

CS FOR HOUSE BILL NO. 121(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/25/21

Referred: Finance

Sponsor(s): REPRESENTATIVES FIELDS, Spohnholz

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to education tax credits for certain payments and contributions for**
2 **child care and child care facilities; and providing for an effective date."**

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

4 *** Section 1.** AS 21.96.070(a) is amended to read:

5 (a) A taxpayer is allowed a credit against the tax due under AS 21.09.210 or
6 AS 21.66.110 for [CONTRIBUTIONS OF CASH OR EQUIPMENT ACCEPTED]

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

12 (2) **contributions of cash or equipment accepted** for secondary
13 school level vocational education courses, programs, and facilities by a school district
14 in the state;

(3) contributions of cash or equipment accepted for vocational education courses, programs, and facilities by a state-operated vocational technical education and training school;

(4) contributions of cash or equipment accepted for a facility by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or regional accreditation association;

(5) contributions of cash or equipment accepted for Alaska Native cultural or heritage programs and educational support, including mentoring and tutoring, provided by a nonprofit agency for public school staff and for students who are in grades kindergarten through 12 in the state; [AND]

(6) contributions of cash or equipment accepted for education, research, rehabilitation, and facilities by an institution that is located in the state and that qualifies as a coastal ecosystem learning center under the Coastal America Partnership established by the federal government;

(7) expenditures made to operate a child care facility in the state for the children of the taxpayer's employees;

(8) contributions of cash or equipment accepted by a child care facility in the state operated by a nonprofit corporation and attended by one or more children of the taxpayer's employees; and

(9) a payment to an employee of the taxpayer made by the taxpayer for the purpose of offsetting the employee's child care costs incurred in the state.

* Sec. 2. AS 43.20.014(a) is amended to read:

(a) A taxpayer is allowed a credit against the tax due under this chapter for [CONTRIBUTIONS OF CASH OR EQUIPMENT ACCEPTED FOR]

(1) contributions of cash or equipment accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation, by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or regional accreditation association, or by a public or private nonprofit elementary or secondary school in the state;

1 (2) **contributions of cash or equipment accepted for** secondary
2 school level vocational education courses, programs, and facilities by a school district
3 in the state;

4 (3) **contributions of cash or equipment accepted for** vocational
5 education courses, programs, equipment, and facilities by a state-operated vocational
6 technical education and training school, a nonprofit regional training center recognized
7 by the Department of Labor and Workforce Development, and an apprenticeship
8 program in the state that is registered with the United States Department of Labor
9 under 29 U.S.C. 50 - 50b (National Apprenticeship Act);

10 (4) **contributions of cash or equipment accepted for** a facility by a
11 nonprofit, public or private, Alaska two-year or four-year college accredited by a
12 national or regional accreditation association or by a public or private nonprofit
13 elementary or secondary school in the state;

14 (5) **contributions of cash or equipment accepted for** Alaska Native
15 cultural or heritage programs and educational support, including mentoring and
16 tutoring, provided by a nonprofit agency for public school staff and for students who
17 are in grades kindergarten through 12 in the state;

18 (6) **contributions of cash or equipment accepted for** education,
19 research, rehabilitation, and facilities by an institution that is located in the state and
20 that qualifies as a coastal ecosystem learning center under the Coastal America
21 Partnership established by the federal government;

22 (7) **contributions of cash or equipment accepted for** the Alaska
23 higher education investment fund under AS 37.14.750;

24 (8) **contributions of cash or equipment accepted for** funding a
25 scholarship awarded by a nonprofit organization to a dual-credit student to defray the
26 cost of a dual-credit course, including the cost of

27 (A) tuition and textbooks;

28 (B) registration, course, and programmatic student fees;

29 (C) on-campus room and board at the postsecondary institution
30 in the state that provides the dual-credit course;

31 (D) transportation costs to and from a residential school

approved by the Department of Education and Early Development under AS 14.16.200 or the postsecondary school in the state that provides the dual-credit course; and

(E) other related educational and programmatic costs;

(9) **contributions of cash or equipment accepted for** constructing, operating, or maintaining a residential housing facility by a residential school in the state approved by the Department of Education and Early Development under AS 14.16.200;

(10) **contributions of cash or equipment accepted for** childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant;

(11) **contributions of cash or equipment accepted for** science, technology, engineering, and math programs provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state; [AND]

(12) **contributions of cash or equipment accepted for** the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state;

(13) expenditures made to operate a child care facility in the state for the children of the taxpayer's employees;

(14) contributions of cash or equipment accepted by a child care facility in the state operated by a nonprofit corporation and attended by one or more children of the taxpayer's employees; and

(15) a payment to an employee of the taxpayer made by the taxpayer for the purpose of offsetting the employee's child care costs incurred in the state.

