

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

Sectional Analysis – CS For HB 89 (HSS)

"An Act relating to the day care assistance program and the child care grant program; and providing for an effective date."

5/3/2023

Section 1: Amends AS 21.96.070(a) to include child care expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting childcare costs to be eligible for tax credits.

Section 2: Amends AS 21.96.070(d)[2] to increase the maximum individual tax credit limit from \$1,000,000 to \$3,000,000.

Section 3: Adds a new section to adjust the maximum individual tax credit limit every five years for inflation.

Section 4: Amends AS 43.20.014(a) to include child care expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting childcare costs to be eligible for tax credits.

Section 5: Amends AS 43.20.014(d)[2] to increase the maximum individual tax credit limit from \$1,000,000 to \$3,000,000.

Section 6: Adds a new section to adjust the maximum individual tax credit limit every five years for inflation.

Section 7: Amends AS 43.55.019(a) to include child care expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting childcare costs to be eligible for tax credits.

Section 8: Amends AS 43.55.019(d)[2] to increase the maximum individual tax credit limit from \$1,000,000 to \$3,000,000.

Section 9: Adds a new section to adjust the maximum individual tax credit limit every five years for inflation.

Section 10: Amends AS 43.56.018(a) to include child care expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting childcare costs to be eligible for tax credits.

Section 11: Amends AS 43.56.018(d)[2] to increase the maximum individual tax credit limit from \$1,000,000 to \$3,000,000.

Section 12: Adds a new section to adjust the maximum individual tax credit limit every five years for inflation.

Section 13: Amends AS 43.65.018 (a) to include child care expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting childcare costs to be eligible for tax credits.

Section 14: Amends AS 43.65.018(d)[2] to increase the maximum individual tax credit limit from \$1,000,000 to \$3,000,000.

Section 15: Adds a new section to adjust the maximum individual tax credit limit every five years for inflation.

Section 16: Amends AS 43.75.018(a) to include child care expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting childcare costs to be eligible for tax credits.

Section 17: Amends AS 43.75.018(d)[2] to increase the maximum individual tax credit limit from \$1,000,000 to \$3,000,000.

Section 18: Adds a new section to adjust the maximum individual tax credit limit every five years for inflation.

Section 19: Amends AS 43.77.045 (a) to include child care expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting childcare costs to be eligible for tax credits.

Section 20: Amends AS 43.77.045(d)[2] to increase the maximum individual tax credit limit from \$1,000,000 to \$3,000,000.

Section 21: Adds a new section to adjust the maximum individual tax credit limit every five years for inflation.

Section 22: Amends AS 47.25.001(a)[2] to increase the maximum income threshold for state subsidies for child care to 105% of the State Median Income (SMI).

Section 23: Amends AS 47.25.041 to develop a sliding fee scale which makes grants for families between 85% – 105% SMI less generous than grants for families between 0 – 85% SMI.

Section 24: Amends AS 47.25.071(c) to calculate the true cost of providing child care in the state of Alaska, and allows the grant program to fund disbursements to beneficiaries at that amount.

Section 25: Adds a new section to provide grants to the highest performing and highest quality child care providers.

Section 26: Adds a new section to make a conforming change to the federal reporting provisions for the child care assistance program.

Section 27: This is a conditional clause that gives the United States Department of Health and Human Services the authority to approve additional amendments to the state plan for day care assistance or determine that those amendments are not necessary.

Section 28: Amends section 37, ch. 61, SLA 2014, which is an effective date clause for the Education Tax Credit, to extend the tax credit from 2025 to 2028.

Section 29: Creates immediate effective date for section 28.

Section 30: This is an effective date clause setting the effective date on the day after the date the United States Department of Health and Human Services approves the corresponding amendment to the state plan or determines that approval is not necessary.

Section 31: Sets January 1, 2024, effective date except as provided in sections 29 and 30.