

**CS FOR SENATE BILL NO. 267(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/6/02  
Referred: Rules

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**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; providing that the amount of**  
3 **each tax credit for contributions to the Alaska veterans' memorial endowment fund on**  
4 **amounts that do not exceed \$100,000 is 50 percent and on amounts that exceed \$100,000**  
5 **but do not exceed \$200,000 is 75 percent; relating to other tax credits for certain**  
6 **contributions; and providing for an effective date."**

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

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

9 (c) 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 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021,

1 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]  
 2 AS 43.77.045, or 43.77.046, exceed \$150,000.

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

4 **Sec. 21.89.071. Insurance tax credit for gifts to Alaska veterans' memorial**  
 5 **endowment fund.** (a) A taxpayer is allowed a credit against the tax due under  
 6 AS 21.09.210 or AS 21.66.110 for cash contributions that are accepted for the Alaska  
 7 veterans' memorial endowment fund established in AS 37.14.700. The amount of the  
 8 credit is the lesser of

9 (1) an amount equal to

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

11 (B) 75 percent of the next \$100,000 of contributions; or

12 (2) 50 percent of the taxpayer's tax liability under this title.

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

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

15 and

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

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

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

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

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

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

31 (3) be claimed as a credit unless the contribution qualifies for the credit

1 under (d) of this section.

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

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

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

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

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

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

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

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

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

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

- 28 (1) grants for the maintenance, repair, replacement, and enhancement  
29 of, or addition to, veterans' memorials or monuments to the military;  
30 (2) grants for the development and construction of new veterans'  
31 memorials or monuments to the military if the adjutant general determines that the

1 purposes set out in (1) of this subsection have been met in a fiscal year;

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

4 (c) After consultation with appropriate veterans' organizations, the adjutant  
5 general of the Department of Military and Veterans' Affairs shall administer the grant  
6 program and award grants from the money appropriated from the fund. The adjutant  
7 general may adopt regulations under AS 44.62 (Administrative Procedure Act) to  
8 establish procedures and standards to administer the grant program and for the award  
9 of grants. The standards may include requirements for recipients to match grant  
10 awards, if appropriate.

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

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

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

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

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

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

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

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

27 (1) 50 percent of contributions of not more than \$100,000; and

28 (2) 75 percent of the next \$100,000 of contributions.

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

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

31 (2) also be allowed as a deduction under 26 U.S.C. 170 against the tax

1 imposed by this chapter; and

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

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

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

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

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

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

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

18 **Sec. 43.55.021. Alaska veterans' memorial endowment fund contribution**

19 **credit.** (a) For cash contributions accepted for the Alaska veterans' memorial  
20 endowment fund established in AS 37.14.700, a producer of oil or gas is allowed as a  
21 credit against the tax due under this chapter

22 (1) 50 percent of contributions of not more than \$100,000; and

23 (2) 75 percent of the next \$100,000 of contributions.

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

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

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

30 (c) A taxpayer may not claim the tax credit allowed under this section if the  
31 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under

1 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the  
2 payment is under administrative or judicial appeal.

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

6 \* **Sec. 9.** AS 43.56.018(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 43.55.019,  
11 43.55.021, AS 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. 10.** AS 43.56 is amended by adding a new section to read:

14 **Sec. 43.56.019. 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, the owner of property taxable under this  
17 chapter is allowed as a credit against the tax due under this chapter

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

19 (2) 75 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 43.55.021, AS 43.56.018, 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. 11.** AS 43.65.018(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 43.56.018, 43.56.019, 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. 12.** AS 43.65 is amended by adding a new section to read:

10 **Sec. 43.65.019. 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, a person engaged in the business of  
13 mining in the state 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) 75 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, 43.56.019, AS 43.65.018, 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 \* **Sec. 13.** AS 43.75.018(d) is amended to read:

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

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

29 (2) 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, 43.20.018, AS 43.55.019,  
31 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.019, [OR]

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

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

3 **Sec. 43.75.019. Alaska veterans' memorial endowment fund contribution**  
 4 **credit.** (a) For cash contributions accepted for the Alaska veterans' memorial  
 5 endowment fund established in AS 37.14.700, a person engaged in a fisheries business  
 6 is allowed as a credit against the tax due under this chapter

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

8 (2) 75 percent of the next \$100,000 of contributions.

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

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

11 (2) when combined with credits taken during the taxpayer's tax year  
 12 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,  
 13 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018,  
 14 AS 43.77.045, or 43.77.046, exceed \$150,000.

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

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

20 (c) 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 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, [OR] AS 43.75.018,  
 25 43.75.019, or AS 43.77.046, exceed \$150,000.

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

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

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

2 (2) 75 percent of the next \$100,000 of contributions.

3 (b) 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 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018,  
8 43.75.019, or AS 43.77.045, exceed \$150,000.

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

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

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

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

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

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

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

28 (c) In this section,

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

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

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