

REPRESENTATIVE JULIE COULOMBE
ALASKA STATE LEGISLATURE

SESSION
Alaska State Capitol
Juneau, AK 99801
Phone: (907) 465-3879



DISTRICT
1500 W Benson Blvd.
Anchorage, AK 99503
Rep.Julie.Coulombe@akleg.gov

Sponsor Statement

HBCS Version 33-LS0518\R
April 23, 2024

House Bill 89 is a workforce bill that aligns with the Governor's Child Task Force on Child Care recommendations. This bill will incentivize the private sector to offer child care benefits to their employees to fill jobs essential for economic growth, expand the number of families that can access assistance, and align funding to the actual cost of care.

HB 89 strengthens the childcare system in several ways:

- Creates a tax credit for employers who incur child care expenditures, cash or equipment, or payments to employees and increases the amount that can be deducted.
- Adds a person to the Child Care Program Office to assist employers in instituting a child care benefit to their employees.
- Expands the number of families who can access assistance by raising the income level to qualify and raises the cap on the percentage of income a family spends on child care.
- Offers an option for the Child Care Program Office to give grants to high performing, high quality child care providers.
- Provides that the Department will develop a sliding fee scale for families who increase their household income without losing all the child care assistance at once.
- Requires facilities to be designated as a "quality child care facility" by the department.
- Prohibits a child care facility receiving a grant under this program to deny a child attendance based on disability or socioeconomic status.
- Provides that low income families will receive preference for the grant.

I have a vision of making Alaska more affordable for families. Part of accomplishing this vision is affordable quality child care that is accessible to families. Child care affects our workforce which in turn affects our ability to grow the economy. It is estimated that the lack of reliable child care costs Alaskan employers \$152 million in employee absences and turnover. This is an issue we can help solve. HB 89 is a call to the private sector to look at child care as an employee benefit, to encourage people to open up child care services, and an initiative to help families find safe affordable, high quality child care. As long as Alaska's energy, housing and grocery costs keep growing, parents will have to work to keep up. It's time for us to work with the Governor and act on this pressing issue.

REPRESENTATIVE JULIE COULOMBE
ALASKA STATE LEGISLATURE

SESSION
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Juneau, AK 99801
Phone: (907) 465-6879



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1500 W Benson Blvd.
Anchorage, AK 99503
Rep.Julie.Coulombe@akleg.gov

Sectional Analysis

SCS CSHB 89 (HSS)
4.23.24

Sec. 1. AS 21.96.070(a): - Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **insurance business tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 2. Increases the education and child care tax credit to \$3 million (currently \$1 million).

Sec. 3. Insurance business tax. Adds “On January 1, 2030, and every 5 years afterwards, adjusts the dollar limit on tax credits for inflation, using 100% of the change over the preceding 5 calendar years.”

Sec. 4. AS 43.20.014(a): - Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **income tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 5. AS 43.20.014(d): Increases the maximum allowable tax credit to be \$3 million.

Sec. 6. AS 43.20.014(h): New subsection adds the inflation adjustment language to the income tax education credit statute.

Sec. 7. AS 43.55.019(a): Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **Oil and gas production tax** credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 8. AS 43.55.019(d): Increases the maximum allowable tax credit to be \$3 million.

Sec. 9. AS 43.55.019(i): New subsection adds the inflation adjustment language to the oil and gas production tax education credit statute.

Sec. 10. AS 43.56.018(a): Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **oil and gas exploration, production, and pipeline transportation property tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 11. AS 43.56.018(d). Increases the maximum allowable tax credit to be \$3 million.

Sec. 12. AS 43.56.018(h). New subsection adds the inflation adjustment language to the oil and gas exploration, production, and pipeline transportation property tax education credit statute.

Sec. 13. AS 43.65.018(a). Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **mining business tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 14. AS 43.65.018(d). Increases the education and child care tax credit to \$3 million (currently \$1 million).

Section 15. AS 43.65.018(h). New subsection adds the inflation adjustment language to the mining business tax education credit statute.

Sec. 16. AS 43.75.018(a). Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **fisheries tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 17. AS 43.75.018(d). Increases the education and child care tax credit to \$3 million (currently \$1 million).

