

CS FOR HOUSE BILL NO. 269(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/27/95

Referred: Rules

Sponsor(s): REPRESENTATIVES IVAN, Bunde, Foster, Williams, James

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to credits against certain taxes for contributions to certain public
2 educational radio and television networks and stations and to endowments for
3 public educational radio and television networks and stations, increasing the
4 amounts that may be claimed as credits against certain state taxes, and precluding
5 claims of the contributions as both credits and deductions against the taxes;
6 amending the manner of computing refunds to local governments of the fisheries
7 business tax and the fishery resource landing tax; establishing credits against the
8 fishery resource landing tax; and terminating the public educational radio and
9 television credits authorized by this Act at the end of five years; and providing
10 for an effective date."

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

12 * **Section 1. PURPOSE.** (a) This Act extends the credits authorized by ch. 58, SLA 1987,

1 ch. 71, SLA 1991, and ch. 21, SLA 1994, against each of the following state taxes for
2 contributions made to instate public educational radio and television networks and stations and
3 to endowments established to benefit those public educational radio and television stations:

4 (1) the insurance premium tax (AS 21.09.210) and the tax on title insurance
5 premiums (AS 21.66.110);

6 (2) Alaska Net Income Tax (AS 43.20);

7 (3) Oil and Gas Properties Production Tax (AS 43.55);

8 (4) Oil and Gas Exploration, Production, and Pipeline Transportation Property
9 Tax (AS 43.56);

10 (5) Mining License Tax (AS 43.65);

11 (6) Fisheries Taxes (AS 43.75).

12 (b) This Act also authorizes

13 (1) a credit against the fisheries resource landing tax for contributions made
14 for instruction, research, and educational support purposes that are accepted by a nonprofit,
15 public or private, Alaska two-year or four-year college or university or Alaska university
16 foundation; and

17 (2) a credit against that tax for contributions made to instate public educational
18 radio and television networks and stations and to endowments established to benefit those
19 public educational radio and television stations.

20 * **Sec. 2.** AS 21.89.070(a) is amended to read:

21 (a) **Subject to (c) of this section,**

22 **(1) after the effective date of this Act and through December 31,**
23 **2000, a** [A] taxpayer is allowed **as** a credit against the tax due under AS 21.09.210 or
24 AS 21.66.110 **the taxpayer's** [FOR] cash contributions for direct instruction, research,
25 and educational support purposes, including library and museum acquisitions, and
26 contributions to endowment, that are accepted by a nonprofit, public or private, Alaska
27 two-year or four-year college or university accredited by a regional accreditation
28 association or that are accepted by an Alaska university foundation that supports a
29 university or college that could receive a contribution for which a taxpayer may obtain
30 a credit under this section, **and the taxpayer's cash contributions accepted by a**
31 **nonprofit, noncommercial public Alaska educational radio or television network or**
32 **station and contributions to endowments established to benefit those networks and**

1 stations. The amount of the credit is the lesser of

2 (A) [(1)] an amount equal to

3 (i) [(A)] 50 percent of contributions of not more than
4 \$100,000; and

5 (ii) [(B)] 100 percent of the next \$300,000 [\$100,000]
6 of contributions; or

7 (B) [(2)] 50 percent of the taxpayer's tax liability under this
8 title; and

9 (2) after December 31, 2000, a taxpayer is allowed as a credit
10 against the tax due under AS 21.09.210 or AS 21.66.110 the taxpayer's cash
11 contributions for direct instruction, research, and educational support purposes,
12 including library and museum acquisitions, and contributions to endowment, that
13 are accepted by a nonprofit, public or private, Alaska two-year or four-year
14 college or university accredited by a regional accreditation association or that are
15 accepted by an Alaska university foundation that supports a university or college
16 that could receive a contribution for which a taxpayer may obtain a credit under
17 this section. The amount of the credit is the lesser of

18 (A) an amount equal to

19 (i) 50 percent of contributions of not more than
20 \$100,000; and

21 (ii) 100 percent of the next \$100,000 of contributions;

22 or

23 (B) 50 percent of the taxpayer's tax liability under this title.

