

CS FOR HOUSE BILL NO. 61(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/4/07

Referred: Rules

Sponsor(s): REPRESENTATIVES NEUMAN, Lynn, Buch, Harris, Foster, Nelson, Chenault, Wilson, Johansen, Roses, Dahlstrom, Joule, Seaton

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 to tax credits for cash contributions by tax payers that**
4 **are accepted by a state-operated vocational technical education and training school; and**
5 **providing for an effective date."**

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

7 *** Section 1.** AS 21.89.070 is repealed and reenacted to read:

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

11 (1) for direct instruction, research, and educational support purposes,
12 including library and museum acquisitions, and contributions to endowment, by an
13 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or

1 four-year college accredited by a regional accreditation association;

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

4 (3) by a state-operated vocational technical education and training
5 school.

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

7 (1) an amount equal to

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

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

10 (2) 50 percent of the taxpayer's tax liability under this title.

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 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 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018,
18 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

19 (e) In this section,

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

21 (2) "vocational education" has the meaning given in AS 43.20.014(e).

22 * **Sec. 2.** AS 43.20.014 is repealed and reenacted to read:

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

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

29 (2) for secondary school level vocational education courses and
30 programs by a school district in the state; and

31 (3) by a state-operated vocational technical education and training

1 school.

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

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

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

27 (1) for 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;

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

1 programs by a school district in the state; and

2 (3) by a state-operated vocational technical education and training
3 school.

4 (b) The amount of the credit is

5 (1) 50 percent of contributions of not more than \$100,000; and

6 (2) 100 percent of the next \$100,000 of contributions.

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; and

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

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

17 (f) In this section,

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

19 (2) "vocational education" has the meaning given in AS 43.20.014(e).

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

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

24 (1) for 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;

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

30 (3) by a state-operated vocational technical education and training
31 school.

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 43.65.018,
10 AS 43.75.018, or AS 43.77.045, 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 34.20.014(e).

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

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

18 (1) for 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;

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

24 (3) by a state-operated vocational technical education and training
25 school.

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 43.55.019, AS 43.56.018,
 4 AS 43.75.018, or AS 43.77.045, exceed \$150,000.

5 (e) In this section,

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

7 (2) "vocational education" has the meaning given in AS 43.20.014(e).

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

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

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

16 (2) for secondary school level vocational education courses and
 17 programs by a school district in the state; and

18 (3) by a state-operated vocational technical education and training
 19 school.

20 (b) The amount of the credit is

21 (1) 50 percent of contributions of not more than \$100,000; and

22 (2) 100 percent of the next \$100,000 of contributions.

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

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

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

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

30 (e) In this section,

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

1 (2) "vocational education" has the meaning given in AS 42.20.014(e).

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

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

7 (1) for 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;

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

13 (3) by a state-operated vocational technical education and training
14 school.

15 (b) The amount of the credit is

16 (1) 50 percent of contributions of not more than \$100,000; and

17 (2) 100 percent of the next \$100,000 of contributions.

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

20 (d) 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, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018,
24 AS 43.65.018, or AS 43.75.018, exceed \$150,000.

25 (e) In this section,

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

27 (2) "vocational education" has the meaning given in AS 43.20.014(e).

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