

AMENDMENT #3

OFFERED IN THE HOUSE

BY REPRESENTATIVE FIELDS

TO: HCS SB 189(RLS)

1 Page 1, line 2, following "Therapists;": (title amendment)

2 Insert "relating to education tax credits for certain payments and contributions
3 for child care and child care facilities; relating to the insurance tax education credit, the
4 income tax education credit, the oil or gas producer education credit, the property tax
5 education credit, the mining business education credit, the fisheries business education
6 credit, and the fisheries resource landing tax education credit;"

7

8 Page 1, line 4, following "Board;":

9 Insert "renaming the day care assistance program the child care assistance
10 program; relating to the child care assistance program and the child care grant
11 program; providing for an effective date by amending the effective date of secs. 1, 2, and
12 21, ch. 61, SLA 2014;"

13

14 Page 1, following line 11:

15 Insert new bill sections to read:

16 "** Sec. 3. AS 21.96.070(a) is amended to read:

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

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

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, and facilities by a state-operated vocational technical
6 education and training school;

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

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

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

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

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

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

26 * **Sec. 4.** AS 21.96.070(d) is amended to read:

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

28 (1) be the basis for a credit claimed under another provision of this
29 title; and

30 (2) when combined with contributions that are the basis for credits
31 taken during the taxpayer's tax year under AS 43.20.014, AS 43.55.019,

1 AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
 2 amount of credits exceeding \$3,000,000 [\$1,000,000]; if the taxpayer is a member of
 3 an affiliated group, then the total amount of credits may not exceed \$3,000,000
 4 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
 5 meaning given in AS 43.20.145.

6 * **Sec. 5.** AS 21.96.070 is amended by adding a new subsection to read:

7 (g) Beginning January 1, 2030, and every five years thereafter, the Department
 8 of Labor and Workforce Development shall adjust the dollar limit on credits under (d)
 9 of this section for inflation, using 100 percent of the change over the preceding five
 10 calendar years in the Consumer Price Index for all urban consumers for urban Alaska,
 11 compiled by the Bureau of Labor Statistics, United States Department of Labor.

12 * **Sec. 6.** AS 43.20.014(a) is amended to read:

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

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

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

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

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

1 national or regional accreditation association or by a public or private nonprofit
2 elementary or secondary school in the state;

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

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

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

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

16 (A) tuition and textbooks;

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

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

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

24 (E) other related educational and programmatic costs;

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

29 (10) contributions of cash or equipment accepted for childhood
30 early learning and development programs and educational support to childhood early
31 learning and development programs provided by a nonprofit corporation organized

1 under AS 10.20, a tribal entity, or a school district in the state, by the Department of
2 Education and Early Development, or through a state grant;

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

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

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

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

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

20 * Sec. 7. AS 43.20.014(d) is amended to read:

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

22 (1) be the basis for a credit claimed under another provision of this
23 title;

24 (2) also be allowed as a deduction under 26 U.S.C. 170 against the tax
25 imposed by this chapter; and

26 (3) when combined with contributions that are the basis for credits
27 taken during the taxpayer's tax year under AS 21.96.070, AS 43.55.019,
28 AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
29 amount of credits exceeding \$3,000,000 [\$1,000,000]; if the taxpayer is a member of
30 an affiliated group, then the total amount of credits may not exceed \$3,000,000
31 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the

1 meaning given in AS 43.20.145.

2 * **Sec. 8.** AS 43.20.014 is amended by adding a new subsection to read:

3 (h) Beginning January 1, 2030, and every five years thereafter, the Department
4 of Labor and Workforce Development shall adjust the dollar limit on credits under (d)
5 of this section for inflation, using 100 percent of the change over the preceding five
6 calendar years in the Consumer Price Index for all urban consumers for urban Alaska,
7 compiled by the Bureau of Labor Statistics, United States Department of Labor.

