

# Fiscal Note

State of Alaska  
2024 Legislative Session

Bill Version:	HB 144
Fiscal Note Number:	2
(H) Publish Date:	4/22/2024

Identifier: HB144-DCCED-DOI-3-20-24  
 Title: REPEAL EDUCATION TAX CREDITS SUNSET  
 Sponsor: RUFFRIDGE  
 Requester: (H) FINANCE

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

**Expenditures/Revenues**

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

	FY2025	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2025 Request	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>OPERATING EXPENDITURES</b>	<b>FY 2025</b>	<b>FY 2025</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2024) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2025) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

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 If yes, by what date are the regulations to be adopted, amended or repealed?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

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

Prepared By: Lori Wing-Heier, Director  
 Division: Division of Insurance  
 Approved By: Hannah Lager, Administrative Services Director  
 Agency: Commerce, Community, and Economic Development

Phone: (907)538-4203  
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 Date: 03/20/24

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## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2024 LEGISLATIVE SESSION

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**Analysis**

The education tax credit is a credit for qualifying contributions to Alaska universities and accredited nonprofit Alaska two- or four-year colleges for facilities, direct instruction, research, and educational support purposes; donations to a school district or a state-operated technical and training school for vocational education courses, programs and facilities; and donations for Alaska Native cultural or heritage programs for public school staff and students, and a facility in the state that qualifies as a coastal ecosystem learning center under the Coastal American Partnership.

The credit is available to be claimed against insurance premium tax, title insurance premium tax, corporate income tax, oil and gas production tax, oil and gas property tax, mining license tax, fisheries business tax, and fishery resource landing tax. The credit for any one taxpayer cannot exceed \$1 million annually across all tax types. The credit is currently scheduled to sunset effective January 1, 2025.

The bill repeals the sunset provisions.

The Division of Insurance has seen a sharp decline in credits being claimed by insurance companies from 2016 - 2022, with 4 of the 7 years having zero tax credits claimed. The other 3 years were \$975.00 (2016), \$500.00 (2018), and \$5,000.00 (2019). The division anticipates the trend over the last 7 years to continue, and therefore anticipates no loss in revenue due to the repeal of the sunset provisions of the education tax credit and projects no fiscal impact from this legislation.