Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	CSHB 121(L&C)
Fiscal Note Number:	1
(H) Publish Date:	3/25/2021

Identifier: HB121-DCCED-DOI-03-12-21
Title: EDUC.TAX CREDIT: EMPLOYER CHILD CARE COST
Sponsor: FIELDS
Requester: (H) LABOR & COMMERCE

Department: Department of Commerce, Community and Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2022**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Fund Source (Operating Only)

None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None	***		***	***	***	***	***
Total	*****	**0.0**	*****	*****	*****	*****	*****

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2022) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No

(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Insurance	Date:	03/12/2021
Approved By:	Micaela Fowler, Administrative Services Director, DCCED	Date:	03/12/21
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

Analysis

HB 121 offers incentives for employers to contribute toward child care options for their employees. A taxpayer would be allowed a tax credit for expenses including: operating a child care facility for the taxpayer's employees; contributing cash or equipment to a non-profit child care facility attended by the children of the taxpayer's employees; or payments to the employee that go toward child care costs.

Specific to the Division of Insurance, a taxpayer (insurer) would be allowed a credit against the annual tax on title insurance companies (AS 21.66.110) or the tax on insurers (AS 21.09.210) for these child care costs.

This bill is not anticipated to impact the annual expenditures of the Division of Insurance. The bill allows credits to be taken against the Insurance Premium Tax that is collected by the Division of Insurance. The amount of reduced premium tax revenue is expected to be nominal, but since the usage of the credit is not known at this time the revenue impact is indeterminate.