24 * Sec. 3. AS 21.89.070(c) is amended to read:

25 (c) In each tax year, contributions [A CONTRIBUTION] claimed as a credit
26 under this section

27 (1) may not be claimed as a credit under more than one provision of
28 this title; [AND]

29 (2) may not be allowed as a deduction against a tax imposed by this
30 title or as a deduction against a tax imposed by AS 43; and

31 (3) may not, when combined with credits taken during the taxpayer's

1 tax year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]
2 AS 43.75.018, or AS 43.77.045,

3 (A) through December 31, 2000, exceed \$350,000; and

4 (B) after December 31, 2000, exceed \$150,000.

5 * **Sec. 4.** AS 43.20.014(a) is amended to read:

6 (a) Subject to (d) of this section,

7 (1) after the effective date of this Act and through December 31,
8 2000, for [FOR] cash contributions accepted for direct instruction, research, and
9 educational support purposes, including library and museum acquisitions, and
10 contributions to endowment, by an Alaska university foundation or by a nonprofit,
11 public or private, Alaska two-year or four-year college accredited by a regional
12 accreditation association, and for contributions accepted by a nonprofit,
13 noncommercial public Alaska educational radio or television network or station
14 and contributions to endowments established to benefit those stations, a taxpayer
15 is allowed as a credit against the tax due under this chapter

16 (A) [(1)] 50 percent of contributions of not more than \$100,000;

17 and

18 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of
19 contributions; and

20 (2) after December 31, 2000, for cash contributions accepted for
21 direct instruction, research, and educational support purposes, including library
22 and museum acquisitions, and contributions to endowment, by an Alaska
23 university foundation or by a nonprofit, public or private, Alaska two-year or
24 four-year college accredited by a regional accreditation association, a taxpayer is
25 allowed as a credit against the tax due under this chapter

26 (A) 50 percent of contributions of not more than \$100,000;

27 and

28 (B) 100 percent of the next \$100,000 of contributions.

29 * **Sec. 5.** AS 43.20.014(d) is amended to read:

30 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit
31 under this section

1 (1) may not be claimed as a credit under another provision of this title;
2 (2) may not also be allowed as a deduction [UNDER 26 U.S.C. 170]
3 against the tax imposed by this chapter **or as a deduction against another tax**
4 **imposed by this title**; and

5 (3) may not, when combined with credits taken during the taxpayer's
6 tax year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]
7 AS 43.75.018, **or AS 43.77.045**,

8 **(A) through December 31, 2000, exceed \$350,000; and**

9 **(B) after December 31, 2000, exceed \$150,000.**

10 * Sec. 6. AS 43.55.019(a) is amended to read:

11 (a) **Subject to (d) of this section,**

12 **(1) after the effective date of this Act and through December 31,**
13 **2000, for** [FOR] cash contributions accepted for direct instruction, research, and
14 educational support purposes, including library and museum acquisitions, and
15 contributions to endowment, by an Alaska university foundation or by a nonprofit,
16 public or private, Alaska two-year or four-year college accredited by a regional
17 accreditation association, **and for contributions accepted by a nonprofit,**
18 **noncommercial public Alaska educational radio or television network or station**
19 **and contributions to endowments established to benefit those stations,** a producer
20 of oil or gas is allowed as a credit against the tax due under this chapter

21 **(A) [(1)] 50 percent of contributions of not more than \$100,000;**
22 and

23 **(B) [(2)] 100 percent of the next \$300,000 [\$100,000] of**
24 **contributions; and**

25 **(2) after December 31, 2000, for cash contributions accepted for**
26 **direct instruction, research, and educational support purposes, including library**
27 **and museum acquisitions, and contributions to endowment, by an Alaska**
28 **university foundation or by a nonprofit, public or private, Alaska two-year or**
29 **four-year college accredited by a regional accreditation association, a producer**
30 **of oil or gas is allowed as a credit against the tax due under this chapter**

31 **(A) 50 percent of contributions of not more than \$100,000;**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

and

(B) 100 percent of the next \$100,000 of contributions.

* **Sec. 7.** AS 43.55.019(d) is amended to read:

(d) **In each tax year, contributions** [A CONTRIBUTION] claimed as a credit under this section may not

(1) be claimed as a credit under another provision of this title;

(2) be allowed as a deduction against the tax imposed by this chapter or as a deduction against another tax imposed by this title; and

(3) [(2)] when combined with credits taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, [OR] AS 43.75.018, **or AS 43.77.045,**

(A) through December 31, 2000, exceed \$350,000; and

(B) after December 31, 2000, exceed \$150,000.