8 * **Sec. 9.** AS 43.55.019(a) is amended to read:

9 (a) A producer of oil or gas is allowed a credit against the tax levied by
10 AS 43.55.011(e) for [CONTRIBUTIONS OF CASH OR EQUIPMENT ACCEPTED
11 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, equipment, and facilities by a state-operated vocational
22 technical education and training school, a nonprofit regional training center recognized
23 by the Department of Labor and Workforce Development, and an apprenticeship
24 program in the state that is registered with the United States Department of Labor
25 under 29 U.S.C. 50 - 50b (National Apprenticeship Act);

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

29 (5) contributions of cash or equipment accepted for Alaska Native
30 cultural or heritage programs and educational support, including mentoring and
31 tutoring, provided by a nonprofit agency for public school staff and for students who

1 are in grades kindergarten through 12 in the state;

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

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

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

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

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

16 * **Sec. 10.** AS 43.55.019(d) is amended to read:

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

18 (1) be the basis for a credit claimed under another provision of this
19 title; and

20 (2) when combined with contributions that are the basis for credits
21 taken during the taxpayer's tax year under AS 21.96.070, AS 43.20.014,
22 AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
23 amount of credits exceeding \$3,000,000 [\$1,000,000]; if the taxpayer is a member of
24 an affiliated group, then the total amount of credits may not exceed \$3,000,000
25 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
26 meaning given in AS 43.20.145.

27 * **Sec. 11.** AS 43.55.019 is amended by adding a new subsection to read:

28 (i) Beginning January 1, 2030, and every five years thereafter, the Department
29 of Labor and Workforce Development shall adjust the limit under (d) of this section
30 for inflation, using 100 percent of the change over the preceding five calendar years in
31 the Consumer Price Index for all urban consumers for urban Alaska, compiled by the

1 Bureau of Labor Statistics, United States Department of Labor.

2 * **Sec. 12.** AS 43.56.018(a) is amended to read:

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

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

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

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

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

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

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

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

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

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

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

7 * **Sec. 13.** AS 43.56.018(d) is amended to read:

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

9 (1) be the basis for a credit claimed under another provision of this
 10 title; and

11 (2) when combined with contributions that are the basis for credits
 12 taken during the taxpayer's tax year under AS 21.96.070, AS 43.20.014,
 13 AS 43.55.019, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
 14 amount of credits exceeding \$3,000,000 [\$1,000,000]; if the taxpayer is a member of
 15 an affiliated group, then the total amount of credits may not exceed \$3,000,000
 16 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
 17 meaning given in AS 43.20.145.

18 * **Sec. 14.** AS 43.56.018 is amended by adding a new subsection to read:

19 (h) Beginning January 1, 2030, and every five years thereafter, the department
 20 shall adjust the dollar limit on credits under (d) of this section for inflation, using 100
 21 percent of the change over the preceding five calendar years in the Consumer Price
 22 Index for all urban consumers for urban Alaska, compiled by the Bureau of Labor
 23 Statistics, United States Department of Labor.

24 * **Sec. 15.** AS 43.65.018(a) is amended to read:

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

28 (1) contributions of cash or equipment accepted for direct
 29 instruction, research, and educational support purposes, including library and museum
 30 acquisitions, and contributions to endowment, by an Alaska university foundation, by
 31 a nonprofit, public or private, Alaska two-year or four-year college accredited by a

1 national or regional accreditation association, or by a public or private nonprofit
2 elementary or secondary school in the state;

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

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

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

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

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

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

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

26 (A) tuition and textbooks;

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

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

30 (D) transportation costs to and from a residential school
31 approved by the Department of Education and Early Development under

1 AS 14.16.200 or the postsecondary school in the state that provides the dual-
2 credit course; and

3 (E) other related educational and programmatic costs;

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

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

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

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

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

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

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

30 * Sec. 16. AS 43.65.018(d) is amended to read:

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

1 (1) be the basis for a credit claimed under another provision of this
2 title; and

3 (2) when combined with contributions that are the basis for credits
4 taken during the taxpayer's tax year under AS 21.96.070, AS 43.20.014,
5 AS 43.55.019, AS 43.56.018, AS 43.75.018, or AS 43.77.045, result in the total
6 amount of the credits exceeding \$3,000,000 [\$1,000,000]; if the taxpayer is a member
7 of an affiliated group, then the total amount of credits may not exceed \$3,000,000
8 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
9 meaning given in AS 43.20.145.

10 * **Sec. 17.** AS 43.65.018 is amended by adding a new subsection to read:

11 (h) Beginning January 1, 2030, and every five years thereafter, the department
12 shall adjust the dollar limit on credits under (d) of this section for inflation, using 100
13 percent of the change over the preceding five calendar years in the Consumer Price
14 Index for all urban consumers for urban Alaska, compiled by the Bureau of Labor
15 Statistics, United States Department of Labor.

