

SENATE CS FOR CS FOR HOUSE BILL NO. 89(HSS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

Offered: 4/12/24

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

"An Act relating to education tax credits for certain payments and contributions for child care and child care facilities; relating to the insurance tax education credit, the income tax education credit, the oil or gas producer education credit, the property tax education credit, the mining business education credit, the fisheries business education credit, and the fisheries resource landing tax education credit; renaming the day care assistance program the child care assistance program; relating to the child care assistance program and the child care grant program; providing for an effective date by amending the effective date of secs. 1, 2, and 21, ch. 61, SLA 2014; and providing for an effective date."

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

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

(a) A taxpayer is allowed a credit against the tax due under AS 21.09.210 or

AS 21.66.110 for [CONTRIBUTIONS OF CASH OR EQUIPMENT ACCEPTED]

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

(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;

(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.

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

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

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

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

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

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

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

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

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

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

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

1 technical education and training school, a nonprofit regional training center recognized
 2 by the Department of Labor and Workforce Development, and an apprenticeship
 3 program in the state that is registered with the United States Department of Labor
 4 under 29 U.S.C. 50 - 50b (National Apprenticeship Act);

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

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

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

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

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

22 (A) tuition and textbooks;

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

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

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

30 (E) other related educational and programmatic costs;

31 (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. 5. AS 43.20.014(d) is amended to read:

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

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

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

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

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

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

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

(a) A producer of oil or gas is allowed a credit against the tax levied by AS 43.55.011(e) 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 or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or regional accreditation association;

(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, equipment, and facilities by a state-operated vocational technical education and training school, a nonprofit regional training center recognized by the Department of Labor and Workforce Development, and an apprenticeship program in the state that is registered with the United States Department of Labor under 29 U.S.C. 50 - 50b (National Apprenticeship Act);

(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;

(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; [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 producer'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 producer's employees; and

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

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

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

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

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

1 meaning given in AS 43.20.145.

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

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

8 * **Sec. 10.** 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. 11. AS 43.56.018(d) is amended to read:

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

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

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

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

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

* Sec. 13. 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

1 against the tax due under this chapter for [CONTRIBUTIONS OF CASH OR
2 EQUIPMENT ACCEPTED FOR]

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

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

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

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

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

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

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

- 1 (A) tuition and textbooks;
- 2 (B) registration, course, and programmatic student fees;
- 3 (C) on-campus room and board at the postsecondary institution
- 4 in the state that provides the dual-credit course;
- 5 (D) transportation costs to and from a residential school
- 6 approved by the Department of Education and Early Development under
- 7 AS 14.16.200 or the postsecondary school in the state that provides the dual-
- 8 credit course; and
- 9 (E) other related educational and programmatic costs;
- 10 (9) **contributions of cash or equipment accepted for** constructing,
- 11 operating, or maintaining a residential housing facility by a residential school
- 12 approved by the Department of Education and Early Development under
- 13 AS 14.16.200;
- 14 (10) **contributions of cash or equipment accepted for** childhood
- 15 early learning and development programs and educational support to childhood early
- 16 learning and development programs provided by a nonprofit corporation organized
- 17 under AS 10.20, a tribal entity, or a school district in the state, by the Department of
- 18 Education and Early Development, or through a state grant;
- 19 (11) **contributions of cash or equipment accepted for** science,
- 20 technology, engineering, and math programs provided by a nonprofit agency or a
- 21 school district for school staff and for students in grades kindergarten through 12 in
- 22 the state; [AND]
- 23 (12) **contributions of cash or equipment accepted for** the operation
- 24 of a nonprofit organization dedicated to providing educational opportunities that
- 25 promote the legacy of public service contributions to the state and perpetuate ongoing
- 26 educational programs that foster public service leadership for future generations of
- 27 residents of the state;
- 28 **(13) expenditures made to operate a child care facility in the state**
- 29 **for the children of the person's employees;**
- 30 **(14) contributions of cash or equipment accepted by a child care**
- 31 **facility in the state operated by a nonprofit corporation and attended by one or**

1 more children of the person's employees; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) 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 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

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
27 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

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

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

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

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

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

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

* **Sec. 22.** AS 47.05.030(a) is amended to read:

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

* **Sec. 23.** AS 47.05.085(a) is amended to read:

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

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

(a) The department shall

(1) implement and administer a program to assist in providing **child** [DAY] care for the children of low and moderate income families according to the requirements of AS 47.25.001 - 47.25.095;

(2) establish standards of eligibility for **child** [DAY] care benefits; **the standards must provide that the maximum monthly household income for a**

family to be eligible for the program is 105 percent of the median monthly household income in the state, adjusted for family size, unless the family is otherwise exempt from income eligibility requirements;

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

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

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

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

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

* **Sec. 25.** AS 47.25.011 is amended to read:

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

* **Sec. 26.** AS 47.25.021 is amended to read:

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

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

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

(1) income of the family including salary, alimony, child support, retirement benefits, social security, and any other source of income;

(2) number of children in the family;

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

* **Sec. 28.** AS 47.25.041 is amended to read:

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

* **Sec. 29.** AS 47.25.051 is amended to read:

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

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

* **Sec. 30.** AS 47.25.051 is amended by adding a new subsection to read:

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

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

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

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

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

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

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

1 * **Sec. 32.** AS 47.25.071(g) is amended to read:

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

4 (1) assure that at least 15 percent or one of its child care spaces
5 receiving subsidy under this section, whichever is greater, will be made available, if
6 requested, to children eligible for child [DAY] care assistance under AS 47.25.001 -
7 47.25.095, whose parents or guardians wish to pay for care based on attendance only;

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

10 * **Sec. 33.** AS 47.25.071(h) is amended to read:

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

16 * **Sec. 34.** AS 47.25.071 is amended by adding new subsections to read:

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

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

26 * **Sec. 35.** AS 47.25.095(2) is amended to read:

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

1 **federal government for the care of children;**

2 * **Sec. 36.** AS 47.25.095(3) is amended to read:

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

6 * **Sec. 37.** AS 47.25.071(c) and 47.25.095(4) are repealed.

7 * **Sec. 38.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 CHILD CARE AND DEVELOPMENT FUND PLAN FEDERAL APPROVAL. To
10 the extent necessary to implement sec. 24 of this Act, the Department of Health shall amend
11 and submit for federal approval the state plan for the state's child care assistance program
12 under the federal child care and development fund program, consistent with AS 47.25.001(a),
13 as amended by sec. 24 of this Act.

14 * **Sec. 39.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 CONDITIONAL EFFECT; NOTIFICATION. (a) This Act takes effect only if, on or
17 before January 1, 2026, the United States Department of Health and Human Services

18 (1) approves the amendment to the state plan for child care assistance program
19 under the federal child care and development fund program, consistent with AS 47.25.001(a),
20 as amended by sec. 24 of this Act; or

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

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

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

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

31 * **Sec. 41.** If sec. 24 of this Act takes effect, it takes effect on the day after the date the

1 United States Department of Health and Human Services approves the corresponding
2 amendment to the state plan or determines that approval is not necessary.

3 * **Sec. 42.** Except as provided in sec. 41 of this Act, this Act takes effect immediately under
4 AS 01.10.070(c).