

SENATE FINANCE COMMITTEE
February 6, 2012
9:05 a.m.

[9:05:03 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:05 a.m.

MEMBERS PRESENT

Senator Bert Stedman, Co-Chair
Senator Dennis Egan
Senator Donny Olson
Senator Joe Thomas

MEMBERS ABSENT

Senator Lyman Hoffman, Co-Chair
Senator Lesil McGuire, Vice-Chair
Senator Johnny Ellis

ALSO PRESENT

Senator Bill Wielechowski; Kendra Kloster, Staff, Senator Bill Wielechowski; Errol Champion, President, South East Alaska Board of Realtors

PRESENT VIA TELECONFERENCE

Calista Anderson, President, Veterans Helping Veterans, Anchorage

SUMMARY

SB 136 INCOME TAX CREDIT FOR EMPLOYING A VETERAN

SB 136 was HEARD and HELD in committee for further consideration.

SB 158 REAL ESTATE SALES LICENSEES

SB 158 was HEARD and HELD in committee for further consideration.

#sb136

SENATE BILL NO. 136

"An Act providing a tax credit for employing an Alaska veteran that may be taken against a liability for the tax on corporation income; and providing for an effective date."

[9:05:49 AM](#)

Co-Chair Stedman discussed housekeeping, and the intent of the committee.

SENATOR BILL WIELECHOWSKI, explained SB 136. He referred to the Sponsor Statement (copy on file). He stated that some of Alaska's veterans were some of the most highly trained, highly educated, and highly skilled workers in Alaska. When businesses hire veterans, they are getting proven leaders with solid work ethics who can solve problems efficiently while staying focused and contributing to an improved bottom line. He remarked that despite many employers acknowledging the advantages of hiring someone who had served in Armed Forces, veterans continued to see higher than average unemployment rates nationwide. In June 2011, according to the U. S. Bureau of Labor Statistics, one million U. S. veterans were unemployed and the jobless rate for post-9/11 veterans was 13.3 percent. The picture was even worse for young, male veterans between the ages of 18 and 24, who saw an unemployment rate of 21.9 percent. Senate Bill 136 would assist Alaska's veterans to get civilian jobs when they leave the service and provide direct benefits to Alaska businesses. The legislation would provide a \$2,000 credit for each veteran hired who would work at least 1,560 hours within a 12-month period, or approximately 30 hours a week. The tax credit could be applied in the first year after 12 months of employment and any credits not used could be used in a later tax year. He stressed that struggling Alaskan businesses could get the tax help they need, while Alaska's veterans had an increased chance of finding employment.

Senator Wielechowski stated that the number one issue veterans faced was integrating back into the job force once they returned from combat.

[9:07:55 AM](#)

Co-Chair Stedman requested an explanation of credit availability, and wondered who qualified for the credit. Senator Wielechowski stated that the bill currently included all veterans, but would be willing to narrow the availability. He stated that there were some different veteran tax credits from different parts of the country. There was currently a federal tax credit of \$2,400 for veterans who had been unemployed for four weeks or more. He stated that other states had tax credits for unemployed veterans who had a period of unemployment for a certain amount of time, or for veterans who had returned from the Gulf War or later.

Co-Chair Stedman wondered if the tax credit would enable a company to "rob" an existing veteran employee from their current employer. Senator Wielechowski replied that the current legislation stated that if you hire a new veteran, and they are employed for 1,560 hours for 12 consecutive months, then you would be eligible for the tax credit. He noted that there was a good incentive to tailor the bill to newly separated veterans.

In response to a question from Co-Chair Stedman, Senator Wielechowski stated that the current federal tax credit was appropriate. He also pointed out that the focus should be on veterans that had been unemployed for more than four weeks. He furthered that there was a real unemployment problem for veterans who were returning from the wars in Iraq and Afghanistan.

Senator Thomas pointed out the possible issues regarding seasonal employment, and wondered if that was considered in the drafting of the bill. Senator Wielechowski replied that seasonal employment was not considered in the first draft, but suggested a credit of \$100 for seasonal employment.

[9:12:46 AM](#)

Senator Olson wondered how many other states offered similar tax credits and how those credits compared to SB 136. KENDRA KLOSTER, STAFF, SENATOR BILL WIELECHOWSKI, referred to the Legislative Research Report on State and Federal Tax Credits for Business that Hire Veterans (copy on file). She remarked that Vermont, California, Illinois, and West Virginia had similar tax credits. She stressed that many states had different sideboards, and noted that

California had a requirement that the veteran have left military service within 48 months.

Senator Olson wondered how successful the programs were in other states. Ms. Kloster agreed to provide that information.

Co-Chair Stedman noted the one previously published zero fiscal note from the Department of Revenue, Taxation and Treasury Division. He felt that the fiscal note should be indeterminate, rather than zero.

CALISTA ANDERSON, PRESIDENT, VETERANS HELPING VETERANS, ANCHORAGE (via teleconference), testified in support of SB 136. She felt that the bill would benefit veterans, and get them to work. She pointed out that many veterans were out of work, and currently struggled to get and maintain employment.

[9:16:39 AM](#)

AT EASE

[9:17:05 AM](#)

RECONVENED

Ms. Anderson continued with her testimony. She stated that many veterans face difficult times. She referred to a letter of support (copy on file).

Co-Chair Stedman requested a brief synopsis of how the bill would treat the wounded veterans. Senator Wielechowski replied that SB 136 would provide a \$2,000 for any veteran-wounded or not wounded.

SB 136 was HEARD and HELD in committee for further consideration.

#sb158

SENATE BILL NO. 158

"An Act relating to the Real Estate Commission; and providing for an effective date."

[9:20:59 AM](#)

Senator Egan explained SB 158, and referred to the Sponsor Statement (copy on file). He stated that SB 158 would allow the real estate commission to appoint an overseer to

temporarily manage a brokerage in the event a broker was unable to for certain reasons, including a traumatic or medical event, having a license suspended, or upon an investigative finding that substantial evidence points to misappropriation of funds. This assured that trust accounts and other sensitive business affairs were handled responsibly. The bill would also clarify that a licensed assistant can only work for the brokerage in which they are licensed. Ambiguity in current law has been interpreted to allow an assistant licensed in a brokerage to work in any other brokerage or in multiple brokerages. The intent of current law was to limit an assistant to one brokerage. He furthered that SB 158 would also allow a licensee to donate a portion of a commission to charity. It would also allow a licensee to advertise that some of their commission would be donated to a charity.

Co-Chair Stedman called Mr. Champion to the table. ERROL CHAMPION, PRESIDENT, SOUTHEAST ALASKA BOARD OF REALTORS, spoke in support of SB 158, and felt it would clarify current statute.

Co-Chair Stedman noted recent issues regarding local brokerage firms and trust funds, and wondered if that influenced the legislation. Mr. Champion replied that a broker was found to have misused a trust fund, and there was no one that the Real Estate Commission could designate to monitor the fund. The person that was charged had to execute the close down of the fund.

Co-Chair Stedman wondered why charitable contributions were included in SB 158. Mr. Champion replied that the bill would change the statute to allow the designation, and publicly declare the intention of the licensee.

Senator Egan noted the zero fiscal note, and felt the zero fiscal note was merely housekeeping.

Co-Chair Stedman mentioned the one previously published zero fiscal note from the Department of Commerce, Community and Economic Development.

SB 158 was HEARD and HELD in committee for further consideration.

Co-Chair Stedman discussed the following day's agenda.

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ADJOURNMENT

9:27:29 AM

The meeting was adjourned at 9:27 AM.