zero.

Line 18: If line 16 is a gain and line 10 is a loss, offset the loss from line 10 against the gain from line 16 and enter the result on line 18, but not less than zero. This is the taxpayer's net capital gain. Enter the taxpayer's net capital gain on line 2, column A of Schedule D.

Line 20: Add lines 17, 18, and 19 and enter the result on Schedule G, line 10a.

Schedule K – Alaska Charitable Contribution Deduction

The taxpayer's Alaska charitable contribution deduction may differ from its federal charitable contribution deduction as a result of allocation and apportionment, the 10% taxable income limitation, Income Tax Education Credit contributions, and differences in carryover values. Schedule K is used to measure the taxpayer's Alaska charitable contribution deduction limited by its Alaska taxable income.

Line 1: Enter the taxpayer's current charitable contributions before any federal deduction limitations and exclusive of any federal excess contribution carryover.

Line 2: Enter charitable contributions that were used to generate an Income Tax Education Credit, that are included in line 1, from Form 6310, line 5. Line 2 should not exceed $9,800,000.

Line 6: Enter the taxpayer's Alaska excess contribution carryover from prior years from line 18 of Form 6385 Tax Attribute Carryovers. Enter as a positive number

Line 8: Enter the Alaska taxable income for deduction limitation purposes. Use worksheet in Appendix A to calculate the limitation and to calculate the amount of charitable contribution carryover to convert to net operating loss, if applicable.

Schedule L – Alaska Dividends-Received Deduction

The Alaska dividends-received deduction is based on the allocated and apportioned dividends included in Alaska taxable income and is limited to Alaska taxable income in accordance with IRC Section 246(b).

Lines 2a–2d: Enter the amounts of dividends already deducted, or accounted for, on Schedule G, that are included in Schedule L, line 1. These would include intercompany dividends, Section 78 gross-up, foreign dividends, and dividends deducted on Schedule G as non-business income. These dividends are not eligible for a dividends-received deduction, because they have already been deducted.

Lines 8 and 9: Enter the allocated and apportioned dividends from line 7, according to the appropriate deduction percentage in accordance with IRC Sections 243–247, in column A of line 8 and multiply across. Enter the sum of line 8a–d column C in line 9. Use the worksheet in Appendix B to calculate the amount of dividends allowable based on Alaska taxable income (IRC Section 246). Carry the amount of allowable dividend-received deductions to Schedule G line 10c.

FORM 6150
UNITARY BUSINESS NOT PREDOMINANTLY A PETROLEUM BUSINESS

Certain Alaska taxpayers may be subject to AS 43.20.144 by virtue of oil or gas production or pipeline activity, but also conduct a unitary business that is not predominantly a petroleum business. The rules for determination of the predominant business activity are contained at Alaska Regulation 15 AAC 20.421(c). Taxpayers whose factors related to the petroleum business are less than 50% of total factors, are required to separately report petroleum business income and other business income.

Unitary business income is segregated between Petroleum Business and Other Business, according to the principal activity of the corporation. “Petroleum Business” is defined in Alaska Regulation 15 AAC 20.421(d) as oil and gas operations and business activities that are related to or incidental to oil and gas operations, which are defined as follows:

> “exploration, production, refining, manufacturing, processing, transportation, and marketing of oil and gas or any commodity, product or feedstock derived from oil or gas, including petrochemicals, whether or not acquired from or transferred between parts of the unitary business. . .”

This includes sales of non-petroleum goods at gasoline stations or similar wholesale or retail outlets; financing, insurance, and related service activities; and sales of assets used in oil and gas operations.

The basic reporting approach under 15 AAC.20.421 is to “consolidate” after apportionment. Taxpayers required to report petroleum and other business income must separately calculate Alaska taxable income, credits and other taxes for each business segment. Only after each segment’s apportioned income, credits, and other taxes have been calculated are they consolidated.

Petroleum business income is apportioned using modified factors and other business income is apportioned using standard factors.

Instructions Specific to Form 6150

In addition to the instructions above, please note the following instructions specific to Form 6150:

Taxpayer Identification

On page 1, report the name and EIN of the corporation that holds an interest in a producing property, or a regulated pipeline, in the state. If there is more than one corporation holding such an interest, use the name and EIN of the taxpayer with the largest Alaska presence.

Schedule B – Alaska Taxpayer Information

Line 1, Alaska taxpayer information: This schedule must be completed if the Alaska return is a consolidated return. List each member of the Alaska consolidated group on Schedule B, except the taxpayer shown on page 1. If the corporation is claiming protection under P.L. 86-272, check the box in column B next to that corporation’s name on line 1. If the corporation is part of the Other Business segment, check the box in column C.