* **Sec. 8.** AS 43.56.018(a) is amended to read:

(a) **Subject to (d) of this section,**

(1) after the effective date of this Act and through December 31, 2000, for [FOR] cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association, **and for contributions accepted by a nonprofit, noncommercial public Alaska educational radio or television network or station and contributions to endowments established to benefit those stations,** the owner of property taxable under this chapter is allowed as a credit against the tax due under this chapter

(A) [(1)] 50 percent of contributions of not more than \$100,000;

and

(B) [(2)] 100 percent of the next **\$300,000** [\$100,000] of contributions; **and**

(2) after December 31, 2000, for cash contributions accepted for direct instruction, research, and educational support purposes, including library

1 and museum acquisitions, and contributions to endowment, by an Alaska
2 university foundation or by a nonprofit, public or private, Alaska two-year or
3 four-year college accredited by a regional accreditation association, the owner of
4 property taxable under this chapter is allowed as a credit against the tax due
5 under this chapter

6 (A) 50 percent of contributions of not more than \$100,000;

7 and

8 (B) 100 percent of the next \$100,000 of contributions.

9 * **Sec. 9.** AS 43.56.018(d) is amended to read:

10 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit
11 under this section may not

12 (1) be claimed as a credit under another provision of this title;

13 (2) be allowed as a deduction against the tax imposed by this
14 chapter or as a deduction against another tax imposed by this title; and

15 (3) [(2)] when combined with credits taken during the taxpayer's tax
16 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, [OR]
17 AS 43.75.018, or AS 43.77.045,

18 (A) through December 31, 2000, exceed \$350,000; and

19 (B) after December 31, 2000, exceed \$150,000.

20 * **Sec. 10.** AS 43.65.018(a) is amended to read:

21 (a) Subject to (d) of this section,

22 (1) after the effective date of this Act and through December 31,
23 2000, for [FOR] cash contributions accepted for direct instruction, research, and
24 educational support purposes, including library and museum acquisitions, and
25 contributions to endowment, by an Alaska university foundation or by a nonprofit,
26 public or private, Alaska two-year or four-year college accredited by a regional
27 accreditation association, and for contributions accepted by a nonprofit,
28 noncommercial public Alaska educational radio or television network or station
29 and contributions to endowments established to benefit those stations, a person
30 engaged in the business of mining in the state is allowed as a credit against the tax due
31 under this chapter

1 (A) [(1)] 50 percent of contributions of not more than \$100,000;
2 and

3 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of
4 contributions; and

5 (2) after December 31, 2000, for cash contributions accepted for
6 direct instruction, research, and educational support purposes, including library
7 and museum acquisitions, and contributions to endowment, by an Alaska
8 university foundation or by a nonprofit, public or private, Alaska two-year or
9 four-year college accredited by a regional accreditation association, a person
10 engaged in the business of mining in the state is allowed as a credit against the
11 tax due under this chapter

12 (A) 50 percent of contributions of not more than \$100,000;
13 and

14 (B) 100 percent of the next \$100,000 of contributions.

15 * **Sec. 11.** AS 43.65.018(d) is amended to read:

16 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit
17 under this section may not

18 (1) be claimed as a credit under another provision of this title;

19 (2) be allowed as a deduction against the tax imposed by this
20 chapter or as a deduction against another tax imposed by this title; and

21 (3) [(2)] when combined with credits taken during the taxpayer's tax
22 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR]
23 AS 43.75.018, or AS 43.77.045,

24 (A) through December 31, 2000, exceed \$350,000; and

25 (B) after December 31, 2000, exceed \$150,000.

