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Referred: Judiciary and Finance

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Original sponsors: Gruenberg, Koponen,
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1 IN THE HOUSE BY THE HEALTH, EDUCATION AND
2 SENATE CS FOR CS FOR HOUSE BILL NO. 6 (HESS) am S SOCIAL SERVICES COMMITTEE
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. The Legislature recognizes the unique social and
12 economic importance of Alaska's colleges and universities to the state's
13 future. It is the purpose of this Act to provide colleges and universities
14 with a private source of funding for direct instruction, research, and
15 educational support purposes, including library and museum acquisitions.
16 * Sec. 2. AS 43.20 is amended by adding a new section to read:
17 Sec. 43.20.014. INCOME TAX EDUCATION CREDIT. (a) A taxpayer is
18 allowed as a credit against the tax due under this chapter 50 percent
19 of cash contributions accepted for direct instruction, research, and
20 educational support purposes, including library and museum acqui-
21 sitions, by an accredited, nonprofit, public or private, Alaska, two- or
22 four-year, college or university. The credit may not exceed the
23 lesser of 10 percent of the amount of tax due under this chapter or
24 \$100,000. A contribution claimed as a credit under this section may
25 not be claimed as a credit under another provision of this title. A
26 deduction is not allowed under 26 U.S.C. 170, if the credit provided
27 by this section is claimed.
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. 3. AS 43.20.036 is amended by adding a new subsection to read:

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

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

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

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

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

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

1 Sec. 43.56.018. OIL OR GAS PROPERTY EDUCATION CREDIT. (a) The
2 owner of property taxable under this chapter is allowed as a credit
3 against the tax due under this chapter 50 percent of cash contribu-
4 tions accepted for direct instruction, research, and educational
5 support purposes, including library and museum acquisitions, by an
6 accredited, nonprofit, public or private, Alaska, two- or four-year,
7 college or university. The credit may only be applied against the tax
8 liability accruing during the month the contribution is made. The
9 credit may not exceed the lesser of 10 percent of the amount of tax
10 due under this chapter or \$10,000. A contribution claimed as a credit
11 under this section may not be claimed as a credit under another pro-
12 vision of this title.

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

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

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

21 Sec. 43.65.018. MINING BUSINESS EDUCATION CREDIT. (a) A person
22 engaged in the business of mining in the state is allowed as a credit
23 against the tax due under this chapter 50 percent of cash contribu-
24 tions accepted for direct instruction, research, and educational
25 support purposes, including library and museum acquisitions, by an
26 accredited, nonprofit, public or private, Alaska, two- or four-year,
27 college or university. The credit may not exceed the lesser of 10
28 percent of the amount of tax due under this chapter or \$100,000. A
29 contribution claimed as a credit under this section may not be claimed

1 as a credit under another provision of this title.

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

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

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

10 Sec. 43.75.018. FISHERIES BUSINESS EDUCATION CREDIT. (a) A
11 person engaged in a fisheries business is allowed as a credit against
12 the tax due under this chapter 50 percent of cash contributions ac-
13 cepted for direct instruction, research, and educational support
14 purposes, including library and museum acquisitions, by an accredited,
15 nonprofit, public or private, Alaska, two- or four-year, college or
16 university. The credit may not exceed the lesser of 10 percent of the
17 amount of tax due under this chapter or \$100,000. A contribution
18 claimed as a credit under this section may not be claimed as a credit
19 under another provision of this title.

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

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

27 * Sec. 8. AS 43.75.130 is amended by adding a new subsection to read:

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

1 * Sec. 9. The provisions of this Act apply to contributions made after
2 December 31, 1987.