16 * **Sec. 18.** AS 43.75.018(a) is amended to read:

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

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

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

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

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

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

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

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

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

18 (A) tuition and textbooks;

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

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

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

26 (E) other related educational and programmatic costs;

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

31 (10) contributions of cash or equipment accepted for childhood

1 early learning and development programs and educational support to childhood early
 2 learning and development programs provided by a nonprofit corporation organized
 3 under AS 10.20, a tribal entity, or a school district in the state, by the Department of
 4 Education and Early Development, or through a state grant;

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

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

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

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

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

22 * Sec. 19. AS 43.75.018(d) is amended to read:

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

24 (1) be the basis for a credit claimed under another provision of this
 25 title; and

26 (2) when combined with contributions that are the basis for credits
 27 taken during the taxpayer's tax year under AS 21.96.070, AS 43.20.014,
 28 AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.77.045, result in the total
 29 amount of the credits exceeding \$3,000,000 [\$1,000,000]; if the taxpayer is a member
 30 of an affiliated group, then the total amount of credits may not exceed \$3,000,000
 31 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the

1 meaning given in AS 43.20.145.

2 * **Sec. 20.** AS 43.75.018 is amended by adding a new subsection to read:

3 (h) Beginning January 1, 2030, and every five years thereafter, the Department
4 of Labor and Workforce Development shall adjust the dollar limit on credits under (d)
5 of this section for inflation, using 100 percent of the change over the preceding five
6 calendar years in the Consumer Price Index for all urban consumers for urban Alaska,
7 compiled by the Bureau of Labor Statistics, United States Department of Labor.

8 * **Sec. 21.** AS 43.77.045(a) is amended to read:

9 (a) A person engaged in a floating fisheries business 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, by
15 a nonprofit, public or private, Alaska two-year or four-year college accredited by a
16 national or regional accreditation association, or by a public or private nonprofit
17 elementary or secondary school in the state;

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

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

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

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

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

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

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

10 (A) tuition and textbooks;

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

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

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

18 (E) other related educational and programmatic costs;

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

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

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

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

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

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

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

14 * **Sec. 22.** AS 43.77.045(d) is amended to read:

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

16 (1) be the basis for a credit claimed under another provision of this
 17 title; and

18 (2) when combined with contributions that are the basis for credits
 19 taken during the taxpayer's tax year under AS 21.96.070, AS 43.20.014,
 20 AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018, result in the total
 21 amount of the credits exceeding \$3,000,000 [\$1,000,000]; if the taxpayer is a member
 22 of an affiliated group, then the total amount of credits may not exceed \$3,000,000
 23 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
 24 meaning given in AS 43.20.145.

25 * **Sec. 23.** AS 43.77.045 is amended by adding a new subsection to read:

26 (g) Beginning January 1, 2030, and every five years thereafter, the Department
 27 of Labor and Workforce Development shall adjust the dollar limit on credits under (d)
 28 of this section for inflation, using 100 percent of the change over the preceding five
 29 calendar years in the Consumer Price Index for all urban consumers for urban Alaska,
 30 compiled by the Bureau of Labor Statistics, United States Department of Labor."
 31

1 Renumber the following bill sections accordingly.

2

3 Page 2, following line 2:

4 Insert new bill sections to read:

5 **** Sec. 26.** AS 47.05.030(a) is amended to read:

6 (a) Except as provided in (b) and (c) of this section and for purposes directly
7 connected with the administration of general assistance, adult public assistance, the
8 **child** [DAY] care assistance program authorized under AS 47.25.001 - 47.25.095, or
9 the Alaska temporary assistance program, and in accordance with the regulations of
10 the department, a person may not solicit, disclose, receive, make use of, or authorize,
11 knowingly permit, participate in, or acquiesce in the use of, a list of or names of, or
12 information concerning, persons applying for or receiving the assistance directly or
13 indirectly derived from the records, papers, files, or communications of the department
14 or subdivisions or agencies of the department, or acquired in the course of the
15 performance of official duties.

16 *** Sec. 27.** AS 47.05.085(a) is amended to read:

17 (a) The commissioner or the commissioner's designee at the director level may
18 issue subpoenas to compel the production of books, papers, correspondence,
19 memoranda, and other records considered necessary as evidence in connection with an
20 investigation under or the administration of AS 47.07 (medical assistance), AS 47.08
21 (assistance for catastrophic illnesses and acute or chronic medical conditions),
22 AS 47.25 (**child** [DAY] care assistance, child care grants, general relief, adult public
23 assistance, and food stamps), and AS 47.27 (Alaska temporary assistance program).

