

HOUSE BILL NO. 21

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES IVAN, Grussendorf, Kemplen

Introduced: 1/13/97

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska public broadcasting trust fund as a trust fund
2 of the state, and providing for its administration; relating to credits against
3 certain taxes for contributions to the Alaska public broadcasting trust fund;
4 increasing the amounts that may be claimed as credits against certain state
5 taxes, and precluding claims of the contributions as both credits and deductions
6 against the taxes; and terminating the credits authorized by this Act at the end
7 of five years; and providing for an effective date."

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

9 * **Section 1. PURPOSE.** Sections 1 - 3 and 5 - 12 of this Act extend the credits authorized
10 by ch. 58, SLA 1987, ch. 71, SLA 1991, and ch. 21, SLA 1994, against each of the following
11 state taxes for contributions made to the Alaska public broadcasting trust fund established in
12 AS 37.14:

13 (1) the insurance premium tax (AS 21.09.210) and the tax on title insurance

1 premiums (AS 21.66.110);

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

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

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

6 (5) Mining License Tax (AS 43.65).

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

8 (a) **Subject to (c) of this section, a** [A] taxpayer is allowed **as** a credit against
9 the tax due under AS 21.09.210 or AS 21.66.110 **the taxpayer's** [FOR] cash
10 contributions

11 (1) for direct instruction, research, and educational support purposes,
12 including library and museum acquisitions, and contributions to endowment, that are
13 accepted by a nonprofit, public or private, Alaska two-year or four-year college or
14 university accredited by a regional accreditation association or that are accepted by an
15 Alaska university foundation that supports a university or college that could receive
16 a contribution for which a taxpayer may obtain a credit under this section; **the** [
17 THE] amount of the credit is the lesser of

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

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

21 (ii) [(B)] 100 percent of the next \$100,000 of
22 contributions; or

23 (B) [(2)] 50 percent of the taxpayer's tax liability under this
24 title;

25 (2) **made after the effective date of this Act and through**
26 **December 31, 2002, to the Alaska public broadcasting trust fund established**
27 **under AS 37.14.550; the amount of the credit is equal to 50 percent of annual**
28 **contributions of not more than \$300,000.**

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

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

1 (1) be claimed as a credit under more than one provision of this title;

2 [AND]

3 (2) **be allowed as a deduction against a tax imposed by this title or**
 4 **as a deduction against a tax imposed by AS 43; and**

5 (3) when combined with credits taken during the taxpayer's tax year
 6 under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or
 7 AS 43.77.045

8 **(A) through December 31, 2002, exceed \$300,000; and**

9 **(B) after December 31, 2002, exceed \$150,000.**

10 * **Sec. 4.** AS 37.14 is amended by adding new sections to read:

11 **Article 7. Alaska Public Broadcasting Trust Fund.**

12 **Sec. 37.14.550. Alaska public broadcasting trust fund established.** (a) The
 13 Alaska public broadcasting trust fund is established as a separate endowment trust fund
 14 of the state.

15 (b) The principal of the fund consists of

16 (1) legislative appropriations to the fund; and

17 (2) gifts, bequests, and contributions of cash or other assets to the fund.

18 (c) The net income of the fund shall be determined by the commissioner of
 19 revenue in accordance with investment accounting principles and in a manner that
 20 preserves the distinction between principal and income.

21 **Sec. 37.14.560. Powers and duties of the commissioner of revenue.** The
 22 commissioner of revenue is the treasurer of the fund and has the power and duty to

23 (1) act as official custodian of the cash and investments belonging to the
 24 fund by securing adequate and safe custodial facilities;

25 (2) receive all items of cash and investments belonging to the fund;

26 (3) collect the principal and income from investments owned or acquired
 27 by the fund and deposit the amounts in separate principal and income accounts for the
 28 fund;

29 (4) invest and reinvest the assets of the fund as provided in this section
 30 and as provided for the investment of funds under AS 14.25.180(c) and AS 37.14.170;

31 (5) exercise the powers of an owner with respect to the assets of the
 32 fund;

1 (6) maintain accounting records of the fund in accordance with
 2 investment accounting principles and with distinction between the principal and income
 3 accounts of the fund;

4 (7) engage an independent firm of certified public accountants to annually
 5 audit the financial condition of the fund's investments and investment transactions;

6 (8) enter into and enforce contracts or agreements considered necessary
 7 for the investment purposes of the fund;

8 (9) report to the commission the condition and investment performance
 9 of the fund;

10 (10) do all acts, whether or not expressly authorized, that the
 11 commissioner of revenue considers necessary or proper in administering the assets of the
 12 fund.

