

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	SB 96
Fiscal Note Number:	3
(S) Publish Date:	3/26/2025

Identifier: SB096-DCCED-DOI-03-10-25
 Title: CHILD CARE: TAX CREDITS
 Sponsor: RLS
 Requester: Senate Labor & Commerce

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)

	FY2026	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2026 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) 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 If yes, by what date are the regulations to be adopted, amended or repealed?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, Division Director	Phone:	(907)269-7896
Division:	Division of Insurance	Date:	03/10/2025
Approved By:	Hannah Lager, Administrative Services Director	Date:	03/10/25
Agency:	Department of Commerce, Community, and Economic Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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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, a facility in the state that qualifies as a coastal ecosystem learning center under the Coastal American Partnership, a nonprofit educational resource center supporting academic achievement, expenditures made to operate a child care facility for the children of the taxpayer's employees, contributions to a child care facility operated by a nonprofit corporation attended by the taxpayer's employees and reimburse employee of taxpayer to offset child care costs.

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 \$3 million annually across all tax types. The credit is currently scheduled to sunset effective January 1, 2029.

The bill changes the sunset provisions to January 1, 2028.

The Division of Insurance has seen a sharp decline in credits being claimed by insurance companies from 2016 to 2024, with six of the nine years having zero tax credits claimed. The other three years were \$975.00 (2016), \$500.00 (2018), and \$5,000.00 (2019). The division anticipates the trend over the last nine years to continue, and therefore anticipates a negligible loss in revenue due to the addition of the child care costs and projects no fiscal impact from this legislation.