24 *** Sec. 28.** AS 47.25.001(a) is amended to read:

25 (a) The department shall
26 (1) implement and administer a program to assist in providing **child**
27 [DAY] care for the children of low and moderate income families according to the
28 requirements of AS 47.25.001 - 47.25.095;
29 (2) establish standards of eligibility for **child** [DAY] care benefits; **the**
30 standards must provide that the maximum monthly household income for a
31 family to be eligible for the program is 105 percent of the median monthly

1 household income in the state, adjusted for family size, unless the family is
 2 otherwise exempt from income eligibility requirements;

3 (3) contract for the care of children of eligible families;

4 (4) establish procedures to periodically review the needs of families
 5 receiving child [DAY] care benefits;

6 (5) provide notification to the local government body of the request for
 7 a contract with a child [DAY] care facility;

8 (6) establish an electronic application for assistance and allow an
 9 applicant to submit an application in electronic format or in other formats required by
 10 state and federal law; the electronic application must inform an applicant that a false
 11 statement made on the application will be investigated and is punishable under
 12 AS 11.56.210;

13 (7) establish a program to partner with private sector entities to
 14 create incentives for employers to develop on-site or near-site child care.

15 * **Sec. 29.** AS 47.25.011 is amended to read:

16 **Sec. 47.25.011. Administrative costs of program contractors.** To defray
 17 administrative expenses, a contractor under AS 47.25.001(b) may only retain \$1,000
 18 or 12 percent, whichever is greater, of the child [DAY] care assistance program funds
 19 it receives from the department under the contract.

20 * **Sec. 30.** AS 47.25.021 is amended to read:

21 **Sec. 47.25.021. Conditions of receipt of benefits.** Benefits may be paid for
 22 the care of children of a low or moderate income family only if a parent or guardian,
 23 because of the child [DAY] care, is freed to work or to seek work or to attend school.
 24 Benefits may not be paid for the care of children of a family where one parent or
 25 guardian is not working, actively seeking work, or attending school and is physically
 26 and mentally capable of caring for the children.

27 * **Sec. 31.** AS 47.25.031 is amended to read:

28 **Sec. 47.25.031. Eligibility of families for benefits.** The department shall
 29 determine the eligibility of families for child [DAY] care benefits on the basis of the
 30 following factors:

31 (1) income of the family including salary, alimony, child support,

1 retirement benefits, social security, and any other source of income;

2 (2) number of children in the family;

3 (3) whether there is one parent or guardian solely responsible for the
4 care of the family.

5 * **Sec. 32.** AS 47.25.041 is amended to read:

6 **Sec. 47.25.041. Contributions by parent or guardian.** The department shall
7 develop a sliding fee scale based on the factors listed in AS 47.25.031 for purposes of
8 determining the amount to be contributed by the parent or guardian for child care; the
9 amount may not exceed seven percent of the family monthly income. The
10 contribution of the parent or guardian shall be paid to the child [DAY] care facility.

11 * **Sec. 33.** AS 47.25.051 is amended to read:

12 **Sec. 47.25.051. Placement; payment by state.** (a) Parents or guardians shall
13 select the child [DAY] care facility for the care of their children.

14 (b) Benefits shall be paid by the department directly to the municipality or
15 organization contracting with the child [DAY] care facility.

16 * **Sec. 34.** AS 47.25.051 is amended by adding a new subsection to read:

17 (c) The department shall use a market rate study or a cost of care study to
18 establish a subsidy rate for each region served by the program established under
19 AS 47.25.001. The department shall use the subsidy rate to determine the amount of
20 benefits payable by the department under (b) of this section.

21 * **Sec. 35.** AS 47.25.071(b) is amended to read:

22 (b) To qualify for a grant under (a) or (d) of this section, the child care facility
23 must

24 (1) be currently licensed under AS 47.32 and applicable municipal
25 licensing requirements;

26 (2) participate in the child [DAY] care assistance program under
27 AS 47.25.001 - 47.25.095; [AND]

28 (3) provide care under a payment system as provided in (g) of this
29 section; and

30 (4) be designated as a quality child care facility by the department.

