

CS FOR HOUSE BILL NO. 89(HSS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH AND SOCIAL SERVICES COMMITTEE

Offered: 5/1/23

Referred: Finance

Sponsor(s): REPRESENTATIVES COULOMBE, Armstrong, Fields, Dibert, Story, McCormick, Schrage, Galvin, Wright, Saddler, Josephson, Ortiz, Mina, Groh, Gray, Mears

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; relating to the insurance tax education credit, the
3 income tax education credit, the oil or gas producer education credit, the property tax
4 education credit, the mining business education credit, the fisheries business education
5 credit, and the fisheries resource landing tax education credit; relating to the day care
6 assistance program and the child care grant program; providing for an effective date by
7 amending the effective date of secs. 1, 2, and 21, ch. 61, SLA 2014; and providing for an
8 effective date."

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

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

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

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

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

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

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

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

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

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

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

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

31 * **Sec. 2.** AS 21.96.070(d) is amended to read:

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

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

4 (2) when combined with contributions that are the basis for credits
5 taken during the taxpayer's tax year under AS 43.20.014, AS 43.55.019,
6 AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
7 amount of credits exceeding **\$3,000,000** [\$1,000,000]; if the taxpayer is a member of
8 an affiliated group, then the total amount of credits may not exceed **\$3,000,000**
9 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
10 meaning given in AS 43.20.145.

11 * **Sec. 3.** AS 21.96.070 is amended by adding a new subsection to read:

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

17 * **Sec. 4.** AS 43.20.014(a) is amended to read:

18 (a) A taxpayer is allowed a credit against the tax due under this chapter for
19 [CONTRIBUTIONS OF CASH OR EQUIPMENT 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, equipment, and facilities by a state-operated vocational
31 technical education and training school, a nonprofit regional training center recognized

1 by the Department of Labor and Workforce Development, and an apprenticeship
 2 program in the state that is registered with the United States Department of Labor
 3 under 29 U.S.C. 50 - 50b (National Apprenticeship Act);

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 in the

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

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

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

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

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

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

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

25 * **Sec. 5.** AS 43.20.014(d) is amended to read:

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

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

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

31 (3) when combined with contributions that are the basis for credits

1 taken during the taxpayer's tax year under AS 21.96.070, AS 43.55.019,
 2 AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
 3 amount of credits exceeding **\$3,000,000** [\$1,000,000]; if the taxpayer is a member of
 4 an affiliated group, then the total amount of credits may not exceed **\$3,000,000**
 5 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
 6 meaning given in AS 43.20.145.

7 * **Sec. 6.** AS 43.20.014 is amended by adding a new subsection to read:

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

13 * **Sec. 7.** AS 43.55.019(a) is amended to read:

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

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

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

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

31 (4) **contributions of cash or equipment accepted for** a facility by a

1 nonprofit, public or private, Alaska two-year or four-year college accredited by a
2 national or regional accreditation association;

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; [AND]

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

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

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

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

21 * **Sec. 8.** AS 43.55.019(d) is amended to read:

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

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

25 (2) when combined with contributions that are the basis for credits
26 taken during the taxpayer's tax year under AS 21.96.070, AS 43.20.014,
27 AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
28 amount of credits exceeding **\$3,000,000** [\$1,000,000]; if the taxpayer is a member of
29 an affiliated group, then the total amount of credits may not exceed **\$3,000,000**
30 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
31 meaning given in AS 43.20.145.

1 * **Sec. 9.** AS 43.55.019 is amended by adding a new subsection to read:

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

7 * **Sec. 10.** AS 43.56.018(a) is amended to read:

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

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

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

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

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

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

29 (6) **contributions of cash or equipment accepted for** education,
30 research, rehabilitation, and facilities by an institution that is located in the state and
31 that qualifies as a coastal ecosystem learning center under the Coastal America

1 Partnership established by the federal government; [AND]

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

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

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

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

12 * **Sec. 11.** AS 43.56.018(d) is amended to read:

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

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

16 (2) when combined with contributions that are the basis for credits
17 taken during the taxpayer's tax year under AS 21.96.070, AS 43.20.014,
18 AS 43.55.019, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
19 amount of credits exceeding \$3,000,000 [\$1,000,000]; if the taxpayer is a member of
20 an affiliated group, then the total amount of credits may not exceed \$3,000,000
21 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
22 meaning given in AS 43.20.145.

