REPRESENTATIVE JULIE COULOMBE

ALASKA STATE LEGISLATURE

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Sectional Analysis – CS For HB 89 (RLS)

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"An Act relating to education tax credits for certain payments and contributions for and facilities; relating to the insurance tax credit, the income tax education credit, the oil or gas producer education credit, the property tax education credit, the mining business education credit, the fisheries business education credit, and the fisheries resource landing tax education credit; renaming the day care assistance program; relating to the assistance program and the assistance program; providing for an effective date by amending the effective dates of secs. 1, 2 and 21, ch. 61, SLA 2014; and providing an effective date."

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

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 expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting child care costs to be eligible for the **income tax education credit**.

Section 5: Amends AS 43.20.014(d)[3] 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 expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting child care costs to be eligible for **oil or gas producer education tax credit**.

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 expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting child care costs to be eligible for the **property tax education credit**.

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 expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting costs to be eligible for **mining tax education credit**.

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 expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting child care costs to be eligible for **fisheries business tax credit**.

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 expenditures and cash or equipment accepted by daycare facilities and payments to employees for the purpose of offsetting child care costs to be eligible for **floating fisheries business tax credit**.

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: Amends AS 43.77.045 to add a new subsection allowing for adjustments (beginning in 2030), every five years to the tax credit contribution limit for child care, using the Consumer Price Index for Alaska compiled by the Department of Labor and Workforce Development.

Section 22: Amends AS 47.05.030(a) is conforming language to change “day care” to “child care.”

Section 23: Amends AS 47.05.085(a) is conforming language to change “day care” to “child care.”

Section 24: Article 1, Chapter 45: Day Care Assistance and Child Care Grants
Amends AS 47.25.001(a) contains conforming language to “child care,” and also states that the monthly household income limit for an eligible family to receive assistance is 105% of the median household income in Alaska, adjusted for family size.

Section 25: Amends AS 47.25.011 regarding administrative costs of program contractors with conforming language to “child care.”

Section 26: Amends 47.25.021 with conforming language from “day care” to “child care.”

Section 27: Amends 47.25.031 with conforming language from “day care” to “child care.”

Section 28: Amends AS 47.25.041 Contributions of Parents. This section provides that the parent or guardian contribution for child care assistance shall not be greater than 7% of the family monthly income. This was a recommendation of the Governor's Task Force on Child Care.

Section 29: Amends 47.25.051 with conforming language from "day care" to "child care."

Section 30: Adds new subsection AS 47.25.051(c) to require the department to use a market rate study for each region served by the program to determine the actual amount of assistance available for assistance.

Section 31: Amends 47.25.071(b) with conforming language from "day care" to "child care."

Section 32: Amends 47.25.071(g) with conforming language from "day care" to "child care."

Section 33: Adds new subsection AS 47.25.071(i) to allow the department to award grants to child care facilities that are the highest performing and highest quality.

Section 34: Amends AS 47.25.095(2) to update the definition of "child care facility" to include an establishment recognized by the federal government.

Section 35: Amends AS 47.25.095(3) to add conforming language to the definition of "child care" (from "day care").

Section 36: Repealer section

Section 37: Adds uncodified law directing the department to submit the child care assistance program, as amended by this bill, to the federal government for approval.

Section 38: Establishes the effective date to align with the Federal Child Care Development Fund application and when the state receive approval for that.

Section 39: Amends session laws SLA, chapter 61, 2014 and 2018 SLA chapter 40 to change the effective date of January 1, 2028. Fisheries education tax credit expired but was extended in section 39 in the bill.

Section 40: Its it an effective date clause that takes effective on the day after the date the United States Department of Health and Human Services approves the plan.

Section 41: Effective date effective immediately.