13 **Sec. 37.14.570. Administration of the fund.** The fund shall be administered
 14 by the Alaska Public Broadcasting Commission.

15 **Sec. 37.14.580. Powers and duties of the commission.** When acting as
 16 administrator of the fund, the commission shall

17 (1) hold regular and special meetings it considers necessary; the
 18 commission may hold meetings by teleconference;

19 (2) award grants from the net income of the fund under AS 44.21.256 -
 20 44.21.290;

21 (3) solicit contributions, gifts, and bequests to the fund; and

22 (4) keep audiotape recordings of each meeting of the commission to be
 23 made available on request.

24 **Sec. 37.14.590. Use of fund.** (a) The principal of the fund and any capital
 25 gains or losses realized on the principal shall be retained perpetually in the fund for
 26 investment as specified in AS 37.14.560 and may not be used for the awarding of grants.

27 (b) The net income of the fund may be appropriated for the following purposes:

28 (1) awarding grants;

29 (2) soliciting contributions, gifts, and bequests for the fund;

30 (3) offsetting the effect of inflation on the fund's principal during the
 31 fiscal year; and

32 (4) reimbursing the Department of Revenue for the costs of establishing

1 the fund.

2 (c) Realized net income that has not been appropriated, or that has been
3 appropriated but not expended, shall be invested until appropriated and expended.

4 **Sec. 37.14.599. Definitions.** In AS 37.14.550 - 37.14.599,

5 (1) "commission" means the Alaska Public Broadcasting Commission
6 established under AS 44.21.256;

7 (2) "fund" means the Alaska public broadcasting trust fund established
8 under AS 37.14.550.

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

10 (a) **Subject to (d) of this section, a taxpayer is allowed as a credit against the**
11 **tax due under this chapter the taxpayer's contributions as follows:**

12 (1) **for** [FOR] cash contributions accepted for direct instruction, research,
13 and educational support purposes, including library and museum acquisitions, and
14 contributions to endowment, by an Alaska university foundation or by a nonprofit, public
15 or private, Alaska two-year or four-year college accredited by a regional accreditation
16 association,

17 (A) [A TAXPAYER IS ALLOWED AS A CREDIT AGAINST
18 THE TAX DUE UNDER THIS CHAPTER (1)] 50 percent of contributions of
19 not more than \$100,000; and

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

21 (2) **for cash contributions made after the effective date of this Act**
22 **and through December 31, 2002, to the Alaska public broadcasting trust fund**
23 **established under AS 37.14.550, 50 percent of annual contributions of not more than**
24 **\$300,000.**

25 * **Sec. 6.** AS 43.20.014(d) is amended to read:

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

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

29 (2) also be allowed as a deduction [UNDER 26 U.S.C. 170] against the
30 tax imposed by this chapter **or as a deduction against another tax imposed by this**
31 **title;** and

32 (3) when combined with credits taken during the taxpayer's tax year

1 under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or
2 AS 43.77.045

3 **(A) through December 31, 2002, exceed \$300,000; and**

4 **(B) after December 31, 2002, exceed \$150,000.**

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

6 (a) **Subject to (d) of this section, a producer of oil or gas is allowed as a**
7 **credit against the tax due under this chapter the producer's contributions as**
8 **follows:**

9 **(1) for** [FOR] cash contributions accepted for direct instruction, research,
10 and educational support purposes, including library and museum acquisitions, and
11 contributions to endowment, by an Alaska university foundation or by a nonprofit, public
12 or private, Alaska two-year or four-year college accredited by a regional accreditation
13 association,

14 **(A)** [A PRODUCER OF OIL OR GAS IS ALLOWED AS A
15 CREDIT AGAINST THE TAX DUE UNDER THIS CHAPTER (1)] 50 percent
16 of contributions of not more than \$100,000; and

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

18 **(2) for cash contributions made after the effective date of this Act**
19 **and through December 31, 2002, to the Alaska public broadcasting trust fund**
20 **established under AS 37.14.550, 50 percent of annual contributions of not more than**
21 **\$300,000.**

22 * **Sec. 8.** AS 43.55.019(d) is amended to read:

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

25 (1) be claimed as a credit under another provision of this title; [AND]

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

28 (3) when combined with credits taken during the taxpayer's tax year
29 under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, AS 43.75.018, or
30 AS 43.77.045

31 **(A) through December 31, 2002, exceed \$300,000; and**

32 **(B) after December 31, 2002, exceed \$150,000.**

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

2 (a) **Subject to (d) of this section, the owner of property taxable under this**
 3 **chapter is allowed as a credit against the tax due under this chapter the owner's**
 4 **contributions as follows:**

