

SENATE BILL NO. 267

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/1/02

Referred: State Affairs, Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska veterans' memorial endowment fund and providing for**
2 **credits against certain taxes for contributions to that fund; relating to other tax credits**
3 **for certain contributions; and providing for an effective date."**

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

5 * **Section 1.** AS 21.89.070(c) is amended to read:

6 (c) A contribution claimed as a credit under this section may not

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

8 and

9 (2) when combined with credits taken during the taxpayer's tax year

10 under AS 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021,

11 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]

12 AS 43.77.045, or 43.77.046, exceed \$150,000.

13 * **Sec. 2.** AS 21.89 is amended by adding a new section to read:

14 **Sec. 21.89.071. Insurance tax credit for gifts to Alaska veterans' memorial**

1 **endowment fund.** (a) A taxpayer is allowed a credit against the tax due under
 2 AS 21.09.210 or AS 21.66.110 for cash contributions that are accepted for the Alaska
 3 veterans' memorial endowment fund established in AS 37.14.700. The amount of the
 4 credit is the lesser of

5 (1) an amount equal to

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

7 (B) 100 percent of the next \$100,000 of contributions; or

8 (2) 50 percent of the taxpayer's tax liability under this title.

9 (b) A contribution claimed as a credit under this section may not

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

11 and

12 (2) when combined with credits taken during the taxpayer's tax year
 13 under AS 21.89.070, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021,
 14 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019,
 15 AS 43.77.045, or 43.77.046, exceed \$150,000.

16 (c) A taxpayer may not claim the tax credit allowed under this section if the
 17 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
 18 this title or AS 43. For purposes of this subsection, a taxpayer is not in arrears if the
 19 payment is under administrative or judicial appeal.

20 * **Sec. 3.** AS 21.89.075(c) is amended to read:

21 (c) A contribution claimed by a taxpayer as a credit under this section may not

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

23 (2) when combined with credits taken during the taxpayer's tax year
 24 under AS 21.89.070, 21.89.071, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021,
 25 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]
 26 AS 43.77.045, or 43.77.046, exceed \$150,000; or

27 (3) be claimed as a credit unless the contribution qualifies for the credit
 28 under (d) of this section.

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

30 **Article 8. Alaska Veterans' Memorial Endowment Fund.**

31 **Sec. 37.14.700. Alaska veterans' memorial endowment fund established.**

1 (a) The Alaska veterans' memorial endowment fund is established as a separate
2 endowment trust fund of the state. The fund consists of

- 3 (1) appropriations to the fund;
- 4 (2) donations to the fund; and
- 5 (3) income earned on investments of fund assets.

6 (b) The commissioner of revenue shall manage the fund as an endowment,
7 with the goal that the purchasing power of the fund will not diminish over time
8 without regard to additional contributions that may be made to the fund. The
9 commissioner shall invest the assets of the fund in a manner likely to yield at least a
10 five percent real rate of return over time.

11 (c) Nothing in this section creates a dedicated fund.

12 **Sec. 37.14.720. Powers and duties of the commissioner of revenue.** In
13 carrying out the investment duties under AS 37.14.700 - 37.14.740, the commissioner
14 of revenue has the powers and duties set out in AS 37.10.071. The commissioner shall
15 provide reports to the adjutant general of the Department of Military and Veterans'
16 Affairs on the condition and investment performance of the fund.

17 **Sec. 37.14.730. Use of fund.** (a) As soon as practicable after July 1 of each
18 year, the commissioner of revenue shall determine the average month-end market
19 value of the fund for the immediately preceding three fiscal years. The commissioner
20 shall identify five percent of that amount as available for appropriation by the
21 legislature for uses described in (b) of this section.

22 (b) Appropriations of the amount identified in (a) of this section may be used
23 for the following purposes:

24 (1) grants for the maintenance, repair, replacement, and enhancement
25 of, or addition to, veterans' memorials or monuments to the military;

26 (2) grants for the development and construction of new veterans'
27 memorials or monuments to the military, if the adjutant general determines that the
28 purposes set out in (1) of this subsection have been met in a fiscal year;

29 (3) reimbursement of the costs of establishment, management, and
30 administration of the fund.

31 (c) After consultation with appropriate veterans' organizations, the adjutant

1 general of the Department of Military and Veterans' Affairs shall administer the grant
 2 program and award grants from the money appropriated from the fund. The adjutant
 3 general may adopt regulations under AS 44.62 (Administrative Procedure Act) to
 4 establish procedures and standards to administer the grant program and for the award
 5 of grants. The standards may include requirements for recipients to match grant
 6 awards, if appropriate.

