

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 20, 2023

3:15 p.m.

MEMBERS PRESENT

Representative Jesse Sumner, Chair
Representative Justin Ruffridge, Vice Chair
Representative Mike Prax
Representative Dan Saddler
Representative Ashley Carrick
Representative Zack Fields

MEMBERS ABSENT

Representative Stanley Wright

COMMITTEE CALENDAR

HOUSE BILL NO. 75

"An Act relating to coverage for additional insureds under owner and contractor controlled insurance programs; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 46

"An Act allowing child care providers that receive state aid to organize and collectively bargain with the Department of Health; and establishing the child care provider fund."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 75

SHORT TITLE: OWNER & CONTRACTOR CONTROLLED INSURANCE

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/15/23	(H)	READ THE FIRST TIME - REFERRALS
02/15/23	(H)	L&C
02/20/23	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 46

SHORT TITLE: CHILD CARE PROVIDER COLLECTIVE BARGAINING

SPONSOR(S): FIELDS

01/25/23 (H) READ THE FIRST TIME - REFERRALS
01/25/23 (H) L&C, STA, FIN
01/30/23 (H) L&C AT 3:15 PM BARNES 124
01/30/23 (H) Heard & Held
01/30/23 (H) MINUTE(L&C)
02/10/23 (H) L&C AT 3:15 PM BARNES 124
02/10/23 (H) Heard & Held
02/10/23 (H) MINUTE(L&C)
02/20/23 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

LORI WING-HEIER, Director
Juneau Office
Division of Insurance
Department of Commerce, Community, and Economic Development
Juneau, Alaska

POSITION STATEMENT: Introduced HB 75 on behalf of the sponsor,
House Rules by request of the governor.

ACTION NARRATIVE

[3:15:45 PM](#)

CHAIR JESSE SUMNER called the House Labor and Commerce Standing Committee meeting to order at 3:15 p.m. Representatives Prax, Ruffridge, Fields, Carrick, and Sumner were present at the call to order. Representative Saddler arrived as the meeting was in progress.

HB 75-OWNER & CONTRACTOR CONTROLLED INSURANCE

[3:16:22 PM](#)

CHAIR SUMNER announced that the first order of business would be HOUSE BILL NO. 75, "An Act relating to coverage for additional insureds under owner and contractor controlled insurance programs; and providing for an effective date."

[3:16:51 PM](#)

LORI WING-HEIER, Director, Juneau Office, Alaska Division of Insurance, Department of Commerce, Community, and Economic Development, introduced HB 75 on behalf of the sponsor, House Rules by request of the governor. She stated that in the State of Alaska, projects costing over \$50 million and having a

defined geographic location and time frame are eligible for an owner controlled insurance program or contractor controlled program. The significance of this is that it allows the owner or contractor to buy the insurance for all contractors and subcontractors working on the project, usually including general liability, professional liability, and workers' compensation. She said that this allows contractors to keep insurance costs down and helps prevent "unnecessary litigation." She added that there would be an amendment to further clarify the language of the bill.

[3:19:59 PM](#)

REPRESENTATIVE PRAX asked if it would be worthwhile to reduce the \$50 million threshold.

MS. WING-HEIER answered that some projects would likely benefit from that, although the bill is intended to clarify statutory language and changing the threshold was not considered when writing it.

CHAIR SUMNER announced that HB 75 was held over.

HB 46-CHILD CARE PROVIDER COLLECTIVE BARGAINING

[3:21:13 PM](#)

CHAIR SUMNER announced that the final order of business would be HOUSE BILL NO. 46, "An Act allowing child care providers that receive state aid to organize and collectively bargain with the Department of Health; and establishing the child care provider fund."

[Because of their length, some amendments discussed or adopted during the meeting are found at the end of the minutes for HB 46. Shorter amendments are included in the main text.]

[3:21:28 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 1 to HB 46, labeled 33-LS0221\B.1, Klein, 2/9/23, which read as follows:

Page 9, lines 30 - 31:
Delete "Family and Community Services"
Insert "Health"

[3:21:32 PM](#)

REPRESENTATIVE PRAX objected for the purpose of discussion.

[3:21:36 PM](#)

REPRESENTATIVE FIELDS spoke to Amendment 1. He stated that the amendment adds a correction that the Childcare Program Office is in the Department of Health, not the Department of Family and Community Services.

[3:22:08 PM](#)

REPRESENTATIVE PRAX removed his objection. There being no further objection, Amendment 1 was adopted.

[3:22:17 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 2 to HB 46, labeled 33-LS0221\B.3, Klein, 2/14/23, which read as follows:

Page 1, following line 3:

Insert a new bill section to read:

"* Section 1. The uncodified law of the State of Alaska is amended by adding a new section to read:
LEGISLATIVE INTENT. It is the intent of the legislature to capitalize the child care provider fund with a one-time \$15,000,000 appropriation to the fund."

Page 1, line 4:

Delete "* Section 1"

Insert "* Sec. 2"

Renumber the following bill sections accordingly.

[3:22:22 PM](#)

REPRESENTATIVE SADDLER objected.