Check the boxes indicating which activities that corporation has in Alaska (property, sales, extraction for Petroleum Business; property, sales, payroll for Other Business). The list of corporations on Schedule B must agree to the corporations reporting Alaska factors on Schedule I, except those corporations claiming exemption under P.L. 86-272.

Schedule F –
Petroleum and Other Unitary Business Taxable Income

Schedule F calculates the taxable income, consolidating the results of the Petroleum Business and the Other Business segments.

Schedules G and H –
Petroleum and Other Business Income

Petroleum Business income is reported on Schedule G, as explained on page 9. Other Business income is reported on Schedule H as follows:

Line 1: Enter the federal taxable income or (loss) of the Other Business segment, before deductions for federal net operating loss and federal dividends-received deduction (“FTI”). Generally, this will be line 28 of the federal income tax return of the taxpayer. This should agree to the federal return required to be attached to the Alaska return. Taxpayers included in a consolidated federal return should enter the FTI of the federal consolidated return on line 1 of Schedule H. If the taxpayer is not affiliated with another corporation, skip lines 2a–g.

Line 28 will not be applicable in certain situations. If the taxpayer is subject to federal minimum taxable income requirements, or if the taxpayer is deducting contributions to a Merchant Marine capital construction fund, then the taxpayer will calculate its FTI as Form 1120 line 30, increased by the sum of lines 29a and 29b on federal Form 1120. See federal instructions for Form 1120, line 30 for more information on these special situations.

Line 2a: Enter the FTI reported on the federal tax return(s) of all domestic unitary corporations not included in line 1 with 20% or greater U.S. factors. Attach a schedule, by company.

Line 2b: Enter the income of unitary foreign corporations of the water’s edge group. Include any foreign corporation with 20% or greater U.S. factors. Attach a schedule, by company.

The income of a foreign corporation is the taxable income before net operating loss determined under the IRC, subject to modification under Alaska law, as if the corporation were a domestic corporation. Alternatively, the taxpayer may elect to report the book income of the foreign corporation, or its Earnings and Profits, as reported on federal Form 5471. Please refer to Alaska Regulation 15 AAC 20.300(e) and (f) for further information.

Note that the income of the foreign corporation must be reported for the entire corporation. The corporation may not report federal taxable income shown on federal Form 1120-F, unless the Form 1120-F includes all income of the corporation.

Line 2c: Enter income reported by tax haven corporations. Also use this line to report the foreign sales corporation’s profit, including federally exempt foreign trade income and allowing for deductions attributable to exempt foreign trade income.

Line 2d: Remove the income or loss of companies included in line 1 that are not included in the unitary business of the taxpayer(s). Attach a schedule, by company.

Line 2e: Remove the income or loss of companies included in line 1 that are part of the taxpayer's unitary business but whose U. S. factors average less than 20%. Attach a schedule, by company.

Line 2f: Enter the adjustment for intercompany transactions that are necessary to reflect the combined income of the water's edge combined group. The incomes of the companies represented in lines 1 through 2e may or may not include adjustments to, or the elimination of, intercompany profits as required under the combined method of reporting. An intercompany transaction of a federal consolidated group may not be an intercompany transaction of the water's edge group. This may include the reversal of a consolidating elimination or adjustment from the consolidated federal return, the initiation of an elimination, or adjustment for inter-group transactions that are not reflected in the income reported on lines 1 or 2a-2e, or a combination of the two.

Alaska regulations provide that intercompany transactions between any two members of the combined group, if those two members join in a consolidated federal return, must be accounted for in the combined report in the same manner as the transaction is accounted for in the consolidated federal return. Refer to Alaska Regulation 15 AAC 20.300(m).

The most common adjustment is for intercompany profits residing in beginning and ending inventory. Reverse end-of-year intercompany profit eliminations between corporations within and outside of the water's edge group to the extent they are included in the measure of income reported on lines 1 through 2e. Reverse beginning-of-year intercompany profits on transactions between corporations within the water's edge combined group to the extent they were not reversed in the measure of income reported on lines 1 through 2e.

Line 4e: Enter the amount of expenditures that are being claimed for the Qualified Oil and Gas Service Industry Expenditure Credit, from Form 6327, line 2, that is applicable to the Other Business segment.

Line 4f: Enter the adjustment for in-state oil refinery expenditures required under AS 43.20.053(c).

