

HOUSE BILL NO. 61

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES NEUMAN, Lynn, Buch, Harris

Introduced: 1/16/07

Referred: House Special Committee on Ways and Means, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to tax credits for cash contributions by taxpayers that are accepted for**
2 **certain educational purposes, including vocational education programs and courses at**
3 **the secondary school level; 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5 * **Section 1.** AS 21.89.070 is repealed and reenacted to read:

6 **Sec. 21.89.070. Insurance tax education credit.** (a) A taxpayer is allowed a
7 credit against the tax due under AS 21.09.210 or AS 21.66.110 for cash contributions
8 accepted for

9 (1) direct instruction, research, and educational support purposes,
10 including library and museum acquisitions, and contributions to endowment, by a two-
11 year or four-year college or university in the state that is accredited by a regional
12 accreditation association, or by an Alaska university foundation that supports a college
13 or university that could receive a contribution for which a taxpayer may obtain a credit
14 under this section; and

1 (2) secondary school level vocational education courses and programs
2 by a school district in the state.

3 (b) The amount of the credit is the lesser of

4 (1) an amount equal to

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

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

7 (2) 50 percent of the taxpayer's tax liability under this title.

8 (c) Each school district, public college, and public university shall include in
9 its annual operating budget request the amount of contributions received and the
10 amount used for the purposes described in (a) of this section.

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

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

13 and

14 (2) when combined with credits taken during the taxpayer's tax year
15 under AS 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018,
16 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

17 (e) In this section,

18 (1) "school district" has the meaning given in AS 14.03.126;

19 (2) "vocational education" means organized educational activities that
20 offer a sequence of courses that provides individuals with the academic and technical
21 knowledge and skills the individuals need to prepare for further education and for
22 careers other than careers requiring a baccalaureate, master's, or doctoral degree, in
23 current or emerging employment sectors.

24 * **Sec. 2.** AS 43.20.014 is repealed and reenacted to read:

25 **Sec. 43.20.014. Income tax education credit.** (a) A taxpayer is allowed a
26 credit against the tax due under this chapter for cash contributions accepted for

27 (1) direct instruction, research, and educational support purposes,
28 including library and museum acquisitions, and contributions to endowment, by an
29 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
30 four-year college accredited by a regional accreditation association; and

31 (2) secondary school level vocational education courses and programs

1 by a school district in the state.

2 (b) The amount of the credit is the lesser of

3 (1) an amount equal to

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

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

6 (2) 50 percent of the taxpayer's tax liability under this title.

7 (c) Each public college and university shall include in its annual operating
8 budget request contributions received and how the contributions were used.

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

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

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

13 (3) when combined with credits taken during the taxpayer's tax year
14 under AS 21.89.070, 21.89.075, AS 43.55.019, AS 43.56.018, AS 43.65.018,
15 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

16 (e) In this section,

17 (1) "school district" has the meaning given in AS 14.03.126;

18 (2) "vocational education" has the meaning given in AS 21.89.070.

19 * **Sec. 3.** AS 43.55.019 is repealed and reenacted to read:

20 **Sec. 43.55.019. Oil or gas producer education credit.** (a) A producer of oil
21 or gas is allowed a credit against the tax due under this chapter for cash contributions
22 accepted for

23 (1) direct instruction, research, and educational support purposes,
24 including library and museum acquisitions, and contributions to endowment, by an
25 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
26 four-year college accredited by a regional accreditation association; and

27 (2) secondary school level vocational education courses and programs
28 by a school district in the state.

29 (b) The amount of the credit is

30 (1) 50 percent of contributions of not more than \$100,000; and

31 (2) 100 percent of the next \$100,000 of contributions.

1 (c) Each public college and university shall include in its annual operating
2 budget request contributions received and how the contributions were used.

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, 21.89.075, AS 43.20.014, AS 43.56.018, AS 43.65.018,
7 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

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

11 (f) In this section,

12 (1) "school district" has the meaning given in AS 14.03.126;

13 (2) "vocational education" has the meaning given in AS 21.89.070.

