

Instructions for 2016 Form 6328, Alaska Qualified In-State Oil Refinery Infrastructure Expenditures Tax Credit (AS 43.20.053)

GENERAL INSTRUCTIONS

Purpose of Form

Use Form 6328 to calculate the potential current Qualified In-state Oil Refinery Infrastructure Expenditures Tax Credit.

General Instructions

Effective for tax years beginning after December 31, 2014, a taxpayer may claim a credit against its Alaska corporate income tax for qualified expenditures for in-state oil refinery infrastructures, under AS 43.20.053. The amount of credit is 40% of qualified expenditures, up to a maximum of \$10,000,000 for each in-state refinery per tax year.

Expenditures that qualify for this credit are those incurred in Alaska for the in-state purchase, installation, or modification of tangible personal property for the in-state manufacture or in-state transport of refined petroleum products, or petroleum-based feedstock.

If the credit is not fully utilized, a taxpayer may request a refund for the excess credit or the credit may be carried forward for five additional tax years.

If the expenditure is incurred by an entity taxed as a partnership, the credit is reported on Form 6900 Alaska Partnership Return, and may be claimed by a corporate partner to offset the Alaska corporate tax of that partner. See Form 6900 with associated instructions.

SPECIFIC INSTRUCTIONS

Line 1: Enter one line for each in-state oil refinery for which a credit is claimed, as follows:

Column A: Enter the name of the refinery.

Column B: Enter the total amount of qualified expenditures incurred in Alaska in this tax year.

Column C: Enter the lesser of the amount in Column B, or \$25,000,000.

Column D: Multiply the amount in Column C by 40%.

Line 2: Enter the sum of all lines 1, Column D. Enter this amount on Form 6300, line 16.

A taxpayer may not claim both a credit and a deduction for the same expenditures. Thus, expenditures for which a credit is claimed must be added back to apportionable income. For a taxpayer filing Form 6000, this addback is entered on Schedule H, line 4f. For a taxpayer filing Form

6100, the addback adjustment is part of the calculation for Alaska depreciation, which is entered on Schedule G, line 5c. For a taxpayer filing Form 6150, the addback is entered on Schedule H, line 4f, or is accounted for in the calculation of Alaska depreciation on Schedule G, line 5c.

If the expenditure is incurred by an entity taxed as a partnership, the expense add-back is reported on Form 6900 Alaska Partnership Return on Schedule A, line 4. See Form 6900 with associated instructions.