* Sec. 3. AS 43.55.019(a) is amended to read:

1 (a) A producer of oil or gas is allowed a credit against the tax levied by
 2 AS 43.55.011(e) for [CONTRIBUTIONS OF CASH OR EQUIPMENT ACCEPTED
 3 FOR]

4 (1) contributions of cash or equipment accepted for direct
 5 instruction, research, and educational support purposes, including library and museum
 6 acquisitions, and contributions to endowment, by an Alaska university foundation or
 7 by a nonprofit, public or private, Alaska two-year or four-year college accredited by a
 8 national or regional accreditation association;

9 (2) contributions of cash or equipment accepted for secondary
 10 school level vocational education courses, programs, and facilities by a school district
 11 in the state;

12 (3) contributions of cash or equipment accepted for vocational
 13 education courses, programs, equipment, and facilities by a state-operated vocational
 14 technical education and training school, a nonprofit regional training center recognized
 15 by the Department of Labor and Workforce Development, and an apprenticeship
 16 program in the state that is registered with the United States Department of Labor
 17 under 29 U.S.C. 50 - 50b (National Apprenticeship Act);

18 (4) contributions of cash or equipment accepted for a facility by a
 19 nonprofit, public or private, Alaska two-year or four-year college accredited by a
 20 national or regional accreditation association;

21 (5) contributions of cash or equipment accepted for Alaska Native
 22 cultural or heritage programs and educational support, including mentoring and
 23 tutoring, provided by a nonprofit agency for public school staff and for students who
 24 are in grades kindergarten through 12 in the state;

25 (6) contributions of cash or equipment accepted for education,
 26 research, rehabilitation, and facilities by an institution that is located in the state and
 27 that qualifies as a coastal ecosystem learning center under the Coastal America
 28 Partnership established by the federal government; [AND]

29 (7) contributions of cash or equipment accepted for the Alaska
 30 higher education investment fund under AS 37.14.750;

31 (8) expenditures made to operate a child care facility in the state

1 **for the children of the producer's employees;**

2 **(9) contributions of cash or equipment accepted by a child care**
 3 **facility in the state operated by a nonprofit corporation and attended by one or**
 4 **more children of the producer's employees; and**

5 **(10) a payment to an employee of the producer made by the**
 6 **producer for the purpose of offsetting the employee's child care costs incurred in**
 7 **the state.**

8 * Sec. 4. AS 43.56.018(a) is amended to read:

9 (a) The owner of property taxable under this chapter is allowed a credit
 10 against the tax due under this chapter for [CONTRIBUTIONS OF CASH OR
 11 EQUIPMENT ACCEPTED FOR]

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

17 (2) **contributions of cash or equipment accepted for** secondary
 18 school level vocational education courses, programs, and facilities by a school district
 19 in the state;

20 (3) **contributions of cash or equipment accepted for** vocational
 21 education courses, programs, and facilities by a state-operated vocational technical
 22 education and training school;

23 (4) **contributions of cash or equipment accepted for** a facility by a
 24 nonprofit, public or private, Alaska two-year or four-year college accredited by a
 25 national or regional accreditation association;

26 (5) **contributions of cash or equipment accepted for** Alaska Native
 27 cultural or heritage programs and educational support, including mentoring and
 28 tutoring, provided by a nonprofit agency for public school staff and for students who
 29 are in grades kindergarten through 12 in the state;

30 (6) **contributions of cash or equipment accepted for** education,
 31 research, rehabilitation, and facilities by an institution that is located in the state and

that qualifies as a coastal ecosystem learning center under the Coastal America Partnership established by the federal government; [AND]

(7) contributions of cash or equipment accepted for the Alaska higher education investment fund under AS 37.14.750;

(8) expenditures made to operate a child care facility in the state for the children of the property owner's employees;

(9) contributions of cash or equipment accepted by a child care facility in the state operated by a nonprofit corporation and attended by one or more children of the property owner's employees; and

(10) a payment to an employee of the property owner made by the owner for the purpose of offsetting the employee's child care costs incurred in the state.