14 * **Sec. 4.** AS 43.56.018 is repealed and reenacted to read:

15 **Sec. 43.56.018. Property tax education credit.** (a) The owner of property
16 taxable under this chapter is allowed a credit against the tax due under this chapter for
17 cash contributions accepted for

18 (1) direct instruction, research, and educational support purposes,
19 including library and museum acquisitions, and contributions to endowment, by an
20 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
21 four-year college accredited by a regional accreditation association; and

22 (2) secondary school level vocational education courses and programs
23 by a school district in the state.

24 (b) The amount of the credit is

25 (1) 50 percent of contributions of not more than \$100,000; and

26 (2) 100 percent of the next \$100,000 of contributions.

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

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

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

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

1 under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.65.018,
2 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

3 (e) In this section,

4 (1) "school district" has the meaning given in AS 14.03.126;

5 (2) "vocational education" has the meaning given in AS 21.89.070.

6 * **Sec. 5.** AS 43.65.018 is repealed and reenacted to read:

7 **Sec. 43.65.018. Mining business education credit.** (a) A person engaged in
8 the business of mining in the state is allowed a credit against the tax due under this
9 chapter for cash contributions accepted for

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

14 (2) secondary school level vocational education courses and programs
15 by a school district in the state.

16 (b) The amount of the credit is

17 (1) 50 percent of contributions of not more than \$100,000; and

18 (2) 100 percent of the next \$100,000 of contributions.

19 (c) Each public college and university shall include in its annual operating
20 budget request contributions received and how the contributions were used.

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

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

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

26 (e) In this section,

27 (1) "school district" has the meaning given in AS 14.03.126;

28 (2) "vocational education" has the meaning given in AS 21.89.070.

29 * **Sec. 6.** AS 43.75.018 is repealed and reenacted to read:

30 **Sec. 43.75.018. Fisheries business education credit.** (a) A person engaged in
31 a fisheries business is allowed a credit against the tax due under this chapter for cash

1 contributions accepted for

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

6 (2) secondary school level vocational education courses and programs
7 by a school district in the state.

8 (b) The amount of the credit is

9 (1) 50 percent of contributions of not more than \$100,000; and

10 (2) 100 percent of the next \$100,000 of contributions.

11 (c) Each public college and university shall include in its annual operating
12 budget request contributions received and how the contributions were used.

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

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

15 (2) when combined with credits taken during the taxpayer's tax year
16 under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018,
17 AS 43.65.018, or AS 43.77.045, exceed \$150,000.

18 (e) In this section,

19 (1) "school district" has the meaning given in AS 14.03.126;

20 (2) "vocational education" has the meaning given in AS 21.89.070.

21 * **Sec. 7.** AS 43.77.045 is repealed and reenacted to read:

22 **Sec. 43.77.045. Floating fisheries business education credit.** (a) In addition
23 to the credit allowed under AS 43.77.040, a person engaged in a floating fisheries
24 business is allowed a credit against the tax due under this chapter for cash
25 contributions accepted for

26 (1) direct instruction, research, and educational support purposes,
27 including library and museum acquisitions, and contributions to endowment, by an
28 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
29 four-year college accredited by a regional accreditation association; and

30 (2) secondary school level vocational education courses and programs
31 by a school district in the state.

- 1 (b) The amount of the credit is
- 2 (1) 50 percent of contributions of not more than \$100,000; and
- 3 (2) 100 percent of the next \$100,000 of contributions.
- 4 (c) Each public college and university shall include in its annual operating
- 5 budget request contributions received and how the contributions were used.
- 6 (d) A contribution claimed as a credit under this section may not
- 7 (1) be claimed as a credit under another provision of this title; and
- 8 (2) when combined with credits taken during the taxpayer's tax year
- 9 under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018,
- 10 AS 43.65.018, or AS 43.75.018, exceed \$150,000.
- 11 (e) In this section,
- 12 (1) "school district" has the meaning given in AS 14.03.126;
- 13 (2) "vocational education" has the meaning given in AS 21.89.070.

14 * **Sec. 8.** This Act takes effect January 1, 2008.