



## ALASKA STATE LEGISLATURE

Senate Education Committee

SENATOR Löki Gale Tobin, Chair

State Capital Room 11, Juneau AK 99801, Phone 465-3704

# Senate Bill 120: Extend Education Tax Credits

## *Version S Sectional Analysis*

**Section 1** – Amends AS 21.96.070(a), which is the statute that governs the insurance tax education credit, to add the word “for” to the end of the sentence. This clarifies that the tax credits are allowed for contributions accepted by the entities identified in subsections 1 through 7.

Version S adds a new subsection 7 stipulating that contributions subject to the education tax credit can be used for the operation of a nonprofit organization dedicated to promoting statewide academic achievement, including for student scholarships, in an interdisciplinary curriculum in the subject areas of economics, science, social science, literature, music, art, math, writing, speech and interview skills.

**Section 2** – Amends AS 21.96.070(b), which governs insurance tax education credits, to set the amount of the Alaska Education Tax Credit (ETC) at 50 percent of contributions up to \$100,000, 100 percent of contributions from \$100,001 through \$300,000, and 50 percent of the amount of contributions that exceed \$300,000. Currently the insurance tax education credit is limited to 50 percent of contributions.

**Section 3** – Amends AS 21.96.070(d), which governs insurance tax education credits, to stipulate that contributions claimed as a credit may not be used to claim credit elsewhere under this title and may not be combined with other credits to exceed a total of \$5,000,000. The current cap is \$1,000,000. If the taxpayer is a member of an affiliated group, the

total amount of credits for the group may not exceed \$5,000,000. Currently the cap is \$1,000,000.

**Section 4** – Amends AS 43.20.014(a), which is the statute that governs the income tax education credit, to add a new subsection 13 stipulating that contributions subject to the education tax credit can be used for the operation of a nonprofit organization dedicated to promoting statewide academic achievement, including for student scholarships, in an interdisciplinary curriculum in the subject areas of economics, science, social science, literature, music, art, math, writing, speech and interview skills.

**Section 5** – Amends AS 43.20.014(b), which governs income tax education credits, to align with the tax credit amounts set forth in the Act.

**Section 6** – Amends AS 43.20.014(d), which governs income tax education credits, to align with the total cap on education credits set forth in this Act.

**Section 7** – Amends AS 43.55.019(a), which is the statute governing the oil or gas producer education credit, to a new subsection 8 stipulating that contributions subject to the education tax credit can be used for the operation of a nonprofit organization dedicated to promoting statewide academic achievement, including for student scholarships, in an interdisciplinary curriculum in the subject areas of economics, science, social science, literature, music, art, math, writing, speech and interview skills.

**Section 8** – Amends AS 43.55.019(b), which governs the oil or gas producer education credit, to align with the tax credit amounts set forth in this Act.

**Section 9** – Amends AS 43.55.019(d), which governs the oil or gas producer education credit, to align with the total cap on education credits set forth in this Act.

**Section 10** – Amends AS 43.56.018(a), which is the statute governing the property tax education credit, to a new subsection 8 stipulating that contributions subject to the education tax credit can be used for the operation of a nonprofit organization dedicated to promoting statewide academic achievement, including for student scholarships, in an interdisciplinary curriculum in the subject areas of economics, science, social science, literature, music, art, math, writing, speech and interview skills.

**Section 11** – Amends AS 43.56.018(b), which governs the property tax education credit, to align with the tax credit amounts set forth in this Act.

**Section 12** – Amends AS 43.56.018(d), which governs the property tax education credit, to align with the total cap on education credits set forth in this Act.

**Section 13** – Amends AS 43.56.018(a), which is the statute governing mining business education credits, to insert a new subsection 13 stipulating that contributions subject to the education tax credit can be used for the operation of a nonprofit organization dedicated to promoting statewide academic achievement, including for student scholarships, in an interdisciplinary curriculum in the subject areas of economics, science, social science, literature, music, art, math, writing, speech and interview skills.

**Section 14** – Amends AS 43.65.018(b), which governs the mining business education credit, to align with the tax credit amounts set forth in this Act.

**Section 15** – Amends AS 43.75.018(d), which governs the mining business education credit, to align with the total cap on education credits set forth in this Act.

**Section 16** – Amends AS 43.75.018(a), which is the statute governing fisheries business education credits, to add a new subsection 13 stipulating that contributions subject to the education tax credit can be used for the operation of a nonprofit organization dedicated to promoting statewide academic achievement, including for student scholarships, in an interdisciplinary curriculum in the subject areas of economics, science, social science, literature, music, art, math, writing, speech and interview skills.

**Section 17** – Amends AS 43.75.018(b), which governs the fisheries business education credit, to align with the tax credit amounts set forth in this Act.

**Section 18** – Amends AS 43.75.018(d), which governs fisheries business education credit, to align with the total cap on education credits set forth in this Act.

**Section 19** – Amends AS 43.77.045(a), which is the fisheries resource landing tax education credits, to add a new subsection 13 stipulating that contributions subject to the education tax credit can be used for the operation of a nonprofit organization dedicated to promoting statewide academic achievement, including for student scholarships, in an interdisciplinary curriculum in the subject areas of economics, science, social science, literature, music, art, math, writing, speech and interview skills.

**Section 20** – Amends AS 43.77.045(b), which governs the fisheries resource landing tax education credit, to align with the tax credit amounts set forth in this Act.

**Section 21** – Amends AS 43.77.045(d), which governs the fisheries resource landing tax education credit, to align with the total cap on education credits set forth in this Act.

**Section 22** – Provides for January 1, 2031, effective date for the expiration of the Education Tax Credit Program.

**Section 23** – Sets the effective date for this Act as January 1, 2024.