[3:22:25 PM](#)

REPRESENTATIVE FIELDS spoke to Amendment 2. He stated that Amendment 2 would add a one-time appropriation of \$15 million to the child care provider fund the bill would create if passed.

[3:23:27 PM](#)

REPRESENTATIVE PRAX asked whether businesses would be able to receive a tax deduction if they contributed to the fund.

REPRESENTATIVE FIELDS answered that that idea is part of another amendment. The fund is created by HB 46 and Amendment 2 would add a one-time guaranteed contribution to the fund.

[3:24:44 PM](#)

REPRESENTATIVE RUFFRIDGE expressed his concern with the amount of the appropriation due to the current financial situation but added that he agrees with the overall idea put forth by the amendment.

[3:26:04 PM](#)

REPRESENTATIVE SADDLER commented that he opposes the amendment because he does not believe that appropriations belong in intent language, as well as being concerned about the amount being appropriated.

[3:26:30 PM](#)

A roll call vote was taken. Representatives Fields, Carrick, Prax, Ruffridge, and Sumner voted in favor of Amendment 2. Representative Saddler voted against it. Therefore, Amendment 2 passed by a vote of 5-1.

[3:27:18 PM](#)

The committee took a brief at-ease.

[3:27:40 PM](#)

CHAIR SUMNER stated that he would not be offering Amendment 3 to HB 46.

[3:27:44 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 4 to HB 46, labeled 33-LS0221\B.2, Klein, 2/14/23. [Amendment 4 is provided at the end of the minutes on HB 91.]

[3:27:56 PM](#)

REPRESENTATIVE SADDLER objected for purposes of discussion.

[3:28:08 PM](#)

REPRESENTATIVE FIELDS stated that the idea for the amendment came from multiple sources, including Representative Ruffridge. The purpose of the amendment is to incentivize businesses to invest in childcare for their employees.

[3:29:39 PM](#)

REPRESENTATIVE SADDLER asked what the fiscal note would have been for the previous version of the bill.

REPRESENTATIVE FIELDS answered that without knowing the exact number of employers that would participate, the number was indeterminate. In response to a follow-up question, he stated that the legislation would provide \$2 million in tax credits for businesses that contributed toward the childcare costs of their employees.

[3:31:01 PM](#)

REPRESENTATIVE PRAX commented that there is an "urgent" need to address childcare and added that he supports incentivizing businesses to get involved.

[3:31:57 PM](#)

REPRESENTATIVE RUFFRIDGE commented that he has reservations about the childcare trust fund due to the potential fiscal impact, but added he supports the addition of an incentive for employers to contribute towards the childcare of their employees.

[3:32:58 PM](#)

REPRESENTATIVE CARRICK asked what the difference between Amendment 4 and Amendment 3 was.

REPRESENTATIVE FIELDS stated that he believes that Amendment 3 was on another subject.

[3:33:58 PM](#)

REPRESENTATIVE SADDLER removed his objection. There being no further objection, Amendment 4 was adopted.

AMENDMENTS

The following amendment to HB 46 was moved for adoption during the hearing. [Shorter amendments are provided in the main text only.]

Amendment 4 [33-LS0221\B.2, Klein, 2/14/23] (adopted):

Page 1, line 1, following "Act":

Insert "**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;**"

Page 1, line 2:

Delete "**and**"

Following "**fund**":

Insert "**; and providing for an effective date**"

Page 1, following line 3:

Insert new bill sections to read:

"* **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.

* **Sec. 2.** AS 21.96.070(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 43.20.014, 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. 3.** AS 21.96.070 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."

Page 1, line 4:
Delete "**Section 1**"
Insert "**Sec. 4**"

Renumber the following bill sections accordingly.

Page 10, following line 15:
Insert new bill sections to read:

"* **Sec. 9.** AS 43.20.014(a) is amended to read:

(a) A taxpayer 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, 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 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 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. 10.** 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. 11.** 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. 12.** 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. 13.** 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 meaning given in AS 43.20.145.

* **Sec. 14.** AS 43.55.019 is amended by adding a new subsection to read:

(i) Beginning January 1, 2030, and every five years thereafter, the Department of Labor and Workforce Development shall adjust the limit 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. 15.** AS 43.56.018(a) is amended to read:

(a) The owner of property taxable under this chapter 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 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;

(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 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. 16.** 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. 17.** 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. 18.** 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 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;

(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. 19.** AS 43.65.018(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 43.75.018, 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. 20.** AS 43.65.018 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. 21.** AS 43.75.018(a) is amended to read:

(a) A person engaged in a 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 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. 22. 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. 23.** 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. 24.** 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 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. 25.** 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. 26.** 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. 27.** Section 37, ch. 61, SLA 2014, as amended by sec. 40, ch. 101, SLA 2018, is amended to read:

Sec. 37. Sections 1, 2, and 21 of this Act take effect January 1, 2028 [2025].

* **Sec. 28.** Sections 4 - 8 and 27 of this Act take effect immediately under AS 01.10.070(c).

* **Sec. 29.** Except as provided in sec. 28 of this Act, this Act takes effect January 1, 2025."

CHAIR SUMNER announced that HB 46 was held over.

[3:34:19 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Committee on Labor and Commerce meeting was adjourned at 3:34 p.m.