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ALASKA STATE LEGISLATURE

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Sectional Analysis

SCS CSHB 89 (HSS)
4.23.24

Sec. 1. AS 21.96.070(a): - Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **insurance business tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 2. Increases the education and child care tax credit to \$3 million (currently \$1 million).

Sec. 3. Insurance business tax. Adds “On January 1, 2030, and every 5 years afterwards, adjusts the dollar limit on tax credits for inflation, using 100% of the change over the preceding 5 calendar years.”

Sec. 4. AS 43.20.014(a): - Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **income tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 5. AS 43.20.014(d): Increases the maximum allowable tax credit to be \$3 million.

Sec. 6. AS 43.20.014(h): New subsection adds the inflation adjustment language to the income tax education credit statute.

Sec. 7. AS 43.55.019(a): Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **Oil and gas production tax** credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 8. AS 43.55.019(d): Increases the maximum allowable tax credit to be \$3 million.

Sec. 9. AS 43.55.019(i): New subsection adds the inflation adjustment language to the oil and gas production tax education credit statute.

Sec. 10. AS 43.56.018(a): Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **oil and gas exploration, production, and pipeline transportation property tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 11. AS 43.56.018(d). Increases the maximum allowable tax credit to be \$3 million.

Sec. 12. AS 43.56.018(h). New subsection adds the inflation adjustment language to the oil and gas exploration, production, and pipeline transportation property tax education credit statute.

Sec. 13. AS 43.65.018(a). Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **mining business tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 14. AS 43.65.018(d). Increases the education and child care tax credit to \$3 million (currently \$1 million).

Section 15. AS 43.65.018(h). New subsection adds the inflation adjustment language to the mining business tax education credit statute.

Sec. 16. AS 43.75.018(a). Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **fisheries tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 17. AS 43.75.018(d). Increases the education and child care tax credit to \$3 million (currently \$1 million).

Sec. 18. AS 43.75.018(h). New subsection adds the inflation adjustment language to the fisheries tax education credit statute.

Sec. 19. AS 43.77.045(a). Change in drafting convention to add “contributions of cash or equipment accepted for” to each of the subsections of the **floating fisheries business tax** education credit statutes rather than being in the main section (a), and adds the child care tax credit.

Sec. 20. AS 43.77.045(d). Increases the education and child care tax credit to \$3 million (currently \$1 million).

Sec. 21. AS 43.77.045(g). New subsection adds the inflation adjustment language to the floating fisheries business tax education credit statute.

Sec. 22. AS 47.05.030(a). Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 23. AS 47.05.085(a). Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 24. AS 47.25.001(a). Changes the maximum monthly household income for eligibility to 105% of the Alaska Median Income, adjusted for family size. Also corrections “child care” terminology.

Sec. 25. AS 47.25.011. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 26. AS 47.25.021. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 27. AS 47.25.031. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 28. AS 47.25.041. Establishes the parent or guardian contribution rate for child care not exceed 7% of the family monthly income.

Sec. 29. AS 47.25.051. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 30. AS 47.25.051. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 31. AS 47.25.071(b). Corrects the terminology in existing statute from “day care” to “child care.” This section also requires a child care facility to be designated as a “quality child care facility” by the department.

Sec. 32. AS 47.25.071(g). Corrects the terminology in existing statute from “day care” to “child care.” This section also requires prioritization of children from low-income families when filling available spaces in the facility.

Sec. 33. AS 47.25.071(h). Directs the department to promulgate regulations for criteria used to designate a facility as “high quality.”

Sec. 34. AS 47.25.071(i-j). Allows the department to provide grants to highest performing and highest quality child care facilities in the state, and prohibits a child care facility from denying a child acceptance to the facility based on disability or socioeconomic status.

Sec. 35. AS 47.25.095(2). Definition of “child care facility.”

Sec. 36. Corrects the terminology in existing statute from “day care” to “child care.”

Sec. 37. AS 47.25.071(c) and AS 47.25.095(4) repealers. Removes the \$50 per child grant to facilities. Deletes the definition of “daycare facility.”

Sec. 37. Aligns the education and child care tax credits to expire on January 1, 2028.

Sec. 38. Codifies that the department shall receive federal approval for the state plan for the child care assistance program.

Sec. 39. Codifies that the Act takes effect on January 1, 2026, following federal approval.

Sec. 40. Aligns the education and child care tax credits to sunset on January 1, 2028.

Sec. 41. The child care assistance program takes effect the day following federal approval.

Sec. 42. All other sections of the bill take effect immediately.