23 * **Sec. 12.** AS 43.56.018 is amended by adding a new subsection to read:

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

29 * **Sec. 13.** AS 43.65.018(a) is amended to read:

30 (a) A person engaged in the business of mining in the state is allowed a credit
31 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 elementary or secondary school in the state;

(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;

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

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

(A) tuition and textbooks;

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

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

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

8 (E) other related educational and programmatic costs;

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

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

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

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

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

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

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

4 * **Sec. 14.** AS 43.65.018(d) is amended to read:

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

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

8 (2) when combined with contributions that are the basis for credits
 9 taken during the taxpayer's tax year under AS 21.96.070, AS 43.20.014,
 10 AS 43.55.019, AS 43.56.018, AS 43.75.018, or AS 43.77.045, result in the total
 11 amount of the credits exceeding **\$3,000,000** [\$1,000,000]; if the taxpayer is a member
 12 of an affiliated group, then the total amount of credits may not exceed **\$3,000,000**
 13 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
 14 meaning given in AS 43.20.145.

15 * **Sec. 15.** AS 43.65.018 is amended by adding a new subsection to read:

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

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

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

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

31 (2) **contributions of cash or equipment accepted for** secondary

1 school level vocational education courses, programs, and facilities by a school district
2 in the state;

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

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

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;

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

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

23 (A) tuition and textbooks;

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

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

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

31 (E) other related educational and programmatic costs;

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

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

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

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

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

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

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

27 * **Sec. 17.** AS 43.75.018(d) is amended to read:

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

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

31 (2) when combined with contributions that are the basis for credits

1 taken during the taxpayer's tax year under AS 21.96.070, AS 43.20.014,
 2 AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.77.045, result in the total
 3 amount of the credits exceeding **\$3,000,000** [\$1,000,000]; if the taxpayer is a member
 4 of an affiliated group, then the total amount of credits may not exceed **\$3,000,000**
 5 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
 6 meaning given in AS 43.20.145.

7 * **Sec. 18.** AS 43.75.018 is amended by adding a new subsection to read:

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

13 * **Sec. 19.** AS 43.77.045(a) is amended to read:

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

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

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

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

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

1 Education and Early Development, or through a state grant;

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

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

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

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

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

19 * **Sec. 20.** AS 43.77.045(d) is amended to read:

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

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

23 (2) when combined with contributions that are the basis for credits
24 taken during the taxpayer's tax year under AS 21.96.070, AS 43.20.014,
25 AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018, result in the total
26 amount of the credits exceeding \$3,000,000 [\$1,000,000]; if the taxpayer is a member
27 of an affiliated group, then the total amount of credits may not exceed \$3,000,000
28 [\$1,000,000] for the affiliated group; in this paragraph, "affiliated group" has the
29 meaning given in AS 43.20.145.

30 * **Sec. 21.** AS 43.77.045 is amended by adding a new subsection to read:

31 (g) Beginning January 1, 2030, and every five years thereafter, the Department

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

5 * **Sec. 22.** AS 47.25.001(a) is amended to read:

6 (a) The department shall

7 (1) implement and administer a program to assist in providing day care
 8 for the children of low and moderate income families according to the requirements of
 9 AS 47.25.001 - 47.25.095;

10 (2) establish standards of eligibility for day care benefits; **the**
 11 **standards must provide that the maximum monthly household income allowed**
 12 **for a family to participate in the child care assistance program is 105 percent of**
 13 **the median household income for the state, adjusted for family size;**

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

15 (4) establish procedures to periodically review the needs of families
 16 receiving day care benefits;

17 (5) provide notification to the local government body of the request for
 18 a contract with a day care facility;

19 (6) establish an electronic application for assistance and allow an
 20 applicant to submit an application in electronic format or in other formats required by
 21 state and federal law; the electronic application must inform an applicant that a false
 22 statement made on the application will be investigated and is punishable under
 23 AS 11.56.210.