7 **Sec. 37.14.740. Definition.** In AS 37.14.700 - 37.14.740, "fund" means the
 8 Alaska veterans' memorial endowment fund established in AS 37.14.700.

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

10 (d) A contribution claimed as a credit under this section may not

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

12 (2) also be allowed as a deduction under 26 U.S.C. 170 against the tax
 13 imposed by this chapter; and

14 (3) when combined with credits taken during the taxpayer's tax year
 15 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.018, AS 43.55.019, 43.55.021,
 16 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]
 17 AS 43.77.045, or 43.77.046, exceed \$150,000.

18 * **Sec. 6.** AS 43.20 is amended by adding a new section to read:

19 **Sec. 43.20.018. Alaska veterans' memorial endowment fund contribution**
 20 **credit.** (a) For cash contributions accepted for the Alaska veterans' memorial
 21 endowment fund established in AS 37.14.700, a taxpayer is allowed as a credit against
 22 the tax due under this chapter

23 (1) 50 percent of contributions of not more than \$100,000; and

24 (2) 100 percent of the next \$100,000 of contributions.

25 (b) A contribution claimed as a credit under this section may not

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

27 (2) also be allowed as a deduction under 26 U.S.C. 170 against the tax
 28 imposed by this chapter; and

29 (3) when combined with credits taken during the taxpayer's tax year
 30 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, AS 43.55.019, 43.55.021,
 31 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019,

1 AS 43.77.045, or 43.77.046, exceed \$150,000.

2 (c) A taxpayer may not claim the tax credit allowed under this section if the
3 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
4 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the
5 payment is under administrative or judicial appeal.

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

7 (d) A contribution claimed as a credit under this section may not

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

9 (2) when combined with credits taken during the taxpayer's tax year
10 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.021,
11 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]
12 AS 43.77.045, or 43.77.046, exceed \$150,000.

13 * **Sec. 8.** AS 43.55 is amended by adding a new section to read:

14 **Sec. 43.55.021. Alaska veterans' memorial endowment fund contribution**
15 **credit.** (a) For cash contributions accepted for the Alaska veterans' memorial
16 endowment fund established in AS 37.14.700, a producer of oil or gas is allowed as a
17 credit against the tax due under this chapter

18 (1) 50 percent of contributions of not more than \$100,000; and

19 (2) 100 percent of the next \$100,000 of contributions.

20 (b) A contribution claimed as a credit under this section may not

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

22 (2) when combined with credits taken during the taxpayer's tax year
23 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
24 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019,
25 AS 43.77.045, or 43.77.046, exceed \$150,000.

26 (c) A taxpayer may not claim the tax credit allowed under this section if the
27 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
28 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the
29 payment is under administrative or judicial appeal.

30 (d) The department may, by regulation, establish procedures by which a
31 taxpayer may allocate a pro rata share of a credit claimed under this section against

1 monthly tax payments made during the tax year.

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

3 (d) A contribution claimed as a credit under this section may not

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

5 (2) when combined with credits taken during the taxpayer's tax year
6 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
7 43.55.021, AS 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]
8 AS 43.77.045, or 43.77.046, exceed \$150,000.

9 * **Sec. 10.** AS 43.56 is amended by adding a new section to read:

10 **Sec. 43.56.019. Alaska veterans' memorial endowment fund contribution**

11 **credit.** (a) For cash contributions accepted for the Alaska veterans' memorial
12 endowment fund established in AS 37.14.700, the owner of property taxable under this
13 chapter is allowed as a credit against the tax due under this chapter

14 (1) 50 percent of contributions of not more than \$100,000; and

15 (2) 100 percent of the next \$100,000 of contributions.

16 (b) A contribution claimed as a credit under this section may not

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

18 (2) when combined with credits taken during the taxpayer's tax year
19 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
20 43.55.021, AS 43.56.018, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019,
21 AS 43.77.045, or 43.77.046, exceed \$150,000.

22 (c) A taxpayer may not claim the tax credit allowed under this section if the
23 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
24 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the
25 payment is under administrative or judicial appeal.

26 (d) The department may, by regulation, establish procedures by which a
27 taxpayer may allocate a pro rata share of a credit claimed under this section against
28 monthly tax payments made during the tax year.

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

30 (d) A contribution claimed as a credit under this section may not

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

(2) when combined with credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.019 [AS 43.65.018], AS 43.75.018, 43.75.019, [OR] AS 43.77.045, or 43.77.046, exceed \$150,000.