Line 6b: Enter the dividends paid by members of the combined group to other members of the Other Business group (intercompany dividends). Do not enter dividends between members of a federal consolidated group that were eliminated in the federal consolidated return

Line 6f: Enter any non-business income or loss claimed and attach schedule by category of income. Enter on line 4b expenses incurred to produce non-business income. You must attach a schedule of all non-business income claimed by type of income and by company name.

Line 6g: Enter amount of capital gain income from federal Form 1120, line 8 reported by members of the Other Business group. Do not include any capital gain income excluded as non-business income on line 6f.

Line 6h: Enter amount of federal Section 1231 gains that are taxable as ordinary income, from federal Form 4797, line 12. Do not enter federal accumulated nonrecaptured net Section 1231 losses from prior years (Form 4797, line 8).

Line 8: Enter apportionment factor from Schedule I, line 14.

Line 9: Multiply line 7 times line 8 to calculate apportioned income.

Note: Alaska Regulation15 AAC 20.421(b)(2) requires that general overhead and administrative expenses be assigned to the other business segment.

Schedule I – 1 Petroleum Business and Schedule I – 2 Other Business

Modified apportionment factors are applied to Petroleum Business income. Use Schedule I-1 to report the apportionment factors of the Petroleum Business. See instructions for Schedule I on page 10.

Standard apportionment factors are applied to Other Business income. Use Schedule I-2 to report the apportionment factors of the Other Business segment.

Note that the list of taxpayers listed on Schedules I-1 or I-2 must match the list of taxpayers listed on Schedule B, plus the taxpayer named on page 1 of the tax return.

Alaska Items

Capital gains, charitable contributions and dividends-received deduction require special treatment. They must be calculated and apportioned separately for the Petroleum Business and the Other Business segments.

Schedule J is used to calculate separately apportioned capital and 1231 gains and losses.

Schedule K is used to calculate separately apportioned charitable contribution amounts limited by the unitary group income. Line 10 of this schedule should be carried forward to Schedule F, line 3b.

Schedule L calculates the Alaska dividends-received deduction. The deduction is limited by taxable income under IRC Section 246. Separately calculate the allowable DRD for the Petroleum Business and the Other Business, using the worksheet in Appendix B. Total the allowable DRD from the Petroleum Business and the Other Business, and enter the total on Schedule F, line 3c.

Appendix A – Form 6100

Worksheet for Charitable Contribution Deduction
Taxable income for deduction limitation
(Schedule K, line 8)

1.	Enter sum of Schedule G, lines 7–9a, Schedule H (taxable income before charitable contribution), but not less than zero	
2.	Enter amount of capital loss carryback utilized included in Schedule J, line 9	
3.	Taxable income before charitable contribution, capital loss carryback, and net operating loss. Add lines 1-2	
4.	Is there a Net Operating Loss carryforward available to reduce taxable income in the current year?	☐ Yes ☐ No
	If you answered “no” STOP. Enter amount from line 3 on Schedule K, line 8	
	If you answered “yes” then complete the remainder of this worksheet to determine if any charitable contributions are converted to net operating loss	
5.	NOL carryforward available from Form 6385, line 2. Enter as a positive number	
6.	Taxable income before charitable contribution, capital loss carryback, after NOL carryforward. Subtract line 5 from line 3, but not less than 0	
7.	Multiply line 3 by 10%	
8.	Multiply line 6 by 10%	
9.	Enter amount from Schedule K, line 7	
	If line 9 is less than line 8, STOP. Charitable contributions are fully deductible, and there is no charitable contribution carryover. Enter the amount from line 6 on Schedule K, line 8. If line 9 is more than line 8, complete remainder of worksheet	
10.	Enter lesser of line 9 or line 8	
11.	Subtract line 10 from line 9. If less than zero, enter 0	
12.	Subtract line 8 from line 7	
13.	Enter lesser of line 11 or 12. This is the amount of charitable contributions converted to NOL	
14.	Subtract line 13 from line 11. This is the portion of the unallowed charitable contributions that is carried over as charitable contributions	

Appendix B – Form 6100

Worksheet for Dividends-Received Deduction (DRD)

