

Offered: 4/25/86
Referred: Rules

Original sponsors: Gruenberg, Koponen,
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1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 688 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act allowing tax credits for contributions to
7 educational institutions."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. PURPOSE. It is the purpose of this Act to provide col-
10 leges and universities with a private source of funding for direct instruc-
11 tion and instructional support purposes during this period of declining
12 state revenue.
13 * Sec. 2. INTENT. It is the intent of the legislature that contri-
14 butions received by a public college or university under this Act may be
15 offset by the legislature in appropriations to the public college or uni-
16 versity in future years.
17 * Sec. 3. AS 43.20 is amended by adding a new section to read:
18 Sec. 43.20.014. INCOME TAX EDUCATION CREDIT. (a) A taxpayer is
19 allowed as a credit against the tax due under this chapter 50 percent
20 of cash contributions accepted for direct instruction and instruction-
21 al support purposes by an accredited, nonprofit, public or private,
22 Alaska, two- or four-year, college or university. The credit may not
23 exceed the lesser of 10 percent of the amount of tax due under this
24 chapter or \$10,000. A contribution claimed as a credit under this
25 section may not be claimed as a credit under another provision of this
26 title. A deduction is not allowed under 26 U.S.C. 170, where the
27 credit provided by this section is claimed.
28 (b) A public college or university that accepts a contribution
29 under this section may only spend the cash received for direct

1 instruction and instructional support purposes, and must spend the
2 amount within one year of receiving it. The cash received may not be
3 put in an endowment.

4 (c) By September 30 of each year each public college or
5 university shall report to the Legislative Budget and Audit Committee
6 the contributions received under this section and how the
7 contributions were spent.

8 * Sec. 4. AS 43.20.036 is amended by adding a new subsection to read:

9 (j) For purposes of calculating the tax payable under this
10 chapter, a deduction under 26 U.S.C. 170 may only be taken if payment
11 is made on or before the last day of the taxable year.

12 * Sec. 5. AS 43.31 is amended by adding a new section to read:

13 Sec. 43.31.014. ESTATE EDUCATION CREDIT. (a) The estate of a
14 person who was a resident at the time of death, is allowed as a credit
15 against the tax due under this chapter 50 percent of cash bequests
16 accepted for direct instruction and instructional support purposes by
17 an accredited, nonprofit, public or private, Alaska, two- or four-
18 year, college or university. The credit may not exceed the lesser of
19 10 percent of the amount of tax due under this chapter or \$10,000. A
20 contribution claimed as a credit under this section may not be claimed
21 as a credit under another provision of this title.

22 (b) By September 30 of each year each public college or
23 university shall report to the Legislative Budget and Audit Committee
24 the contributions received under this section and how the
25 contributions were spent.

26 * Sec. 6. AS 43.55 is amended by adding a new section to read:

27 Sec. 43.55.019. OIL OR GAS PRODUCER EDUCATION CREDIT. (a) A
28 producer of oil or gas is allowed as a credit against the tax due
29 under this chapter 50 percent of cash contributions accepted for

1 direct instruction and instructional support purposes by an accredit-
2 ed, nonprofit, public or private, Alaska, two- or four-year, college
3 or university. The credit may only be applied against the tax liabil-
4 ity accruing during the month the contribution is made. The credit
5 may not exceed the lesser of 10 percent of the amount of tax due under
6 this chapter or \$1,000. A contribution claimed as a credit under this
7 section may not be claimed as a credit under another provision of this
8 title.

9 (b) A public college or university that accepts a contribution
10 under this section may only spend the cash received for direct in-
11 struction and instructional support purposes, and must spend the
12 amount within one year of receiving it. The cash received may not be
13 put in an endowment.

14 (c) By September 30 of each year each public college or
15 university shall report to the Legislative Budget and Audit Committee
16 the contributions received under this section and how the
17 contributions were spent.

18 * Sec. 7. AS 43.56 is amended by adding a new section to read:

19 Sec. 43.56.018. OIL OR GAS PROPERTY EDUCATION CREDIT. (a) The
20 owner of property taxable under this chapter is allowed as a credit
21 against the tax due under this chapter 50 percent of cash contribu-
22 tions accepted for direct instruction and instructional support pur-
23 poses by an accredited, nonprofit, public or private, Alaska, two- or
24 four-year, college or university. The credit may only be applied
25 against the tax liability accruing during the month the contribution
26 is made. The credit may not exceed the lesser of 10 percent of the
27 amount of tax due under this chapter or \$1,000. A contribution
28 claimed as a credit under this section may not be claimed as a credit
29 under another provision of this title.

1 (b) A public college or university that accepts a contribution
2 under this section may only spend the cash received for direct in-
3 struction and instructional support purposes, and must spend the
4 amount within one year of receiving it. The cash received may not be
5 put in an endowment.

6 (c) By September 30 of each year each public college or
7 university shall report to the Legislative Budget and Audit Committee
8 the contributions received under this section and how the
9 contributions were spent.

10 * Sec. 8. AS 43.65 is amended by adding a new section to read:

11 Sec. 43.65.018. MINING BUSINESS EDUCATION CREDIT. (a) A person
12 engaged in the business of mining in the state is allowed as a credit
13 against the tax due under this chapter 50 percent of cash contribu-
14 tions accepted for direct instruction and instructional support pur-
15 poses by an accredited, nonprofit, public or private, Alaska, two- or
16 four-year, college or university. The credit may not exceed the
17 lesser of 10 percent of the amount of tax due under this chapter or
18 \$10,000. A contribution claimed as a credit under this section may
19 not be claimed as a credit under another provision of this title.

20 (b) A public college or university that accepts a contribution
21 under this section may only spend the cash received for direct in-
22 struction and instructional support purposes, and must spend the
23 amount within one year of receiving it. The cash received may not be
24 put in an endowment.

25 (c) By September 30 of each year each public college or
26 university shall report to the Legislative Budget and Audit Committee
27 the contributions received under this section and how the
28 contributions were spent.

29 * Sec. 9. AS 43.75 is amended by adding a new section to read:

1 Sec. 43.75.018. FISHERIES BUSINESS EDUCATION CREDIT. (a) A
2 person engaged in a fisheries business is allowed as a credit against
3 the tax due under this chapter 50 percent of cash contributions ac-
4 cepted for direct instruction and instructional support purposes by an
5 accredited, nonprofit, public or private, Alaska, two- or four-year,
6 college or university. The credit may not exceed the lesser of 10
7 percent of the amount of tax due under this chapter or \$10,000. A
8 contribution claimed as a credit under this section may not be claimed
9 as a credit under another provision of this title.

10 (b) A public college or university that accepts a contribution
11 under this section may only spend the cash received for direct in-
12 struction and instructional support purposes, and must spend the
13 amount within one year of receiving it. The cash received may not be
14 put in an endowment.

15 (c) By September 30 of each year each public college or
16 university shall report to the Legislative Budget and Audit Committee
17 the contributions received and how the contributions were spent.

18 * Sec. 10. AS 43.75.130 is amended by adding a new subsection to read:

19 (b) In this section, "tax revenue collected" includes the amount
20 credited against taxes under AS 43.75.018.

21 * Sec. 11. The provisions of this Act apply to contributions made after
22 December 31, 1986.