

Instructions for Form 6390

2025 Alaska Federal-Based Credits

GENERAL INSTRUCTIONS

Purpose of Form

Form 6390 orders and limits federal-based credits, on an as-if Alaska basis. This form is required if such credits are to be claimed on Form 6000, 6100, or 6150. Under AS 43.20.021(d), where a credit allowed under the Internal Revenue Code and is also allowed in computing Alaska income tax, it is limited to 18% of the amount of credit determined for federal income tax purposes, and apportioned, if applicable.

Adoption of the Internal Revenue Code

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

Other Related Forms

Form 6395 is used to account for passive activity limitations on an as-if Alaska basis.

If You Need Help

If you have questions, need additional information or require other assistance, see our website at <https://tax.alaska.gov>, or call:

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

In general, Form 6390 follows the function of federal Form 3800, accounting for various groups of credits that require special treatment under the Internal Revenue Code. Such groups include “specific credits,” carryforward of “eligible small business credits,” and passive/non-passive categories. See federal instructions for federal Form 3800 for more details.

From each of these baskets, Form 6390 removes any credits that are not allowable for Alaska purposes. Alaska does not allow credits for backup withholding, credit for employer social security and Medicare taxes paid on certain employee tips, and other federal credits that are tax reimbursements. See 15 AAC 20.145(f).

Finally, Form 6390 imposes tax liability limits based on Alaska tax, limits the credits to 18%, and apportions the credits, if appropriate.

Form 6390 must be attached to Form 6000, 6100, or 6150 to claim federal-based credits.

SPECIFIC INSTRUCTIONS

Line 2a: Alaska allows the federal investment credit only to the extent attributable to Alaska property. See AS 43.20.036(b). On line 2a enter the amount of federal investment credit (non-passive activities) that is not attributable to Alaska property.

Line 2b: Alaska does not allow credits for backup withholding, credit for employer social security and Medicare taxes paid on certain employee tips, and other federal credits that are tax reimbursements. See 15 AAC 20.145(f).

Line 4: Use Form 6395 to calculate general business credits from a passive activity. Enter amount from Form 6395, line 17.

Line 9: Alaska allows unused federal-based credits to be carried forward, based on applicable federal rules. An entry on line 9 must be supported by a schedule, attached to the return, showing the individual unused credits, by year generated and used, which are available. The schedule must show credits on an as-if Alaska basis, based on prior years' Forms 6390 (or equivalent), not federal credit carryover amounts.

Line 10: Alaska allows carryback of unused federal-based credits, based on applicable federal rules. An entry on line 10 must be supported by a schedule, attached to the return, showing the individual unused credits, by year generated and used, which are available for carryback.

Line 13a: Enter the Alaska alternative minimum tax (AMT) from Schedule E, line 1d, net of the Alaska credit for prior year minimum tax (AMT credit) from Schedule A, line 11.

Lines 12b and 13b: Alaska incentive credits (from Form 6300) are applied first. Any Alaska regular or alternative minimum tax (AMT), left after application of Alaska incentive credits, may be offset by federal-based credits. Complete the below worksheet to determine the respective amounts of regular Alaska tax offset, and AMT offset by Alaska incentive credits.

Line 21: Use Form 6395 to calculate “specified credits” from a passive activity. Enter amount from Form 6395, line 18.

Lines 26a–26b: See instructions for line 9 above. Attach schedule of applicable credits, by year generated and used.

Lines 27: See instructions for line 10 above. Attach schedule of applicable credits, by year generated and used.

Line 12b and 13b Worksheet:

1	Enter regular tax from Schedule D, line 2 of Form 6000, 6100, or 6150	
2	Enter Alaska AMT from (Form 6000 or 6100) Schedule E, line 1d, or (Form 6150) Schedule E, line 1d, column A and B	
3	Enter Alaska credit for prior year minimum tax from Schedule A, line 11 of Form 6000, 6100, or 6150	
4	Subtract line 3 from line 2, but not less than zero	
5	Add line 1 and line 4	
6	Divide line 1 by line 5	
7	Divide line 4 by line 5	
8	Enter amount from Form 6300, line 30	
9	Regular tax offset by other incentive credits. Multiply line 6 by line 8. Enter on Form 6390, line 12b	
10	Alaska AMT offset by Alaska incentive credits. Multiply line 7 by line 8. Enter on Form 6390, line 13b	