

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HB 278  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB278CS (EDC)-DOR-TAX-03-14-14  
Title: EDUCATION: FUNDING/TAX  
CREDITS/PROGRAMS  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: (H) FIN

Department: Department of Revenue  
Appropriation: Taxation and Treasury  
Allocation: Tax Division  
OMB Component Number: 2476

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>	***		***	***	***	***	***
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Updated to reflect amendments made to the education tax credit portions of the bill by the House Education Committee.

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Division: <u>Tax</u>	Date: <u>03/14/2014 03:30 PM</u>
Approved By: <u>Angela M. Rodell, Commissioner</u>	Date: <u>03/14/14</u>
Agency: <u>Department of Revenue</u>	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278

### Analysis

**Bill Language:**

This bill expands the education credit allowed against corporate income tax, mining license tax, fisheries business tax, and fishery resource landing tax to include contributions made for funding scholarships awarded to dual-credit students for tuition and textbooks; registration, course and program fees; on campus room and board; transportation costs; and other related education and program expenses; for contributions made for the construction, operation, or maintenance of a residential housing facility by a residential school approved by the Department of Education and Early Development; and for contributions made for childhood early learning and development programs provided by a nonprofit corporation, a tribal entity, a school district, the Department of Education and Early Development, or through a state grant.

**Revenues:**

This bill does not increase or decrease the aggregate amount of total education tax credits allowed against the tax types identified above. It merely identifies three additional types of contributions that can qualify for the credit. It is possible that taxpayers who have not made qualifying contributions and not claimed an education tax credit in the past, may contribute to one or more of these types of entities and claim a credit. However, it is difficult to determine the affect this bill will have on taxpayer behavior and, therefore, it is difficult to determine if this bill will affect revenue from the tax types identified above. It is important to note that the total education tax credit allowed for each entity each year is currently capped at \$5 million across all tax types. This bill does not increase the maximum contribution amount.

**Expenditures:**

Department of Revenue can implement and administer the provisions of this bill utilizing existing resources.