

SENATE BILL NO. 149

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY SENATOR THOMAS

Introduced: 1/17/12

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act providing a tax credit for certain contributions to a qualified dog mushing
2 corporation."

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

4 * **Section 1.** AS 43.98 is amended by adding a new section to read:

5 **Sec. 43.98.040. Dog mushing tax credit.** (a) A taxpayer is allowed a tax credit
6 against the tax due under AS 21.09.210, AS 21.66.110, or this title for a contribution
7 accepted by a qualified dog mushing corporation and used for conducting dog
8 mushing contests in the state.

9 (b) The amount of credit for a contribution to a qualified dog mushing
10 corporation is limited by the amount of credits authorized for a qualified dog mushing
11 corporation as described in (c) of this section and the amount of the contribution as
12 described in (d) of this section.

13 (c) A qualified dog mushing corporation that has conducted a dog mushing
14 race with a prize of not less than \$5,000 within the two-year period immediately

1 preceding the date of application may apply for authorization to accept contributions
 2 for which a credit may be authorized under this section. The department shall
 3 authorize the amount of credits that may be allowed for contributions to each qualified
 4 dog mushing corporation in a calendar year based on the total expenditures for
 5 conducting dog mushing contests in the state during the calendar year immediately
 6 preceding the calendar year for which the qualified dog mushing corporation applies
 7 for authorization to accept contributions for which a credit may be allowed. A
 8 taxpayer may not receive a credit for a contribution to a qualified dog mushing
 9 corporation if the amount of the credit, when combined with all other credits for
 10 contributions to that qualified dog mushing corporation, exceeds the amount
 11 authorized for the qualified dog mushing corporation under (1) - (3) of this subsection.
 12 If the total calendar year expenditures for the qualified dog mushing corporation are

13 (1) less than \$500,000, the authorized credit is \$12,500;

14 (2) \$500,000 or more but less than \$1,000,000, the authorized credit is
 15 \$25,000;

16 (3) \$1,000,000 or more, the authorized credit is \$50,000.

17 (d) A taxpayer making a contribution to a qualified dog mushing corporation
 18 may not receive a credit under this section for a donation of more than a total of
 19 \$25,000 or for a donation of less than \$2,000 in a calendar year. Except as limited by
 20 (e) of this section, if the total contributions by a taxpayer to each qualified dog
 21 mushing corporation in a calendar year are

22 (1) \$2,000 or more but not more than \$5,000, 50 percent of the
 23 contribution may be taken as a credit;

24 (2) more than \$5,000 but not more than \$10,000, \$2,500 plus 33
 25 percent of the amount greater than \$5,000 may be taken as a credit;

26 (3) more than \$10,000 but not more than \$25,000, \$4,150 plus 25
 27 percent of the amount greater than \$10,000 may be taken as a credit;

28 (4) \$25,000 or more, \$7,900 may be taken as a credit.

29 (e) A qualified dog mushing corporation authorized to accept contributions
 30 eligible for a credit under (c) of this section shall keep a record of all contributions
 31 received during a calendar year and the amount of credits for those contributions based

1 on (d) of this section and information provided by persons making a contribution. The
2 qualified dog mushing corporation shall provide a taxpayer notice of the amount of
3 credit available for a contribution before accepting a contribution. A taxpayer making
4 a contribution for which a credit may not be allowed because of the limitation in (c) of
5 this section may request the amount of contribution for which a credit may not be
6 allowed to be returned, and the qualified dog mushing corporation receiving a request
7 under this subsection shall return the requested amount of the contribution to the
8 taxpayer making the request.

9 (f) A qualified dog mushing corporation applying for an authorized amount of
10 credits under (c) of this section shall submit a statement of the corporation's
11 expenditures at the time of application and other information required by the
12 department. The statement of expenditures must be submitted with certification by a
13 certified public accountant certified under AS 08.04 as to the correctness of the
14 amount of expenditures.

15 (g) A credit or portion of a credit under this section may not be used to reduce
16 a person's tax liability for any calendar year below zero, and any unused credit or
17 portion of a credit not used may be applied in a later calendar year.

18 (h) The department

19 (1) shall adopt regulations that establish the date for submitting an
20 application for authorization to accept contributions for which a credit may be allowed
21 under (c) of this section and information that must be submitted with the application;

22 (2) may

23 (A) adopt regulations necessary for the administration of this
24 section;

25 (B) audit a taxpayer claiming a credit under this section and a
26 qualified dog mushing corporation for the purpose of verifying the amount of
27 credit for which a taxpayer is eligible and the eligibility of a qualified dog
28 mushing corporation to receive a contribution for which a credit may be
29 authorized; the audit of a person claiming a credit against the tax due under
30 AS 21.09.210 or AS 21.66.110 shall be conducted in consultation with the
31 commissioner of commerce, community, and economic development.

1 (i) In this section,

2 (1) "qualified dog mushing corporation" means a nonprofit corporation
3 organized under AS 10.20 for the purpose of promoting dog mushing and conducting
4 competitive activities directly related to dog mushing and other purposes that

5 (A) has received a certificate of incorporation from the
6 Department of Commerce, Community, and Economic Development; and

7 (B) has not been dissolved;

8 (2) "taxpayer" means a person subject to tax under AS 21.09.210,
9 AS 21.66.110, or this title.