24 * **Sec. 23.** AS 47.25.041 is amended to read:

25 **Sec. 47.25.041. Contributions by parent or guardian.** The department shall
 26 develop a sliding fee scale [BASED ON THE FACTORS LISTED IN AS 47.25.031]
 27 for purposes of determining the amount to be contributed by the parent or guardian for
 28 child care **based on the factors listed in AS 47.25.031 and the actual average cost**
 29 **of providing child care as determined under AS 47.25.071(c) at the day care**
 30 **facility chosen by the parent or guardian under AS 47.25.051(a).** The contribution
 31 of the parent or guardian shall be paid to the day care facility.

1 * **Sec. 24.** AS 47.25.071(c) is amended to read:

2 (c) A grant under (a) of this section **shall be calculated based on the actual**
 3 **average cost of providing child care at a child care facility each** [MAY NOT
 4 EXCEED \$50 PER] month for each child the child care facility cares for, or for each
 5 full-time equivalent, as determined by the department. The grant shall be adjusted on a
 6 geographic basis by the same factor as funding for a school district is adjusted in
 7 AS 14.17.460.

8 * **Sec. 25.** AS 47.25.071 is amended by adding a new subsection to read:

9 (i) In addition to the grants provided in (a) and (d) of this section, the
 10 department may, subject to appropriations for that purpose, provide grants to the
 11 highest performing and highest quality child care facilities in the state. The department
 12 may use quality recognition and improvement system metrics to determine the highest
 13 performing and highest quality child care facilities in the state. To receive a grant
 14 under this subsection, the child care facility must be currently licensed under AS 47.32
 15 and applicable municipal licensing requirements.

16 * **Sec. 26.** The uncodified law of the State of Alaska is amended by adding a new section to
 17 read:

18 CHILD CARE AND DEVELOPMENT FUND PLAN FEDERAL APPROVAL. To
 19 the extent necessary to implement secs. 22 and 24 of this Act, the Department of Health shall
 20 amend and submit for federal approval the state plan for the day care assistance program
 21 consistent with AS 47.25.001(a), as amended by sec. 22 of this Act, and the child care grant
 22 program consistent with AS 47.25.071(c), as amended by sec. 24 of this Act.

23 * **Sec. 27.** The uncodified law of the State of Alaska is amended by adding a new section to
 24 read:

25 CONDITIONAL EFFECT; NOTIFICATION. (a) This Act takes effect only if, on or
 26 before January 1, 2024, the United States Department of Health and Human Services

27 (1) approves the amendments to the state plan for day care assistance
 28 eligibility made by AS 47.25.001(a), as amended by sec. 22 of this Act, and child care grant
 29 coverage made by AS 47.25.071(c), as amended by sec. 24 of this Act; or

30 (2) determines that approval of the amendments to the state plan for the day
 31 care assistance program and child care grant program is not necessary.

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

4 * **Sec. 28.** Section 37, ch. 61, SLA 2014, as amended by sec. 40, ch. 101, SLA 2018, is
5 amended to read:

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

8 * **Sec. 29.** Section 28 of this Act takes effect immediately under AS 01.10.070(c).

9 * **Sec. 30.** If secs. 22 and 24 of this Act take effect, they take effect on the day after the date
10 the United States Department of Health and Human Services approves the corresponding
11 amendment to the state plan or determines that approval is not necessary.

12 * **Sec. 31.** Except as provided in secs. 29 and 30 of this Act, this Act takes effect January 1,
13 2024.