Offered: 5/10/86
Referred: Finance

Original sponsors: Gruenberg, Koponen, Ringstad, et al

1 IN THE HOUSE BY THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 688 (HESS)

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, research, and educational support purposes, including library and
12 museum acquisitions, during this period of declining state revenue.

13 * Sec. 2. AS 43.20 is amended by adding a new section to read:

14 Sec. 43.20.014. INCOME TAX EDUCATION CREDIT. (a) A taxpayer is
15 allowed as a credit against the tax due under this chapter 50 percent
16 of cash contributions accepted for direct instruction, research, and
17 educational support purposes, including library and museum acquisi-
18 tions, by an accredited, nonprofit, public or private, Alaska, two- or
19 four-year, college or university. The credit may not exceed the
20 lesser of 10 percent of the amount of tax due under this chapter or
21 $10,000. A contribution claimed as a credit under this section may
22 not be claimed as a credit under another provision of this title. A
23 deduction is not allowed under 26 U.S.C. 170, where the credit provid-
24 ed by this section is claimed.

25 (b) Contributions accepted for endowment purposes are not eligi-
26 ble for the credit under (a) of this section.

27 (c) By September 30 of each year, the Department of Revenue
28 shall report to the Legislative Budget and Audit Committee on the
29 credits taken under this section. Each public college and university

1 shall include in its annual operating budget request contributions
2 received and how the contributions were used.
3 * Sec. 3. AS 43.20.036 is amended by adding a new subsection to read:
4 (j) For purposes of calculating the tax payable under this
5 chapter, a deduction under 26 U.S.C. 170 may only be taken if payment
6 is made on or before the last day of the taxable year.
7 * Sec. 4. AS 43.55 is amended by adding a new section to read:
8 Sec. 43.55.019. OIL OR GAS PRODUCER EDUCATION CREDIT. (a) A
9 producer of oil or gas is allowed as a credit against the tax due
10 under this chapter 50 percent of cash contributions accepted for
11 direct instruction, research, and educational support purposes, in-
12 cluding library and museum acquisitions, by an accredited, nonprofit,
13 public or private, Alaska, two- or four-year, college or university.
14 The credit may only be applied against the tax liability accruing
15 during the month the contribution is made. The credit may not exceed
16 the lesser of 10 percent of the amount of tax due under this chapter
17 or $1,000. A contribution claimed as a credit under this section may
18 not be claimed as a credit under another provision of this title.
19 (b) Contributions accepted for endowment purposes are not eligi-
20 ble for the credit under (a) of this section.
21 (c) By September 30 of each year, the Department of Revenue
22 shall report to the Legislative Budget and Audit Committee on the
23 credits taken under this section. Each public college and university
24 shall include in its annual operating budget request contributions
25 received and how the contributions were used.
26 * Sec. 5. AS 43.56 is amended by adding a new section to read:
27 Sec. 43.56.018. OIL OR GAS PROPERTY EDUCATION CREDIT. (a) The
28 owner of property taxable under this chapter is allowed as a credit
29 against the tax due under this chapter 50 percent of cash

1 contributions accepted for direct instruction, research, and educa-
2 tional support purposes, including library and museum acquisitions, by
3 an accredited, nonprofit, public or private, Alaska, two- or four-
4 year, college or university. The credit may only be applied against
5 the tax liability accruing during the month the contribution is made.
6 The credit may not exceed the lesser of 10 percent of the amount of
7 tax due under this chapter or $1,000. A contribution claimed as a
8 credit under this section may not be claimed as a credit under another
9 provision of this title.
10 (b) Contributions accepted for endowment purposes are not eligi-
11 ble for the credit under (a) of this section.
12 (c) By September 30 of each year, the Department of Revenue
13 shall report to the Legislative Budget and Audit Committee on the
14 credits taken under this section. Each public college and university
15 shall include in its annual operating budget request contributions
16 received and how the contributions were used.
17 * Sec. 6. AS 43.65 is amended by adding a new section to read:
18 Sec. 43.65.018. MINING BUSINESS EDUCATION CREDIT. (a) A person
19 engaged in the business of mining in the state is allowed as a credit
20 against the tax due under this chapter 50 percent of cash contribu-
21 tions accepted for direct instruction, research, and educational
22 support purposes, including library and museum acquisitions, by an
23 accredited, nonprofit, public or private, Alaska, two- or four-year,
24 college or university. The credit may not exceed the lesser of 10
25 percent of the amount of tax due under this chapter or $10,000. A
26 contribution claimed as a credit under this section may not be claimed
27 as a credit under another provision of this title.
28 (b) Contributions accepted for endowment purposes are not eligi-
29 ble for the credit under (a) of this section.

1 (c) By September 30 of each year, the Department of Revenue
2 shall report to the Legislative Budget and Audit Committee on the
3 credits taken under this section. Each public college and university
4 shall include in its annual operating budget request contributions
5 received and how the contributions were used.
6 * Sec. 7. AS 43.75 is amended by adding a new section to read:
7 Sec. 43.75.018. FISHERIES BUSINESS EDUCATION CREDIT. (a) A
8 person engaged in a fisheries business is allowed as a credit against
9 the tax due under this chapter 50 percent of cash contributions ac-
10 cepted for direct instruction, research, and educational support
11 purposes, including library and museum acquisitions, by an accredited,
12 nonprofit, public or private, Alaska, two- or four-year, college or
13 university. The credit may not exceed the lesser of 10 percent of the
14 amount of tax due under this chapter or $10,000. A contribution
15 claimed as a credit under this section may not be claimed as a credit
16 under another provision of this title.
17 (b) Contributions accepted for endowment purposes are not eligi-
18 ble for the credit under (a) of this section.
19 (c) By September 30 of each year, the Department of Revenue
20 shall report to the Legislative Budget and Audit Committee on the
21 credits taken under this section. Each public college and university
22 shall include in its annual operating budget request contributions
23 received and how the contributions were used.
24 * Sec. 8. AS 43.75.130 is amended by adding a new subsection to read:
25 (b) In this section, "tax revenue collected" includes the amount
26 credited against taxes under AS 43.75.018.
27 * Sec. 9. The provisions of this Act apply to contributions made after
28 December 31, 1986.