



REPRESENTATIVE CATHY MUÑOZ

HB 367: Tax Credits for Educational Contributions

Under current law, tax payers that make cash contributions to an Alaskan educational or vocational institution receive a maximum tax credit allowable in any given year of \$150,000.

House Bill 367 would increase the higher education tax credits to 50 percent for the first \$100,000 contribution, 100 percent for contributions over \$100,000 and up to \$300,000, and 50 percent on contributions that exceed \$300,000. A cap was placed in the amount of \$25,000,000.

The current limitation has a constraining effect on corporate donations and investments in educational and vocational institutions. In 2008, only 11 donors contributed enough to the University of Alaska to maximize the current tax credit.

Many major employers in Alaska understand the importance of educating Alaskans to create a skilled workforce. These businesses want to hire Alaskans from vocational schools, colleges and universities. By expanding the educational tax credit companies can help Alaska's universities expand their existing research and development capacities, and help to maximize the potential for economic development.

By facilitating greater cooperation between Alaska's business and education sectors, and encouraging greater financial support, HB 367 will leverage important workforce and economic development goals. With Alaskans working together we can strengthen our workforce, increase collaboration between school and local business, diversify funding sources for Alaska's higher education institutions, enhance student activities and facilities, and develop research programs that contribute to the economic development of Alaska.