* Sec. 5. AS 43.65.018(a) is amended to read:

(a) A person engaged in the business of mining in the state is allowed a credit against the tax due under this chapter for [CONTRIBUTIONS OF CASH OR EQUIPMENT ACCEPTED FOR]

(1) contributions of cash or equipment accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation, by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or regional accreditation association, or by a public or private nonprofit elementary or secondary school in the state;

(2) contributions of cash or equipment accepted for secondary school level vocational education courses, programs, and facilities by a school district in the state;

(3) contributions of cash or equipment accepted for vocational education courses, programs, and facilities by a state-operated vocational technical education and training school;

(4) contributions of cash or equipment accepted for a facility by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or regional accreditation association or by a public or private nonprofit

1 elementary or secondary school in the state;

2 (5) **contributions of cash or equipment accepted for** Alaska Native
3 cultural or heritage programs and educational support, including mentoring and
4 tutoring, provided by a nonprofit agency for public school staff and for students who
5 are in grades kindergarten through 12 in the state;

6 (6) **contributions of cash or equipment accepted for** education,
7 research, rehabilitation, and facilities by an institution that is located in the state and
8 that qualifies as a coastal ecosystem learning center under the Coastal America
9 Partnership established by the federal government;

10 (7) **contributions of cash or equipment accepted for** the Alaska
11 higher education investment fund under AS 37.14.750;

12 (8) **contributions of cash or equipment accepted for** funding a
13 scholarship awarded by a nonprofit organization to a dual-credit student to defray the
14 cost of a dual-credit course, including the cost of

15 (A) tuition and textbooks;

16 (B) registration, course, and programmatic student fees;

17 (C) on-campus room and board at the postsecondary institution
18 in the state that provides the dual-credit course;

19 (D) transportation costs to and from a residential school
20 approved by the Department of Education and Early Development under
21 AS 14.16.200 or the postsecondary school in the state that provides the dual-
22 credit course; and

23 (E) other related educational and programmatic costs;

24 (9) **contributions of cash or equipment accepted for** constructing,
25 operating, or maintaining a residential housing facility by a residential school
26 approved by the Department of Education and Early Development under
27 AS 14.16.200;

28 (10) **contributions of cash or equipment accepted for** childhood
29 early learning and development programs and educational support to childhood early
30 learning and development programs provided by a nonprofit corporation organized
31 under AS 10.20, a tribal entity, or a school district in the state, by the Department of

Education and Early Development, or through a state grant;

(11) contributions of cash or equipment accepted for science, technology, engineering, and math programs provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state; [AND]

(12) contributions of cash or equipment accepted for the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state;

(13) expenditures made to operate a child care facility in the state for the children of the person's employees;

(14) contributions of cash or equipment accepted by a child care facility in the state operated by a nonprofit corporation and attended by one or more children of the person's employees; and

(15) a payment to an employee of the person's business made by the person for the purpose of offsetting the employee's child care costs incurred in the state.

* Sec. 6. AS 43.75.018(a) is amended to read:

(a) A person engaged in a fisheries business is allowed a credit against the tax due under this chapter for [CONTRIBUTIONS OF CASH OR EQUIPMENT ACCEPTED FOR]

(1) contributions of cash or equipment accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation, by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or regional accreditation association, or by a public or private nonprofit elementary or secondary school in the state;

(2) contributions of cash or equipment accepted for secondary school level vocational education courses, programs, and facilities by a school district in the state;

1 (3) **contributions of cash or equipment accepted for** vocational
2 education courses, programs, and facilities by a state-operated vocational technical
3 education and training school;

4 (4) **contributions of cash or equipment accepted for** a facility by a
5 nonprofit, public or private, Alaska two-year or four-year college accredited by a
6 national or regional accreditation association or by a public or private nonprofit
7 elementary or secondary school in the state;

8 (5) **contributions of cash or equipment accepted for** Alaska Native
9 cultural or heritage programs and educational support, including mentoring and
10 tutoring, provided by a nonprofit agency for public school staff and for students who
11 are in grades kindergarten through 12 in the state;

12 (6) **contributions of cash or equipment accepted for** education,
13 research, rehabilitation, and facilities by an institution that is located in the state and
14 that qualifies as a coastal ecosystem learning center under the Coastal America
15 Partnership established by the federal government;

16 (7) **contributions of cash or equipment accepted for** the Alaska
17 higher education investment fund under AS 37.14.750;