Sec. 18. AS 43.75.018(h). New subsection adds the inflation adjustment language to the fisheries tax education credit statute.

Sec. 19. AS 43.77.045(a). Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **floating fisheries business tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 20. AS 43.77.045(d). Increases the education and child care tax credit to \$3 million (currently \$1 million).

Sec. 21. AS 43.77.045(g). New subsection adds the inflation adjustment language to the floating fisheries business tax education credit statute.

Sec. 22. AS 47.05.030(a). Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 23. AS 47.05.085(a). Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 24. AS 47.25.001(a). Changes the maximum monthly household income for eligibility to 105% of the Alaska Median Income, adjusted for family size. Also corrections “child care” terminology.

Sec. 25. AS 47.25.011. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 26. AS 47.25.021. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 27. AS 47.25.031. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 28. AS 47.25.041. Establishes the parent or guardian contribution rate for child care not exceed 7% of the family monthly income.

Sec. 29. AS 47.25.051. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 30. AS 47.25.051. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 31. AS 47.25.071(b). Corrects the terminology in existing statute from “day care” to “child care.” This section also requires a child care facility to be designated as a “quality child care facility” by the department.

Sec. 32. AS 47.25.071(g). Corrects the terminology in existing statute from “day care” to “child care.” This section also requires prioritization of children from low-income families when filling available spaces in the facility.

Sec. 33. AS 47.25.071(h). Directs the department to promulgate regulations for criteria used to designate a facility as “high quality.”

Sec. 34. AS 47.25.071(i-j). Allows the department to provide grants to highest performing and highest quality child care facilities in the state, and prohibits a child care facility from denying a child acceptance to the facility based on disability or socioeconomic status.

Sec. 35. AS 47.25.095(2). Definition of “child care facility.”

Sec. 36. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 37. AS 47.25.071(c) and AS 47.25.095(4) repealers. Removes the \$50 per child grant to facilities. Deletes the definition of “daycare facility.”

Sec. 37. Aligns the education and child care tax credits to expire on January 1, 2028.

Sec. 38. Codifies that the department shall receive federal approval for the state plan for the child care assistance program.

Sec. 39. Codifies that the Act takes effect on January 1, 2026, following federal approval.

Sec. 40. Aligns the education and child care tax credits to sunset on January 1, 2028.

Sec. 41. The child care assistance program takes effect the day following federal approval.

Sec. 42. All other sections of the bill take effect immediately.

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	CSHB 89(FIN)
Fiscal Note Number:	3
(H) Publish Date:	2/12/2024

Identifier: HB089CS(FIN)-DOR-TAX-02-09-24
Title: CHILD CARE: TAX
CREDITS/ASSISTANCE/GRANTS
Sponsor: COULOMBE
Requester: (H) Finance

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)

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1004 Gen Fund (UGF)	(4,800.0)		(4,800.0)	(4,800.0)	(2,300.0)		
Total	(4,800.0)	0.0	(4,800.0)	(4,800.0)	(2,300.0)	0.0	0.0

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2025) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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? N/A

Why this fiscal note differs from previous version/comments:

Updated from SLA2023 to SLA2024 fiscal note template. Fiscal analysis was updated based on CS (H.FIN) that changed the effective date.

Prepared By: Michael Williams, Acting Deputy Director
Division: Tax Division
Approved By: Eric DeMoulin, Administrative Services Director
Agency: Department of Revenue

Phone: (907)269-6632
Date: 02/09/2024 11:15 AM
Date: 02/09/24

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

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Analysis

Background

The education tax credit is a credit for qualifying contributions to Alaska universities and accredited nonprofit Alaska two- or four-year colleges for facilities, direct instruction, research and educational support purposes; donations to a school district or a state- or regional-operated technical and training school for vocational education courses, programs and facilities; and donations for Alaska Native cultural or heritage programs for public school staff and students; and a facility in the state that qualifies as a coastal ecosystem learning center under the Coastal American Partnership.

