



LAWS OF ALASKA

1987

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Chapter No.

58

AN ACT

Relating to, and allowing tax credits for, contributions to certain educational institutions; and restricting state tax deductions under 26 U.S.C. 170.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1, LINE 11

Approved by the Governor: June 12, 1987
Actual Effective Date: September 10, 1987

AN ACT

Relating to, and allowing tax credits for, contributions to certain educational institutions; and restricting state tax deductions under 26 U.S.C. 170.

* Section 1. PURPOSE. The legislature recognizes the unique social and economic importance of Alaska's colleges and universities to the state's future. It is the purpose of this Act to provide colleges and universities with a private source of funding for direct instruction, research, and educational support purposes, including library and museum acquisitions.

* Sec. 2. AS 43.20 is amended by adding a new section to read:

Sec. 43.20.014. INCOME TAX EDUCATION CREDIT. (a) A taxpayer is allowed as a credit against the tax due under this chapter 50 percent of cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, by an accredited, nonprofit, public or private, Alaska, two- or four-year, college or university. The credit may not exceed the lesser of 10 percent of the amount of tax due under this chapter or \$100,000. A contribution claimed as a credit under this section may not be claimed as a credit under another provision of this title. A deduction is not allowed under 26 U.S.C. 170, if the credit provided by this section is claimed.

(b) Contributions accepted for endowment purposes are not eligible for the credit under (a) of this section.

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1 (c) By September 30 of each year, the Department of Revenue
2 shall report to the Legislative Budget and Audit Committee on the
3 credits taken under this section. Each public college and university
4 shall include in its annual operating budget request contributions
5 received and how the contributions were used.

6 * Sec. 3. AS 43.20.036 is amended by adding a new subsection to read:

7 (j) For purposes of calculating the tax payable under this
8 chapter, a deduction under 26 U.S.C. 170 may only be taken if payment
9 is made on or before the last day of the taxable year.

10 * Sec. 4. AS 43.55 is amended by adding a new section to read:

11 Sec. 43.55.019. OIL OR GAS PRODUCER EDUCATION CREDIT. (a) A
12 producer of oil or gas is allowed as a credit against the tax due
13 under this chapter 50 percent of cash contributions accepted for
14 direct instruction, research, and educational support purposes, in-
15 cluding library and museum acquisitions, by an accredited, nonprofit,
16 public or private, Alaska, two- or four-year, college or university.
17 The credit may only be applied against the tax liability accruing
18 during the month the contribution is made. The credit may not exceed
19 the lesser of 10 percent of the amount of tax due under this chapter
20 or \$10,000. A contribution claimed as a credit under this section may
21 not be claimed as a credit under another provision of this title.

22 (b) Contributions accepted for endowment purposes are not eligi-
23 ble for the credit under (a) of this section.

24 (c) By September 30 of each year, the Department of Revenue
25 shall report to the Legislative Budget and Audit Committee on the
26 credits taken under this section. Each public college and university
27 shall include in its annual operating budget request contributions
28 received and how the contributions were used.

29 * Sec. 5. AS 43.56 is amended by adding a new section to read:
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Sec. 43.56.018. OIL OR GAS PROPERTY EDUCATION CREDIT. (a) The owner of property taxable under this chapter is allowed as a credit against the tax due under this chapter 50 percent of cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, by an accredited, nonprofit, public or private, Alaska, two- or four-year, college or university. The credit may only be applied against the tax liability accruing during the month the contribution is made. The credit may not exceed the lesser of 10 percent of the amount of tax due under this chapter or \$10,000. A contribution claimed as a credit under this section may not be claimed as a credit under another provision of this title.

(b) Contributions accepted for endowment purposes are not eligible for the credit under (a) of this section.

(c) By September 30 of each year, the Department of Revenue shall report to the Legislative Budget and Audit Committee on the credits taken under this section. Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used.

* Sec. 6. AS 43.65 is amended by adding a new section to read:

Sec. 43.65.018. MINING BUSINESS EDUCATION CREDIT. (a) A person engaged in the business of mining in the state is allowed as a credit against the tax due under this chapter 50 percent of cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, by an accredited, nonprofit, public or private, Alaska, two- or four-year, college or university. The credit may not exceed the lesser of 10 percent of the amount of tax due under this chapter or \$100,000. A contribution claimed as a credit under this section may not be claimed

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1 as a credit under another provision of this title.

2 (b) Contributions accepted for endowment purposes are not eligi-
3 ble for the credit under (a) of this section.

4 (c) By September 30 of each year, the Department of Revenue
5 shall report to the Legislative Budget and Audit Committee on the
6 credits taken under this section. Each public college and university
7 shall include in its annual operating budget request contributions
8 received and how the contributions were used.

9 * Sec. 7. AS 43.75 is amended by adding a new section to read:

10 Sec. 43.75.018. FISHERIES BUSINESS EDUCATION CREDIT. (a) A
11 person engaged in a fisheries business is allowed as a credit against
12 the tax due under this chapter 50 percent of cash contributions ac-
13 cepted for direct instruction, research, and educational support
14 purposes, including library and museum acquisitions, by an accredited,
15 nonprofit, public or private, Alaska, two- or four-year, college or
16 university. The credit may not exceed the lesser of 10 percent of the
17 amount of tax due under this chapter or \$100,000. A contribution
18 claimed as a credit under this section may not be claimed as a credit
19 under another provision of this title.

20 (b) Contributions accepted for endowment purposes are not eligi-
21 ble for the credit under (a) of this section.

22 (c) By September 30 of each year, the Department of Revenue
23 shall report to the Legislative Budget and Audit Committee on the
24 credits taken under this section. Each public college and university
25 shall include in its annual operating budget request contributions
26 received and how the contributions were used.

27 * Sec. 8. AS 43.75.130 is amended by adding a new subsection to read:

28 (d) In this section, "tax revenue collected" includes the amount
29 credited against taxes under AS 43.75.018.
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* Sec. 9. The provisions of this Act apply to contributions made after December 31, 1987.