18 (8) **contributions of cash or equipment accepted for** funding a
19 scholarship awarded by a nonprofit organization to a dual-credit student to defray the
20 cost of a dual-credit course, including the cost of

21 (A) tuition and textbooks;

22 (B) registration, course, and programmatic student fees;

23 (C) on-campus room and board at the postsecondary institution
24 in the state that provides the dual-credit course;

25 (D) transportation costs to and from a residential school
26 approved by the Department of Education and Early Development under
27 AS 14.16.200 or the postsecondary school in the state that provides the dual-
28 credit course; and

29 (E) other related educational and programmatic costs;

30 (9) **contributions of cash or equipment accepted for** constructing,
31 operating, or maintaining a residential housing facility by a residential school

approved by the Department of Education and Early Development under AS 14.16.200;

(10) contributions of cash or equipment accepted for childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant;

(11) contributions of cash or equipment accepted for science, technology, engineering, and math programs provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state; [AND]

(12) contributions of cash or equipment accepted for the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state;

(13) expenditures made to operate a child care facility in the state for the children of the person's employees;

(14) contributions of cash or equipment accepted by a child care facility in the state operated by a nonprofit corporation and attended by one or more children of the person's employees; and

(15) a payment to an employee of the person's business made by the person for the purpose of offsetting the employee's child care costs incurred in the state.

* Sec. 7. AS 43.77.045(a) is amended to read:

(a) In addition to the credit allowed under AS 43.77.040, a person engaged in a floating fisheries business is allowed a credit against the tax due under this chapter for [CONTRIBUTIONS OF CASH OR EQUIPMENT ACCEPTED FOR]

(1) contributions of cash or equipment accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation, by

1 a nonprofit, public or private, Alaska two-year or four-year college accredited by a
 2 national or regional accreditation association, or by a public or private nonprofit
 3 elementary or secondary school in the state;

4 (2) **contributions of cash or equipment accepted for** secondary
 5 school level vocational education courses, programs, and facilities by a school district
 6 in the state;

7 (3) **contributions of cash or equipment accepted for** vocational
 8 education courses, programs, and facilities by a state-operated vocational technical
 9 education and training school;

10 (4) **contributions of cash or equipment accepted for** a facility by a
 11 nonprofit, public or private, Alaska two-year or four-year college accredited by a
 12 national or regional accreditation association or by a public or private nonprofit
 13 elementary or secondary school in the state;

14 (5) **contributions of cash or equipment accepted for** Alaska Native
 15 cultural or heritage programs and educational support, including mentoring and
 16 tutoring, provided by a nonprofit agency for public school staff and for students who
 17 are in grades kindergarten through 12 in the state;

18 (6) **contributions of cash or equipment accepted for** education,
 19 research, rehabilitation, and facilities by an institution that is located in the state and
 20 that qualifies as a coastal ecosystem learning center under the Coastal America
 21 Partnership established by the federal government;

22 (7) **contributions of cash or equipment accepted for** the Alaska
 23 higher education investment fund under AS 37.14.750;

24 (8) **contributions of cash or equipment accepted for** funding a
 25 scholarship awarded by a nonprofit organization to a dual-credit student to defray the
 26 cost of a dual-credit course, including the cost of

27 (A) tuition and textbooks;

28 (B) registration, course, and programmatic student fees;

29 (C) on-campus room and board at the postsecondary institution
 30 in the state that provides the dual-credit course;

31 (D) transportation costs to and from a residential school

approved by the Department of Education and Early Development under AS 14.16.200 or the postsecondary school in the state that provides the dual-credit course; and

(E) other related educational and programmatic costs;

(9) **contributions of cash or equipment accepted for** constructing, operating, or maintaining a residential housing facility by a residential school approved by the Department of Education and Early Development under AS 14.16.200;

(10) **contributions of cash or equipment accepted for** childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant;

(11) **contributions of cash or equipment accepted for** science, technology, engineering, and math programs provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state; [AND]

(12) **contributions of cash or equipment accepted for** the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state;

(13) expenditures made to operate a child care facility in the state for the children of the person's employees;

(14) contributions of cash or equipment accepted by a child care facility in the state operated by a nonprofit corporation and attended by one or more children of the person's employees; and

(15) a payment to an employee of the person's business made by the person for the purpose of offsetting the employee's child care costs incurred in the state.

* Sec. 8. This Act takes effect January 1, 2022.