		A		B
1.	Enter sum of lines 7–9b from Schedule G			
2.	Add back capital loss carryback amount included in Schedule J, line 9			
3.	Add lines 1–2. If < 0, STOP. Enter amount from Schedule L, line 9 on Schedule G, line 9c			
4.	Enter in worksheet columns A and B, the amount from Schedule L, line 8a, column C (attributable to dividends qualifying for 100% DRD)			
5.	Subtract line 4 from line 3, but not less than zero			
6.	Multiply line 5 by 80%			
7.	Enter amount from Schedule L, line 8b column C, plus the amount from Schedule L, line 8d column C, plus the amount from Schedule L, line 8f column C that is attributable to dividends from 20%-or-more owned corporations			
8.	Enter in worksheet columns A and B, the smaller of line 6 or line 7. If line 7 is greater than line 6, stop here			
9.	Enter amount from Schedule L, line 8b column A, plus the amount from Schedule L, line 8d column A, plus the part of the dividends on Schedule L, line 8f column A from 20%-or-more-owned corporations which are eligible for a DRD			
10.	Subtract line 9 from line 6, but not less than zero			
11.	Multiply line 10 by 70%			
12.	Subtract Schedule L, line 8a column C from Schedule L line 9			
13.	Subtract line 7 from line 12			
14.	Enter in columns A and B, the smaller of line 11 or line 13			
15.	**Dividends-received deduction after limitation.** Add amounts in column B. Enter the result here and on Schedule G, line 10c			

Appendix A – Form 6150

Worksheet for Charitable Contribution Deduction
Taxable income for deduction limitation
(Schedule K, line 8)

1.	Enter sum of Schedule F, lines 1–2 column C, plus line 3a (taxable income before charitable contribution), but not less than zero	
2.	Enter amount of capital loss carryback utilized included in Schedule J, line 14	
3.	Taxable income before charitable contribution, capital loss carryback, and net operating loss. Add lines 1-2	
4.	Is there a Net Operating Loss carryforward available to reduce taxable income in the current year?	☐ Yes ☐ No
	If you answered "no" STOP. Enter amount from line 3 on Schedule K, line 8	
	If you answered "yes" then complete the remainder of this worksheet to determine if any charitable contributions are converted to net operating loss	
5.	NOL carryforward available from Form 6385, line 2. Enter as a positive number	
6.	Taxable income before charitable contribution, capital loss carryback, after NOL carryforward. Subtract line 5 from line 3, but not less than 0	
7.	Multiply line 3 by 10%	
8.	Multiply line 6 by 10%	
9.	Enter amount from Schedule K, line 7	
	If line 9 is less than line 8, STOP. Charitable contributions are fully deductible, and there is no charitable contribution carryover. Enter the amount from line 6 on Schedule K, line 8. If line 9 is more than line 8, complete remainder of worksheet	
10.	Enter lesser of line 9 or line 8	
11.	Subtract line 10 from line 9. If less than zero, enter 0	
12.	Subtract line 8 from line 7	
13.	Enter lesser of line 11 or 12. This is the amount of charitable contributions converted to NOL	
14.	Subtract line 13 from line 11. This is the portion of the unallowed charitable contributions that is carried over as charitable contributions	

Appendix B – Form 6150

Worksheet for Dividends-Received Deduction (DRD)

		A		B
1.	Enter sum of Schedule F, lines 1–2 column C, plus Schedule F, lines 3a–3b			
2.	Add back capital loss carryback amount included in Schedule J, line 14			
3.	Add lines 1–2. If < 0, STOP. Enter amount from Schedule L, line 9 on Schedule F, line 3c			
4.	Enter in worksheet columns A and B, the amount from Schedule L, line 8a, column C (attributable to dividends qualifying for 100% DRD)			
5.	Subtract line 4 from line 3, but not less than zero			
6.	Multiply line 5 by 80%			
7.	Enter amount from Schedule L, line 8b column C, plus the amount from Schedule L, line 8d column C, plus the amount from Schedule L, line 8f column C that is attributable to dividends from 20%-or-more owned corporations			
8.	Enter in worksheet columns A and B, the smaller of line 6 or line 7. If line 7 is greater than line 6, stop here			
9.	Enter amount from Schedule L, line 8b column A, plus the amount from Schedule L, line 8d column A, plus the part of the dividends on Schedule L, line 8f column A from 20%-or-more-owned corporations which are eligible for a DRD			
10.	Subtract line 9 from line 6, but not less than zero			
11.	Multiply line 10 by 70%			
12.	Subtract Schedule L, line 8a column C from Schedule L line 9			
13.	Subtract line 7 from line 12			
14.	Enter in columns A and B, the smaller of line 11 or line 13			
15.	**Dividends-received deduction after limitation.** Add amounts in column B. Enter the result here and on Schedule F, line 3c			