

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY & REGIONAL AFFAIRS



**HB 364 Tax Credit for Contributions to Homeless Shelters & Detox
Facilities**

“An Act relating to a credit against the net income tax for a contribution made by a taxpayer to a nonprofit organization that provides an emergency shelter for the homeless or a facility for alcohol or drug detoxification.”

High rates of domestic violence, alcohol & drug abuse, and homelessness continue to plague Alaska. The intent of HB 364 is to provide a tax credit for those businesses that donate capital to emergency shelters for the victims of domestic violence, the homeless or to facilities that provide alcohol and drug detoxification services. Creating a tax credit for businesses to fund Alaskan organizations that provide these services will promote philanthropic donations to help those suffering through violent situations and seeking recovery and suitable housing.

According to the Council on Domestic Violence & Sexual Assault, 58.6% of adult women in Alaska (or 144,881) experienced domestic violence in their lifetime. In addition, the D.A.R.E. organization states Alaskans spend approximately 614 million dollars on alcohol and drug dependency annually in Alaska. This cost includes law enforcement, emergency services, hospital services, correctional facilities, treatment services, and other associated costs. Domestic violence shelters, homeless shelters and drug and alcohol detoxification facilities providing emergency shelter are often faced with the need to expand facilities to provide for these populations of individuals. Businesses can play a role in meeting this need by donating funds towards capital projects and receiving a tax credit in return. The cost of homelessness is excessive. The estimated cost in Anchorage for a chronic homeless alcoholic is more than \$60,000 annually. The costs for these same services in rural communities are approximately three times more this rate.

HB 364 will allow business enterprises a tax credit limit up to \$200,000 for each company which qualifies for their funds donated. It is necessary that the State of Alaska creates this needed tax credit for businesses for their monetary donations to help shelters and facilities meet the needs of these individuals on their roads to independence and recovery.