

**Alaska Qualified Oil and Gas Service Industry
Expenditure Credit (AS 43.20.049)**

Form **6327**

For calendar year _____ or the taxable year beginning _____, _____, ending _____, _____

EIN	Name Shown on Return
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1. Qualified oil and gas service industry expenditures incurred in Alaska in this tax year	1	
2. Enter lesser of line 1 or \$100,000,000 (see instructions)	2	
3. Tentative current year credit. Multiply line 2 by 10%.	3	

Report the amount on line 3 as indicated below:

- Corporations, Form 6300, line 11
- Partnerships, Form 6900, Schedule A, line 14

GENERAL INSTRUCTIONS

Purpose of Form

Use Form 6327 to calculate the potential current Qualified Oil and Gas Service Industry Expenditure Credit.

General Instructions

Effective for tax years beginning after December 31, 2013, a taxpayer may claim a credit against its Alaska corporate income tax for qualified oil and gas service industry expenditures under AS 43.20.049. The amount of credit is 10% of qualified expenditures, up to a maximum of \$10,000,000 per tax year.

Expenditures that qualify for this credit are those incurred in Alaska which are directly attributable to the in-state manufacture or modification of tangible personal property with a useful life of three years or more and used to explore, develop or produce oil or gas. Qualifying expenditures include services and supplies used to manufacture or modify tangible personal property. Qualifying expenditures do not include components or equipment used in the process of the manufacturing or modification, and do not include expenditures for facilities.

If the credit is not fully utilized, it may be carried forward for five years. If a portion of the credit is carried forward to a subsequent year, and additional qualified expenditures are made in that subsequent year, the taxpayer may claim a maximum of \$10,000,000 in that subsequent year.

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.

SPECIFIC INSTRUCTIONS

Complete one Form 6327 for each corporation that incurred qualifying expenditures in Alaska. Attach additional Forms 6327 as necessary.

Line 1: Enter the total amount of qualified expenditures incurred in Alaska in this tax year.

Line 2: Enter on line 2 the lesser of line 1 or \$100,000,000. This is the amount of expenditures that are the basis of any potential credit.

The taxpayer may not claim a deduction when calculating Alaska corporate net income tax for an expenditure that is the basis of a service industry credit. The amount on line 2 must be added back to Alaska taxable income. Enter the amount from line 2 on the appropriate schedule as follows:

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|-----------|--|
| Form 6000 | Schedule H, line 4e |
| Form 6100 | Schedule G, line 3h |
| Form 6150 | Schedule G, line 3h or Schedule H, line 4e |

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 3. See Form 6900 with associated instructions.

Line 3: Multiply line 2 by 10%. This is the tentative credit generated in this tax year.