26 * **Sec. 12.** AS 43.75.018(a) is amended to read:

27 (a) Subject to (d) of this section,

28 (1) after the effective date of this Act and through December 31,
29 2000, for [FOR] cash contributions accepted for direct instruction, research, and
30 educational support purposes, including library and museum acquisitions, and
31 contributions to endowment, by an Alaska university foundation or by a nonprofit,

1 public or private, Alaska two-year or four-year college accredited by a regional
2 accreditation association, and for contributions accepted by a nonprofit,
3 noncommercial public Alaska educational radio or television network or station
4 and contributions to endowments established to benefit those stations, a person
5 engaged in a fisheries business is allowed as a credit against the tax due under this
6 chapter

7 (A) [(1)] 50 percent of contributions of not more than \$100,000;

8 and

9 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of
10 contributions; **and**

11 **(2) after December 31, 2000, for cash contributions accepted for**
12 **direct instruction, research, and educational support purposes, including library**
13 **and museum acquisitions, and contributions to endowment, by an Alaska**
14 **university foundation or by a nonprofit, public or private, Alaska two-year or**
15 **four-year college accredited by a regional accreditation association, a person**
16 **engaged in a fisheries business is allowed as a credit against the tax due under**
17 **this chapter**

18 (A) **50 percent of contributions of not more than \$100,000;**

19 **and**

20 (B) **100 percent of the next \$100,000 of contributions.**

21 * **Sec. 13.** AS 43.75.018(d) is amended to read:

22 (d) **In each tax year, contributions** [A CONTRIBUTION] claimed as a credit
23 under this section may not

24 (1) be claimed as a credit under another provision of this title;

25 (2) **be allowed as a deduction against the tax imposed by this**
26 **chapter or as a deduction against another tax imposed by this title;** and

27 (3) [(2)] when combined with credits taken during the taxpayer's tax
28 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR]
29 AS 43.65.018, **or AS 43.77.045,**

30 (A) **through December 31, 2000, exceed \$350,000; and**

31 (B) **after December 31, 2000, exceed \$150,000.**

1 * **Sec. 14.** AS 43.75.130(f) is amended to read:

2 (f) In this section, "tax revenue collected" includes **one-half** the amount
3 credited against taxes under AS 43.75.018.

4 * **Sec. 15.** AS 43.77 is amended by adding a new section to read:

5 Sec. 43.77.045. ADDITIONAL RESOURCE LANDING TAX CREDIT. (a)
6 Subject to (c) of this section,

7 (1) after the effective date of this Act and through December 31, 2000,
8 for cash contributions accepted for direct instruction, research, and educational support
9 purposes, including library and museum acquisitions, and contributions to endowment,
10 by an Alaska university foundation or by a nonprofit, public or private, Alaska
11 two-year or four-year college accredited by a regional accreditation association, and
12 for contributions accepted by a nonprofit, noncommercial public Alaska educational
13 radio or television network or station and contributions to endowments established to
14 benefit those stations, a person engaged in a fisheries business is allowed as a credit
15 against the tax due under this chapter

16 (A) 50 percent of contributions of not more than \$100,000; and

17 (B) 100 percent of the next \$300,000 of contributions; and

18 (2) after December 31, 2000, for cash contributions accepted for direct
19 instruction, research, and educational support purposes, including library and museum
20 acquisitions, and contributions to endowment, by an Alaska university foundation or
21 by a nonprofit, public or private, Alaska two-year or four-year college accredited by
22 a regional accreditation association, a person engaged in a fisheries business is allowed
23 as a credit against the tax due under this chapter

24 (A) 50 percent of contributions of not more than \$100,000; and

25 (B) 100 percent of the next \$100,000 of contributions.

26 (b) Each public college and university shall include in its annual operating
27 budget request contributions received under this section and how the contributions
28 were used.

29 (c) In each tax year, contributions claimed as a credit under this section may
30 not

31 (1) be claimed as a credit under another provision of this title;

1 (2) be allowed as a deduction against the tax imposed by this chapter
2 or as a deduction against another tax imposed by this title; and

3 (3) when combined with credits taken during the taxpayer's tax year
4 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or
5 AS 43.75.018,

6 (A) through December 31, 2000, exceed \$350,000; and

7 (B) after December 31, 2000, exceed \$150,000.

8 * **Sec. 16.** AS 43.77.060 is amended by adding a new subsection to read:

9 (e) In (a) and (b) of this section, "tax revenue collected" includes one-half the
10 amount credited against taxes under AS 43.77.045.

11 * **Sec. 17.** This Act applies to tax years beginning after the December 31 that precedes the
12 effective date of this Act.

13 * **Sec. 18.** This Act takes effect January 1, 1996.