The credit is available to be claimed against insurance premiums tax, title insurance premiums tax, corporate income tax, oil and gas production tax, oil and gas property tax, mining license tax, fisheries business tax, and fishery resource landing tax. The credit for any one taxpayer cannot exceed \$1 million annually across all tax types. The credit is currently scheduled to be repealed effective January 1, 2025.

This bill would expand the education tax credit to include donations made to childcare facilities (employer run or nonprofit) for the children of the taxpayer's employees, or for payments made to an employee of the taxpayer for the purpose of offsetting the employee's childcare costs. The new provisions would take effect 90 days from being signed into law (est. July 1, 2024). This bill also would increase the credit limit from \$1 million to \$3 million annually per taxpayer. The bill extends the sunset provisions to January 1, 2028.

Revenue Impact

The change in revenues reflected in this fiscal note only include those eligible tax programs administered by the Department. The bill's fiscal impacts can be divided into three categories: (1) expansion of the education tax credit to child care facilities and employer costs, (2) increase to the annual tax credit limit, and (3) extending the credit repeal date.

(1) The revenue impact of the expansion of the credit to childcare facilities and costs cannot be determined because the Department of Revenue does not have Alaska-specific data to estimate how many taxpayers will claim the expansion of the credit, how many taxpayers currently pay their employees' child care costs or make donations to child care facilities for the children of their employees, or how many taxpayers will start paying their employees' child care costs or making donations to child care facilities for the children of their employees.

(2) The revenue impact of the increase in the credit limit is estimated by applying historical information at higher credit limits and interpolating the impact of the \$3 million annual credit limit. See the table below.

(3) The revenue impact of the increase in the extension of the repeal date is estimated by using the average of the last three years of actual credits claimed as a basis going forward. See the table below.

Estimated Revenue Impacts (\$ Millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
1. Expand to Child Care Facilities & Employer Costs	***	***	***	***	N/A	N/A
2. Raise the Annual Credit Limit to \$3 million effective 1/1/25	\$ (1.7)	\$ (1.7)	\$ (1.7)	\$ (0.8)	N/A	N/A
3. Extend the Repeal from 1/1/25 to 1/1/28	\$ (3.1)	\$ (3.1)	\$ (3.1)	\$ (1.5)	N/A	N/A
*** Indeterminate						
N/A the credit would no longer be available in FY 2029						

Other sources of uncertainty stem from the high contribution limits and high cost of care in Alaska, as well as the fact that the credit is available against multiple tax types in Alaska.

Implementation Cost

This legislation would require the Department of Revenue to make minor changes to its Tax Revenue Management System ("TRMS"). Resources required to implement this bill would include staff time to updated tax forms, TRMS, and Revenue Online, and other miscellaneous costs when applicable. These costs will be absorbed by the Tax Division using existing resources.

CHILD CARE:TAX CREDITS/ASSISTANCE/GRANTS

SENATE FINANCE COMMITTEE 4.23.2024

REPRESENTATIVE JULIE COULOMBE

OVERVIEW

1. How the Child Care Assistance Program Works Currently
2. HB 89 New Provisions
3. How the Child Care Tax Credits Work
4. Wrap-up

CURRENT PROGRAM

- Provides a monthly subsidy to help with child care expenses based on a sliding fee scale for eligible low-moderate income families – up to 9%.
- The family benefit is based on geographic location, type of care, age of child(ren), unit of care authorized, and attendance at the child care facility.
- Parents must be participating in an eligible activity of working, attending school or a job training program, and meet non-financial and financial criteria set by the department.
- The income limit is 85% of adjusted median income for Alaska.
- Children between infancy and 12 years old are eligible.
- Provides a \$50 grant per child to child care facilities.

