



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

Sponsor Statement

Senate Bill 120 seeks to extend the very successful Alaska Education Tax Credit (AETC) Program through January 1, 2031. Currently the program will expire on January 1, 2024.

Education tax credits allow businesses that pay certain state taxes to claim credit for charitable gifts made in support of education in Alaska. Eligible recipients include non-profit, publicly, or privately accredited Alaska two-year or four-year colleges; non-profit elementary or secondary schools and school districts; state operated vocational education and training schools; non-profit regional vocational training centers; apprenticeship programs; Alaska Native cultural programs; the Alaska Higher Education Investment Fund; and postsecondary institutions providing dual-credit courses.

Education tax credits can be used to offset many state taxes including corporate income taxes, fisheries business and fisheries resource landing taxes, oil and gas production, and mining license taxes.

In addition to extending the Alaska Education Tax Credit Program, Senate Bill 120 returns the program to the credit provision in place before the program was reduced in 2018. SB 120 allows education tax credits up to 50 percent of the annual contributions up to \$100,000, 100 percent of the next \$200,000, and 50 percent of annual contributions beyond \$300,000. The bill also raises the cap on the total credit per taxpayer or group to \$5,000,000. Currently, the cap is \$1,000,000.