* **Sec. 12.** AS 43.65 is amended by adding a new section to read:

Sec. 43.65.019. Alaska veterans' memorial endowment fund contribution credit. (a) For cash contributions accepted for the Alaska veterans' memorial endowment fund established in AS 37.14.700, a person engaged in the business of mining in the state is allowed as a credit against the tax due under this chapter

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

(2) 100 percent of the next \$100,000 of contributions.

(b) A contribution claimed as a credit under this section may not

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

(2) when combined with credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, AS 43.75.018, 43.75.019, AS 43.77.045, or 43.77.046, exceed \$150,000.

(c) A taxpayer may not claim the tax credit allowed under this section if the taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

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

(d) A contribution claimed as a credit under this section may not

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

(2) when combined with credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.019, [AS 43.75.018, OR] AS 43.77.045, or 43.77.046, exceed \$150,000.

* **Sec. 14.** AS 43.75 is amended by adding a new section to read:

Sec. 43.75.019. Alaska veterans' memorial endowment fund contribution credit. (a) For cash contributions accepted for the Alaska veterans' memorial

1 endowment fund established in AS 37.14.700, a person engaged in a fisheries business
2 is allowed as a credit against the tax due under this chapter

3 (1) 50 percent of contributions of not more than \$100,000; and

4 (2) 100 percent of the next \$100,000 of contributions.

5 (b) A contribution claimed as a credit under this section may not

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

7 (2) when combined with credits taken during the taxpayer's tax year
8 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
9 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018,
10 AS 43.77.045, or 43.77.046, exceed \$150,000.

11 (c) A taxpayer may not claim the tax credit allowed under this section if the
12 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
13 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the
14 payment is under administrative or judicial appeal.

15 * **Sec. 15.** AS 43.77.045(c) is amended to read:

16 (c) A contribution claimed as a credit under this section may not

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

18 (2) when combined with credits taken during the taxpayer's tax year
19 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
20 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, [OR] AS 43.75.018,
21 43.75.019, or AS 43.77.046, exceed \$150,000.

22 * **Sec. 16.** AS 43.77 is amended by adding a new section to read:

23 **Sec. 43.77.046. Alaska veterans' memorial endowment fund contribution**
24 **credit.** (a) In addition to the credit allowed under AS 43.77.040, for cash
25 contributions accepted for the Alaska veterans' memorial endowment fund established
26 in AS 37.14.700, a person engaged in a floating fisheries business is allowed as a
27 credit against the tax due under this chapter

28 (1) 50 percent of contributions of not more than \$100,000; and

29 (2) 100 percent of the next \$100,000 of contributions.

30 (b) A contribution claimed as a credit under this section may not

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

1 (2) when combined with credits taken during the taxpayer's tax year
 2 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
 3 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018,
 4 43.75.019, or AS 43.77.045, exceed \$150,000.

5 (c) A taxpayer may not claim the tax credit allowed under this section if the
 6 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
 7 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the
 8 payment is under administrative or judicial appeal.

9 * **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to
 10 read:

11 TRANSITION: AMOUNT AVAILABLE FOR APPROPRIATION. (a)
 12 Notwithstanding AS 37.14.730(a), enacted by sec. 4 of this Act, the commissioner of revenue
 13 shall identify five percent of the balance of the Alaska veterans' memorial endowment fund on
 14 July 1, 2002, as being the amount available for appropriation to support efforts authorized by
 15 this Act for fiscal year 2003.

16 (b) Notwithstanding the requirement in AS 37.14.730(a), enacted by sec. 4 of this
 17 Act, that the commissioner of revenue make a determination based on the market value of the
 18 fund for the immediately preceding three fiscal years, the commissioner of revenue shall
 19 make the determination under AS 37.14.730(a) based on the average ending balance in the
 20 fund

21 (1) from July 31, 2002, to June 30, 2003, for fiscal year 2004;

22 (2) from July 31, 2002 to June 30, 2004, for fiscal year 2005;

23 (3) from July 31, 2002 to June 30, 2005, for fiscal year 2006.

24 (c) In this section,

25 (1) "Alaska veterans' memorial endowment fund" means the fund established
 26 in AS 37.14.700, enacted by sec. 4 of this Act;

27 (2) "fund" means the Alaska veterans' memorial endowment fund.

28 * **Sec. 18.** This Act takes effect immediately under AS 01.10.070(c).