

**CS FOR HOUSE BILL NO. 61(W&M)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS

Offered: 3/14/07

Referred: Finance

Sponsor(s): REPRESENTATIVES NEUMAN, Lynn, Buch, Harris, Foster, Nelson

**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5 \* **Section 1.** AS 21.89.070 is repealed and reenacted to read: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 an  
11 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or  
12 four-year college accredited by a regional accreditation association; and

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

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

2 (1) an amount equal to

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

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

5 (2) 50 percent of the taxpayer's tax liability under this title.

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

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

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

10 and

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

14 (e) In this section,

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

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

21 \* **Sec. 2.** AS 43.20.014 is repealed and reenacted to read:

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

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

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

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

31 (1) an amount equal to

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

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

3 (2) 50 percent of the taxpayer's tax liability under this title.

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;

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

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

13 (e) In this section,

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

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

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

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

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

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

26 (b) The amount of the credit is

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

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

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

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

1 (1) be claimed as a credit under another provision of this title; and  
 2 (2) when combined with credits taken during the taxpayer's tax year  
 3 under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.56.018, AS 43.65.018,  
 4 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

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

8 (f) In this section,

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

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

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

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

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

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

21 (b) The amount of the credit is

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

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

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

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

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

28 (2) when combined with credits taken during the taxpayer's tax year  
 29 under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.65.018,  
 30 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

31 (e) In this section,

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

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

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

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

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

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

13 (b) The amount of the credit is

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

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

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

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

23 (e) In this section,

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

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

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

27 **Sec. 43.75.018. Fisheries business education credit.** (a) A person engaged in  
28 a fisheries business is allowed a credit against the tax due under this chapter for cash  
29 contributions accepted for

30 (1) direct instruction, research, and educational support purposes,  
31 including library and museum acquisitions, and contributions to endowment, by an

1 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or  
2 four-year college accredited by a regional accreditation association; and

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

5 (b) The amount of the credit is

6 (1) 50 percent of contributions of not more than \$100,000; and

7 (2) 100 percent of the next \$100,000 of contributions.

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

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; 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, AS 43.55.019, AS 43.56.018,  
14 AS 43.65.018, or AS 43.77.045, exceed \$150,000.

15 (e) In this section,

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

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

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

19 **Sec. 43.77.045. Floating fisheries business education credit.** (a) In addition  
20 to the credit allowed under AS 43.77.040, a person engaged in a floating fisheries  
21 business is allowed a credit against the tax due under this chapter for cash  
22 contributions 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 43.55.019, AS 43.56.018,  
7 AS 43.65.018, or AS 43.75.018, exceed \$150,000.

8 (e) In this section,

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

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

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