

Offered: 2/27/87  
Referred: Rules

5-0118B

Original sponsors: Gruenberg, Koponen,  
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1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR HOUSE BILL NO. 6 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to, and allowing tax credits for,  
7 contributions to certain educational institutions;  
8 and restricting state tax deductions under 26 U.S.C.  
9 170."  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
11 \* Section 1. PURPOSE. It is the purpose of this Act to provide col-  
12 leges and universities with a private source of funding for direct instruc-  
13 tion, research, and educational support purposes, including library and  
14 museum acquisitions, during this period of decreased state revenue.  
15 \* Sec. 2. AS 43.20 is amended by adding a new section to read:  
16 Sec. 43.20.014. INCOME TAX EDUCATION CREDIT. (a) A taxpayer is  
17 allowed as a credit against the tax due under this chapter 50 percent  
18 of cash contributions accepted for direct instruction, research, and  
19 educational support purposes, including library and museum acquisi-  
20 tions, by an accredited, nonprofit, public or private, Alaska, two- or  
21 four-year, college or university. The credit may not exceed the  
22 lesser of 10 percent of the amount of tax due under this chapter or  
23 \$10,000. A contribution claimed as a credit under this section may  
24 not be claimed as a credit under another provision of this title. A  
25 deduction is not allowed under 26 U.S.C. 170, if the credit provided  
26 by this section is claimed.  
27 (b) Contributions accepted for endowment purposes are not eligi-  
28 ble for the credit under (a) of this section.  
29 (c) By September 30 of each year, the Department of Revenue

1 shall report to the Legislative Budget and Audit Committee on the  
2 credits taken under this section. Each public college and university  
3 shall include in its annual operating budget request contributions  
4 received and how the contributions were used.

5 \* Sec. 3. AS 43.20.036 is amended by adding a new subsection to read:

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

9 \* Sec. 4. AS 43.55 is amended by adding a new section to read:

10 Sec. 43.55.019. OIL OR GAS PRODUCER EDUCATION CREDIT. (a) A  
11 producer of oil or gas is allowed as a credit against the tax due  
12 under this chapter 50 percent of cash contributions accepted for  
13 direct instruction, research, and educational support purposes, in-  
14 cluding library and museum acquisitions, by an accredited, nonprofit,  
15 public or private, Alaska, two- or four-year, college or university.  
16 The credit may only be applied against the tax liability accruing  
17 during the month the contribution is made. The credit may not exceed  
18 the lesser of 10 percent of the amount of tax due under this chapter  
19 or \$1,000. A contribution claimed as a credit under this section may  
20 not be claimed as a credit under another provision of this title.

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

23 (c) By September 30 of each year, the Department of Revenue  
24 shall report to the Legislative Budget and Audit Committee on the  
25 credits taken under this section. Each public college and university  
26 shall include in its annual operating budget request contributions  
27 received and how the contributions were used.

28 \* Sec. 5. AS 43.56 is amended by adding a new section to read:

29 Sec. 43.56.018. OIL OR GAS PROPERTY EDUCATION CREDIT. (a) The

1 owner of property taxable under this chapter is allowed as a credit  
2 against the tax due under this chapter 50 percent of cash contribu-  
3 tions accepted for direct instruction, research, and educational  
4 support purposes, including library and museum acquisitions, by an  
5 accredited, nonprofit, public or private, Alaska, two- or four-year,  
6 college or university. The credit may only be applied against the tax  
7 liability accruing during the month the contribution is made. The  
8 credit may not exceed the lesser of 10 percent of the amount of tax  
9 due under this chapter or \$1,000. A contribution claimed as a credit  
10 under this section may not be claimed as a credit under another pro-  
11 vision of this title.

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

14 (c) By September 30 of each year, the Department of Revenue  
15 shall report to the Legislative Budget and Audit Committee on the  
16 credits taken under this section. Each public college and university  
17 shall include in its annual operating budget request contributions  
18 received and how the contributions were used.

19 \* Sec. 6. AS 43.65 is amended by adding a new section to read:

20 Sec. 43.65.018. MINING BUSINESS EDUCATION CREDIT. (a) A person  
21 engaged in the business of mining in the state is allowed as a credit  
22 against the tax due under this chapter 50 percent of cash contribu-  
23 tions accepted for direct instruction, research, and educational  
24 support purposes, including library and museum acquisitions, by an  
25 accredited, nonprofit, public or private, Alaska, two- or four-year,  
26 college or university. The credit may not exceed the lesser of 10  
27 percent of the amount of tax due under this chapter or \$10,000. A  
28 contribution claimed as a credit under this section may not be claimed  
29 as a credit under another provision of this title.

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

3 (c) By September 30 of each year, the Department of Revenue  
4 shall report to the Legislative Budget and Audit Committee on the  
5 credits taken under this section. Each public college and university  
6 shall include in its annual operating budget request contributions  
7 received and how the contributions were used.

8 \* Sec. 7. AS 43.75 is amended by adding a new section to read:

9 Sec. 43.75.018. FISHERIES BUSINESS EDUCATION CREDIT. (a) A  
10 person engaged in a fisheries business is allowed as a credit against  
11 the tax due under this chapter 50 percent of cash contributions ac-  
12 cepted for direct instruction, research, and educational support  
13 purposes, including library and museum acquisitions, by an accredited,  
14 nonprofit, public or private, Alaska, two- or four-year, college or  
15 university. The credit may not exceed the lesser of 10 percent of the  
16 amount of tax due under this chapter or \$10,000. A contribution  
17 claimed as a credit under this section may not be claimed as a credit  
18 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. 8. AS 43.75.130 is amended by adding a new subsection to read:

27 (d) In this section, "tax revenue collected" includes the amount  
28 credited against taxes under AS 43.75.018.

29 \* Sec. 9. The provisions of this Act apply to contributions made after

1 December 31, 1987.