

# Instructions for Forms 6321 and 6322 2015 Alaska Gas Storage Facility Tax Credit

## Purpose of Form

Form 6321 or 6322 is required to claim a credit for a qualified gas storage facility under AS 43.20.046. These forms are also used to give notice to the Department of Revenue (DOR) of any cessation of operations required under AS 43.20.046(j), and to calculate the increase to tax for the cessation.

## GENERAL INSTRUCTIONS

Form 6321 must be attached to the corporate income tax return (Form 6000, 6100, or 6150), or attached to the partnership information return (Form 6900). Form 6322 is provided to claim a refund by filing the form separately, directly with the DOR. Form 6322 is also used to separately report the tax due upon cessation of operations, if the original claim for refund was filed separately. See details below in "How to Claim Credit" and "How to Report Increase to Tax for Early Cessation of Operations".

The credit is available for a gas storage facility that commences commercial operation after December 31, 2010, and before January 1, 2016. The credit is equal to \$1.50 per 1,000 cubic feet of working gas storage capacity that is certified by the Alaska Oil and Gas Conservation Commission (AOGCC) under AS 31.05.032. The credit may not exceed the lesser of \$15,000,000 or 25 percent of the costs incurred to establish the facility. The facility must have a working gas storage capacity of at least 500 million cubic feet of gas (excluding cushion gas) and have a minimum withdrawal capability of 10 million cubic feet a day, as certified by the AOGCC. The facility must be regulated under AS 42.05 as a utility. The law imposes certain other requirements for the credit.

The credit may be refundable if the claimant owes no other taxes, and owes no tax for the year the credit is claimed.

## If You Need Help

If you have questions, need additional information or require other assistance, call us at 907-269-6620 or email us at [dor.tax.disclosure@alaska.gov](mailto:dor.tax.disclosure@alaska.gov).

## How to Claim Credit

If the owner of the gas storage facility is a corporation, or an LLC that is treated as a corporation for tax purposes, then the credit must be claimed on its Form 6000, 6100, or 6150, as applicable. The credit is reported on Form 6321 and must be attached to the corporate income tax return.

If the owner of the gas storage facility is a partnership, or an LLC that is treated as a partnership for tax purposes, then the credit may be claimed in one of two ways. (For brevity, these instructions use "partnership" to refer to either an entity organized as a partnership, or an LLC that is treated as a partnership for tax purposes. "Partner" is similarly used to refer to the partner, or LLC member, as applicable.)

- a) Claim By Partner. The credit may be allocated among partners, according to the partnership agreement. In this case, report the credit on Form 6321, and attach to Form 6900 Alaska Partnership Information Return. The credit will then flow through to the applicable Form 6900 Schedule K-1. The partnership must attach a copy of the Form 6321, and required attachments (see below) to the Form 6900

Schedule K-1 provided to the partner. This will allow the partner to claim the credit on its tax return.

- b) Direct Claim. Alternatively, the partnership may itself claim a refund of the credit, by filing Form 6322 directly with the DOR. The claim may be filed at any time after the facility commences commercial operations, up to the date that is three years after the date that commercial operations commenced. The refund does not accrue interest. The Form 6322 must be signed and mailed to the following address:

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

## Required Attachments

Along with Form 6321 or 6322, the claimant must attach:

- Certification of working gas storage capacity and withdrawal capability, issued by the AOGCC
- Evidence of the regulation of the facility as a utility
- Schedule of costs incurred to establish the facility

If the claimant does not attach the required information, the claim will be disallowed.

## How to Report Increase to Tax for Early Cessation of Operations

If the owner of the gas storage facility is a corporation, or an LLC that is treated as a corporation for tax purposes, then the increase to tax (recapture of credit) under AS 43.20.046(h) must be reported on the owner's Form 6000, 6100, or 6150, as applicable. Form 6321 (Part II) must be completed and attached to the corporate income tax return.

If the owner of the gas storage facility is a partnership, or an LLC that is treated as a partnership for tax purposes, then the reporting of the additional tax liability under AS 43.20.046(h) will depend on how the credit was originally claimed.

- a) Reported By Partner. If the original credit was allocated to, and claimed by, partners, then the increase to tax under AS 43.20.046(h) must be allocated on the same basis as the original credit. The increase to tax is reported on Form 6321 and attached to Form 6900. A copy of the Form 6321 must be attached to the applicable Form 6900 Schedule K-1. The partner must then report the increase in tax on its tax return.
- b) Direct Reporting. If the partnership originally claimed the credit directly from the DOR, then the partnership must report the increase in tax on Form 6322, and file the form, and pay the increase in tax to the DOR at the above address. This report is due by April 15 of the year following the year of the cessation of commercial operations. The tax must be paid by March 15 of the year following the calendar year in which operations ceased. The tax due is subject to assessment of interest, if not paid by the due date.

## SPECIFIC INSTRUCTIONS

The instructions below pertain to both Forms 6321 and 6322, unless otherwise stated.

Prepare one Form 6321 for each facility for which a credit is claimed, or a cessation of operations is being reported.

### Part I

**Line 8:** If the facility owner is a corporation, or an LLC treated as a corporation for tax purposes, then enter the amount from line 8 on Form 6300, line 33. Attach the Form 6321 to the corporation's net income tax return (Form 6000, 6100, or 6150).

If the facility owner is a partnership, and the credit is being allocated to partners, then enter the amount from line 8 on Form 6900, Schedule A, line 17. Attach Form 6321 to Form 6900, with required attachments (see above). See instructions for Form 6900.

**Form 6322, line 8:** This is the amount of refund claimed by the owner of the gas storage facility.

### Part II

**Question e:** Enter the date that the facility or expansion ceased commercial operations in the following format: mm/dd/yyyy.

**Line 13:** If the facility owner is a corporation, or an LLC treated as a corporation for tax purposes, then enter the amount from line 13 on the Schedule E, line 5 of the Form 6000 or 6100, or on Schedule E, line 6 of the Form 6150, as appropriate.

If the facility owner is a partnership, and the original credit was allocated to partners, then enter the amount from line 13 on Form 6900, Schedule A, line 21. Attach Form 6321 to Form 6900. See instructions for Form 6900.

**Form 6322, line 13:** This is the amount of tax that is due from the owner of the gas storage facility, for early cessation of operation.

**Signature (Form 6322 only):** Form 6322 must be signed by a general partner or LLC member manager.