

LEGAL SERVICES

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MEMORANDUM

April 2, 2013

SUBJECT: Sectional summary (CSSB 89()); Work Order No. 28-LS0677/N)

TO: Senator Mike Dunleavy
Attn: Sheila Peterson

FROM: Jean M. Mischel
Legislative Counsel 

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Provides for an additional education tax credit for cash contributions made by an authorized insurer to public or private nonprofit elementary or secondary schools, including religious schools, for direct instruction or educational support.

Section 2. Amends the education tax credit for authorized insurers to remove contributions to several recipients, including those provided for in sec. 1, effective January 1, 2021.

Section 3. Repeals existing tiered limits on the education tax credit for authorized insurers and reenacts the limit in an amount equal to 70 percent of the cash contributions.

Section 4. Changes the current \$5,000,000 limit to \$25,000,000 on combined contributions applied to education tax credits made by various taxpayers, including authorized insurers, for gifts to the Alaska Fire Standards Council. Also conforms a cross reference in the same section to secs. 12 and 16 of the bill.

Section 5. Repeals the higher limit on combined contributions provided for in sec. 4 and reverts it to \$150,000, effective January 1, 2021.

Section 6. Conforms a cross reference to sec. 12 of the bill.

Section 7. Changes the current \$5,000,000 limit to \$25,000,000 on combined contributions for gifts to the Alaska Fire Standards Council, insurance education tax credits under AS 21.96.070, and by various tax payers under sec. 12 of the bill. Also conforms a cross reference in the same section to secs. 12 and 16 of the bill.

Section 8. Repeals the higher limit on combined contributions provided for in sec. 7 and reverts it to \$150,000, effective January 1, 2021.

Section 9. Amends the duties of the commissioner of revenue to conform a cross reference to secs. 12 and 16 of the bill.

Section 10. Conforms a definition for purposes of refunds to local governments to the changes made in sec. 12 of the bill.

Section 11. Conforms a revenue sharing provision under the fishery resource landing tax provisions to changes made in sec. 12 of the bill.

Section 12. Consolidates education tax credits for contributions made by specified taxpayers provided in separate existing law sections repealed by sec. 16 of the bill and adds a tax credit for cash contributions made to public or private nonprofit elementary or secondary schools, including religious schools, for direct instruction or educational support. Establishes a \$25,000,000 limit for combined contributions made under the section and by insurers under secs. 1 and 4 of the bill.

Section 13. Repeals some of the available recipients, including public or private nonprofit elementary or secondary schools, of a cash contribution for purposes of applying an education tax credit, effective January 1, 2021.

Section 14. Repeals and reenacts the limits for cash contributions for purposes of applying an education tax credit under sec. 12 of the bill.

Section 15. Repeals and reenacts restrictions on cash contributions to specified recipients for purposes of an education tax credit, including revival of a \$150,000 combined education tax credit limit, effective January 1, 2021.

Section 16. Repeals various statutory provisions for education tax credits available to specified taxpayers that are consolidated into sec. 12.

Section 17. Repeals statutes that were temporarily amended for purposes of expanding education tax credits, effective January 1, 2021.

Section 18. Repeals several sections in the session laws of 2010 - 2012 that amended various provisions that are being repealed in sec. 16 and consolidated in one section at sec. 12 of the bill for education tax credits for specified taxpayers. Includes repeal of effective dates in the session laws.

Section 19. Provides a delayed effective date of January 1, 2021, for reversion of temporary expansions made to the education tax credits to pre-2010 - 2013 restrictions and combined limits under specified sections of the bill.

Section 20. Provides a July 1, 2013, effective date for the remaining sections of the bill.