HB 89 ~ PROVISIONS & SECTIONS

- Provides for the child care tax credit, increases education and child care tax credits to \$3 million annually, and extends the tax credit sunset to January 1, 2028. (Secs. 1-21)
- Changes terminology throughout statute from “day care” to “child care.” (Secs. 22-27, 29-32, and 36)
- Increases the income eligibility to 105% of the State Median Income. (Sec. 24)
- Caps the family contribution at 7% (currently 9%). (Sec. 28)
- Requires facilities to be designated as “high quality” to receive child care assistance funds. (Sec. 31)
- Requires the prioritization of low income children for the child care assistance program. (Sec. 34)
- Prohibits a child care facility from denying a child for acceptance at a facility based on disability or socioeconomic status. (Sec. 34)
- Definition of “child care facility” (Sec. 35)
- Eliminates the \$50 per child grants to child care facilities. (Secs. 37 & 40)
- Effective Dates – Tax credits sunset 1/1/2028 (Sec. 37); the Act takes effect 1/1/2026 (Sec. 39 & 41); All other sections effective immediately (Sec. 42)

Child Care Tax Credits

- Insurance Tax Credit – Authorized Insurers in the state (Sec. 1-3)
- Income Tax (Sec. 4-6)
- Oil & Gas Production Tax (Sec. 7-9)
- Oil & Gas Exploration, Production, and Pipeline Property Tax (Sec. 10-12)
- Mining Business Tax (Sec. 13-15)
- Fisheries Tax (Sec. 16-18)
- Floating Fisheries Business Tax (Sec. 19-21)
- **Raises the maximum tax credit** (*in combination with the education tax credit*) **to \$3 million annually.**
- **Provides an inflation increase every 5 years beginning in 2030.**
- **Includes contributions of cash or equipment to a child care facility, expenditures made to a child care facility for the tax payer's employees, or payments made to an employee by the taxpayer to offset child care costs.**
- **Education and Child Care Tax Credits sunset January 1, 2028**

IN WRAP-UP, - HB 89 WILL...

- Incentivize the private sector to contribute to child care for their employees
 - It does this by increasing the maximum contribution
 - Extends the sunset date to 2028
- Broaden access to the program for families, helping parents return or enter the workforce, thus increasing the number of children attending child care facilities, growing the industry and increasing the seats available
- Lower the amount of the maximum contribution for families to 7% of income
- Increase the eligibility threshold to 105% of the State Median Income

Selections from HB 89, 4/23/24, Prepared by the Office of Rep. Fields
ALASKA STATE LEGISLATURE



REPRESENTATIVE ZACK FIELDS

Fairview • South Addition • Government Hill • Downtown • Eastridge

Sectional Analysis for HB 121 Version A

Section 1. This section amends AS 21.96.070(a), the Insurance Education Tax Credit, to allow a tax credit under AS 21.09.210, the tax on insurers. This language allows for expenditures made to operate a child care facility for the children of the taxpayer's employees, contributions of cash or equipment accepted by a childcare facility operated by a nonprofit corporation and attended by one or more of the children of the taxpayer's employees, and payment to an employee of the taxpayer for the purpose of offsetting the employee's childcare costs.

Section 2. This section amends AS 43.20.014, the Alaska Net Income Tax Education Credit, to allow a tax credit under AS 43.20.011, the Alaska Net Income Tax Act, for the same expenditures in Section 1, and conforming changes.

Section 3. This section amends AS 43.55.019(a), the Oil and Gas Production Education Tax Credit, to allow a tax credit against the tax levied under AS 43.55.011(e), the Oil and Gas Production Tax, for the same expenditures in Section 1, and conforming changes.

Section 4. This section amends AS 43.56.018(a), the Oil and Gas Property Education Tax Credit, to allow a tax credit against the tax levied under AS 43.56.010, the Oil and Gas Exploration, Production, and Pipeline Transportation Property Tax, for the same expenditures in Section 1, and conforming changes.

Section 5. This section amends AS 43.65.018, the Mining License Education Tax Credit, to allow a tax credit against the tax due under AS 43.65.010, the Mining License Tax, for the same expenditures in Section 1, and conforming changes.

Section 6. This section amends AS 43.75.018, the Fisheries Business Education Credit, to allow a tax credit under the tax due under AS 43.75.015, the Fisheries Business Tax, for the same expenditures in Section 1, and conforming changes.

Section 7. This section amends AS 43.77.045(a), the Fisheries Landing Tax Education Tax Credit, to allow a tax credit under the tax due under AS 43.77.010, the Fisheries Landing Tax, for the same expenditures in Section 1, and conforming changes.