31 * **Sec. 36.** AS 47.25.071(g) is amended to read:

1 (g) A [EACH] child care facility receiving a grant under (a) or (d) of this
2 section shall

3 (1) assure that at least 15 percent or one of its child care spaces
4 receiving subsidy under this section, whichever is greater, will be made available, if
5 requested, to children eligible for child [DAY] care assistance under AS 47.25.001 -
6 47.25.095, whose parents or guardians wish to pay for care based on attendance only;

7 (2) give priority to children from low-income families when filling
8 available child care spaces in the facility.

9 * Sec. 37. AS 47.25.071(h) is amended to read:

10 (h) The department shall, in consultation with a child care resource and
11 referral agency in the state [INTERESTED CHILD CARE PROVIDERS] and
12 parents, adopt regulations to carry out the purposes of this section, including criteria
13 used to designate a child care facility as a quality child care facility under (b)(4)
14 of this section.

15 * Sec. 38. AS 47.25.071 is amended by adding new subsections to read:

16 (i) In addition to the grants provided in (a) and (d) of
17 this section, the department may, subject to appropriations for that
18 purpose, provide grants to the highest performing and highest quality
19 child care facilities in the state. The department may use quality
20 recognition and improvement system metrics to determine the highest
21 performing and highest quality child care facilities in the state. To
22 receive a grant under this subsection, the child care facility must be
23 currently licensed under AS 47.32 and applicable municipal licensing
24 requirements.

25 (j) A child care facility receiving a grant under (a) or (d) of this section may
26 not deny a child acceptance to the facility based on disability or socioeconomic status.

27 * Sec. 39. AS 47.25.095(2) is amended to read:

28 (2) "child care facility" means an establishment licensed as a child care
29 facility under AS 47.32 [, INCLUDING DAY CARE CENTERS, FAMILY DAY
30 CARE HOMES, AND SCHOOLS FOR PRESCHOOL AGE CHILDREN,] that
31 provides care for children not related by blood, marriage, or legal adoption to the

1 owner, operator, or manager of the facility, or an establishment recognized by the
2 federal government for the care of children;

3 * **Sec. 40.** AS 47.25.095(3) is amended to read:

4 (3) "child [DAY] care" means the care, supervision, and guidance of a
5 child or children unaccompanied by a parent or legal guardian on a regular basis for
6 periods of less than 24 hours a day;

7 * **Sec. 41.** AS 47.25.071(c) and 47.25.095(4) are repealed."
8

9 Renumber the following bill sections accordingly.
10

11 Page 2, line 5:

12 Delete "Sections 1 - 4"

13 Insert "Sections 1, 2, 24, and 25"
14

15 Page 2, line 8:

16 Delete all material and insert:

17 "**Sec. 43.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 CHILD CARE AND DEVELOPMENT FUND PLAN FEDERAL APPROVAL. To
20 the extent necessary to implement sec. 28 of this Act, the Department of Health shall amend
21 and submit for federal approval the state plan for the state's child care assistance program
22 under the federal child care and development fund program, consistent with AS 47.25.001(a),
23 as amended by sec. 28 of this Act.

24 * **Sec. 44.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 CONDITIONAL EFFECT; NOTIFICATION. (a) Section 28 of this Act takes effect
27 only if, on or before January 1, 2026, the United States Department of Health and Human
28 Services

29 (1) approves the amendment to the state plan for child care assistance program
30 under the federal child care and development fund program, consistent with AS 47.25.001(a),
31 as amended by sec. 28 of this Act; or

1 (2) determines that approval of the amendment to the state plan for the child
2 care assistance program is not necessary.

3 (b) The commissioner of health shall notify the revisor of statutes in writing within 30
4 days after the United States Department of Health and Human Services approves the
5 amendment to the state plan or determines that approval is not necessary under (a)(1) or (2) of
6 this section.

7 * **Sec. 45.** Section 37, ch. 61, SLA 2014, as amended by sec. 40, ch. 101, SLA 2018, is
8 amended to read:

9 Sec. 37. Sections 1, 2, and 21, ch. 61, SLA 2014, [OF THIS ACT] take effect
10 January 1, 2028 [2025].

11 * **Sec. 46.** If sec. 28 of this Act takes effect, it takes effect on the day after the date the
12 United States Department of Health and Human Services approves the corresponding
13 amendment to the state plan or determines that approval is not necessary.

14 * **Sec. 47.** Except as provided in sec. 46 of this Act, this Act takes effect immediately under
15 AS 01.10.070(c)."