5 (1) **for** [FOR] cash contributions accepted for direct instruction,
 6 research, and educational support purposes, including library and museum acquisitions,
 7 and contributions to endowment, by an Alaska university foundation or by a nonprofit,
 8 public or private, Alaska two-year or four-year college accredited by a regional
 9 accreditation association,

10 (A) [THE OWNER OF PROPERTY TAXABLE UNDER THIS
 11 CHAPTER IS ALLOWED AS A CREDIT AGAINST THE TAX DUE
 12 UNDER THIS CHAPTER (1)] 50 percent of contributions of not more than
 13 \$100,000; and

14 (B) [(2)] 100 percent of the next \$100,000 of contributions; **and**
 15 (2) **for cash contributions made after the effective date of this Act**
 16 **and through December 31, 2002, to the Alaska public broadcasting trust fund**
 17 **established under AS 37.14.550, 50 percent of annual contributions of not more**
 18 **than \$300,000.**

19 * **Sec. 10.** AS 43.56.018(d) is amended to read:

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

22 (1) be claimed as a credit under another provision of this title; [AND]

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

25 (3) when combined with credits taken during the taxpayer's tax year
 26 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, AS 43.75.018, or
 27 AS 43.77.045

28 (A) **through December 31, 2002, exceed \$300,000; and**

29 (B) **after December 31, 2002, exceed \$150,000.**

30 * **Sec. 11.** AS 43.65.018(a) is amended to read:

31 (a) **Subject to (d) of this section, a person engaged in the business of mining**

1 in the state is allowed as a credit against the tax due under this chapter the
 2 contributions made by the person as follows:

3 (1) for [FOR] cash contributions accepted for direct instruction, research,
 4 and educational support purposes, including library and museum acquisitions, and
 5 contributions to endowment, by an Alaska university foundation or by a nonprofit, public
 6 or private, Alaska two-year or four-year college accredited by a regional accreditation
 7 association,

8 (A) [A PERSON ENGAGED IN THE BUSINESS OF MINING
 9 IN THE STATE IS ALLOWED AS A CREDIT AGAINST THE TAX DUE
 10 UNDER THIS CHAPTER (1)] 50 percent of contributions of not more than
 11 \$100,000; and

12 (B) [(2)] 100 percent of the next \$100,000 of contributions; **and**
 13 (2) for cash contributions made after the effective date of this Act
 14 and through December 31, 2002, to the Alaska public broadcasting trust fund
 15 established under AS 37.14.550, 50 percent of annual contributions of not more than
 16 \$300,000.

17 * Sec. 12. AS 43.65.018(d) is amended to read:

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

20 (1) be claimed as a credit under another provision of this title; [AND]

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

23 (3) when combined with credits taken during the taxpayer's tax year
 24 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.75.018, or
 25 AS 43.77.045

26 (A) through December 31, 2002, exceed \$300,000; and

27 (B) after December 31, 2002, exceed \$150,000.

28 * Sec. 13. AS 44.21.266 is amended to read:

29 **Sec. 44.21.266. Duties of the commission.** The commission shall

30 (1) have responsibility for administration of the Alaska public
 31 broadcasting trust fund under AS 37.14.580, apply for federal and private funds for
 32 public broadcasting purposes, [AND] receive all federal, state, or private funds,

1 property, or assistance that may be appropriated, granted, or otherwise made available
2 to the commission for public broadcasting purposes, and use and disburse funds and
3 property for purposes consistent with the terms of AS 44.21.256 - 44.21.290, subject
4 to reasonable limitations imposed by the grantor;

5 (2) provide consultative services in all aspects of public broadcasting
6 to all public or private agencies in the state that request them;

7 (3) serve as a library and clearinghouse for public broadcasting
8 information;

9 (4) through grants to qualified entities, develop an integrated public
10 broadcasting network for the state;

11 (5) through grants to qualified entities, develop and distribute public
12 broadcasting programming in the state;

13 (6) prepare and submit to the governor and the legislature, in
14 compliance with the state information systems plan adopted by the
15 Telecommunications Information Council in the Office of the Governor, a long-term
16 plan for the development of public broadcasting stations and systems in the state, and
17 biennially update the plan; and

18 (7) perform all other functions necessary to ensure the orderly and
19 coordinated development of public broadcasting in the state.

20 * **Sec. 14.** Sections 1 - 3 and 5 - 12 of this Act apply to tax years beginning after the
21 December 31 that precedes the effective date of this Act.

22 * **Sec. 15.** This Act takes effect January 1, 1998.