Section 8. This section states the bill will take effect January 1st, 2022.

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: HB 121
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB121-DCCED-DOI-03-12-21
Title: EDUC.TAX CREDIT: EMPLOYER CHILD CARE
COST
Sponsor: FIELDS
Requester: (H) LABOR & COMMERCE

Department: Department of Commerce, Community and
Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

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

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None	***		***	***	***	***	***
Total	***	0.0	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Lori Wing-Heier, Division Director
Division: Insurance
Approved By: Micaela Fowler, Administrative Services Director, DCCED
Agency: Office of Management and Budget

Phone: (907)538-4203
Date: 03/12/2021
Date: 03/12/21

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. HB 121

Analysis

HB 121 offers incentives for employers to contribute toward child care options for their employees. A taxpayer would be allowed a tax credit for expenses including: operating a child care facility for the taxpayer's employees; contributing cash or equipment to a non-profit child care facility attended by the children of the taxpayer's employees; or payments to the employee that go toward child care costs.

Specific to the Division of Insurance, a taxpayer (insurer) would be allowed a credit against the annual tax on title insurance companies (AS 21.66.110) or the tax on insurers (AS 21.09.210) for these child care costs.

This bill is not anticipated to impact the annual expenditures of the Division of Insurance. The bill allows credits to be taken against the Insurance Premium Tax that is collected by the Division of Insurance. The amount of reduced premium tax revenue is expected to be nominal, but since the usage of the credit is not known at this time the revenue impact is indeterminate.

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: HB 121
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB121-DOR-TAX-03-12-21
Title: EDUC.TAX CREDIT: EMPLOYER CHILD CARE
COST
Sponsor: FIELDS
Requester: (H) Labor & Commerce

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)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None	***		***	***	***	***	***
Total	***	0.0	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Nicole S. Reynolds, Deputy Director
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Approved By: Brian Fechter, Administrative Services Director
Agency: Department of Revenue

Phone: (907)269-6736
Date: 03/12/2021
Date: 03/12/21

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. HB 121

Analysis

Background

The education tax credit is a credit for qualifying contributions to Alaska universities and accredited nonprofit Alaska two- or four-year colleges for facilities, direct instruction, research and educational support purposes. The tax credit can also be claimed for donations to a school district or a state-operated vocational technical education and training school for vocational education courses, programs and facilities. Donations for Alaska Native cultural or heritage programs for public school staff and students, and a facility in the state that qualifies as a coastal ecosystem learning center under the Coastal American Partnership also qualify. Contributions to the Alaska Higher Education Investment Fund established in 2012 qualify as well.

The credit is available to be claimed against insurance premiums tax, title insurance premiums tax, corporate income tax, oil and gas production tax, oil and gas property tax, mining license tax, fisheries business tax, and fishery resource landing tax. The credit for any one taxpayer cannot exceed \$1,000,000 annually across all tax types.

The proposed legislation would expand the education tax credit to include donations made to childcare facilities for the children of the taxpayer's employees, or for payments made to an employee of the taxpayer for the purpose of offsetting the employee's childcare costs. The new provisions would take effect January 1, 2022.

Revenue Impact

The estimated revenue impact of this proposed legislation cannot be determined because the Department of Revenue does not have Alaska-specific data to estimate how many taxpayers will claim the expansion of the credit, how many taxpayers currently pay their employees' childcare costs or make donations to childcare facilities for the children of their employees, or how many taxpayers will start paying their employees' childcare costs or making donations to childcare facilities for the children of their employees. Other sources of uncertainty stem from the high contribution limits and high cost of care in Alaska, as well as the fact that the credit is available against multiple tax types in Alaska.

Implementation Cost

This proposed legislation would not require the Department of Revenue to make material changes to its Tax Revenue Management System (TRMS). Therefore, there would be no cost to the Department for implementation. Resources required to implement this bill would include staff time to updated tax forms, TRMS, and Revenue Online, and other miscellaneous costs when applicable. These costs will be absorbed by the Tax Division using existing resources.