

HOUSE BILL NO. 331

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE GRUENBERG

Introduced: 5/16/91

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to tax credits for contributions to certain educational institutions; and  
2 providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 \* Section 1. The provisions of this Act revise and extend the credits authorized by ch. 58, SLA 1987,  
5 under each of the following state taxes for contributions made to instate institutions of postsecondary  
6 education:

- 7 (1) Alaska Net Income Tax (AS 43.20);  
8 (2) Oil and Gas Properties Production Tax (AS 43.55);  
9 (3) Oil and Gas Exploration, Production, and Pipeline Transportation Property Tax  
10 (AS 43.56);  
11 (4) Mining License Tax (AS 43.65);  
12 (5) Fisheries Taxes (AS 43.75).

13 \* Sec. 2. AS 43.20.014(a) is amended to read:

14 (a) For cash contributions accepted for direct instruction, research, and educational

1 support purposes, including library and museum acquisitions, and contributions to  
2 endowment, by an accredited, nonprofit, public or private, Alaska two-year or four-year  
3 college or university, a [A] taxpayer is allowed as a credit against the tax due under this chapter

4 (1) 50 percent of [CASH] contributions of not more than [ACCEPTED FOR  
5 DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES,  
6 INCLUDING LIBRARY AND MUSEUM ACQUISITIONS, BY AN ACCREDITED,  
7 NONPROFIT, PUBLIC OR PRIVATE, ALASKA, TWO- OR FOUR-YEAR, COLLEGE OR  
8 UNIVERSITY. THE CREDIT MAY NOT EXCEED THE LESSER OF 10 PERCENT OF THE  
9 AMOUNT OF TAX DUE UNDER THIS CHAPTER OR] \$100,000; and

10 (2) 100 percent of the next \$100,000 of contributions [A CONTRIBUTION  
11 CLAIMED AS A CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED AS A CREDIT  
12 UNDER ANOTHER PROVISION OF THIS TITLE. A DEDUCTION IS NOT ALLOWED  
13 UNDER 26 U.S.C. 170, IF THE CREDIT PROVIDED BY THIS SECTION IS CLAIMED].

14 \* Sec. 3. AS 43.20.014 is amended by adding a new subsection to read:

15 (d) A contribution claimed as a credit under this section

16 (1) may not be claimed as a credit under another provision of this title;

17 (2) may not also be allowed as a deduction under 26 U.S.C. 170 against the tax  
18 imposed by this chapter.

19 \* Sec. 4. AS 43.55.019(a) is amended to read:

20 (a) For cash contributions accepted for direct instruction, research, and educational  
21 support purposes, including library and museum acquisitions, and contributions to  
22 endowment, by an accredited, nonprofit, public or private, Alaska two-year or four-year  
23 college or university, a [A] producer of oil or gas is allowed as a credit against the tax due  
24 under this chapter

25 (1) [AS 43.55.011 - 43.55.150] 50 percent of [CASH] contributions of not more  
26 than \$100,000; and

27 (2) 100 percent of the next \$100,000 of contributions [ACCEPTED FOR  
28 DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES,  
29 INCLUDING LIBRARY AND MUSEUM ACQUISITIONS, BY AN ACCREDITED,  
30 NONPROFIT, PUBLIC OR PRIVATE, ALASKA, TWO- OR FOUR-YEAR, COLLEGE OR  
31 UNIVERSITY. THE CREDIT MAY ONLY BE APPLIED AGAINST THE TAX LIABILITY

1 ACCRUING DURING THE MONTH THE CONTRIBUTION IS MADE. THE CREDIT MAY  
2 NOT EXCEED THE LESSER OF 10 PERCENT OF THE AMOUNT OF TAX DUE UNDER  
3 AS 43.55.011 - 43.55.150 OR \$10,000. A CONTRIBUTION CLAIMED AS A CREDIT UNDER  
4 THIS SECTION MAY NOT BE CLAIMED AS A CREDIT UNDER ANOTHER PROVISION  
5 OF THIS TITLE].

6 \* Sec. 5. AS 43.55.019 is amended by adding new subsections to read:

7 (d) A contribution claimed as a credit under this section may not be claimed as a credit  
8 under another provision of this title.

9 (e) The department may, by regulation, establish procedures by which a taxpayer may  
10 allocate a pro rata share of a credit claimed under this section against monthly tax payments  
11 made during the tax year.

12 \* Sec. 6. AS 43.56.018(a) is amended to read:

13 (a) For cash contributions accepted for direct instruction, research, and educational  
14 support purposes, including library and museum acquisitions, and contributions to  
15 endowment, by an accredited, nonprofit, public or private, Alaska two-year or four-year  
16 college or university, the [THE] owner of property taxable under this chapter is allowed as a  
17 credit against the tax due under this chapter

18 (1) 50 percent of [CASH] contributions of not more than \$100,000; and

19 (2) 100 percent of the next \$100,000 of contributions [ACCEPTED FOR  
20 DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES,  
21 INCLUDING LIBRARY AND MUSEUM ACQUISITIONS, BY AN ACCREDITED,  
22 NONPROFIT, PUBLIC OR PRIVATE, ALASKA, TWO- OR FOUR-YEAR, COLLEGE OR  
23 UNIVERSITY. THE CREDIT MAY ONLY BE APPLIED AGAINST THE TAX LIABILITY  
24 ACCRUING DURING THE MONTH THE CONTRIBUTION IS MADE. THE CREDIT MAY  
25 NOT EXCEED THE LESSER OF 10 PERCENT OF THE AMOUNT OF TAX DUE UNDER  
26 THIS CHAPTER OR \$10,000. A CONTRIBUTION CLAIMED AS A CREDIT UNDER THIS  
27 SECTION MAY NOT BE CLAIMED AS A CREDIT UNDER ANOTHER PROVISION OF  
28 THIS TITLE].

29 \* Sec. 7. AS 43.56.018 is amended by adding new subsections to read:

30 (d) A contribution claimed as a credit under this section may not be claimed as a credit  
31 under another provision of this title.

1 (e) The department may, by regulation, establish procedures by which a taxpayer may  
2 allocate a pro rata share of a credit claimed under this section against monthly tax payments  
3 made during the tax year.

4 \* Sec. 8. AS 43.65.018(a) is amended to read:

5 (a) For cash contributions accepted for direct instruction, research, and educational  
6 support purposes, including library and museum acquisitions, and contributions to  
7 endowment, by an accredited, nonprofit public or private, Alaska two-year or four-year  
8 college or university, a [A] person engaged in the business of mining in the state is allowed as  
9 a credit against the tax due under this chapter

10 (1) 50 percent of [CASH] contributions of not more than [ACCEPTED FOR  
11 DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES,  
12 INCLUDING LIBRARY AND MUSEUM ACQUISITIONS, BY AN ACCREDITED,  
13 NONPROFIT, PUBLIC OR PRIVATE, ALASKA, TWO- OR FOUR-YEAR, COLLEGE OR  
14 UNIVERSITY. THE CREDIT MAY NOT EXCEED THE LESSER OF 10 PERCENT OF THE  
15 AMOUNT OF TAX DUE UNDER THIS CHAPTER OR] \$100,000; and

16 (2) 100 percent of the next \$100,000 of contributions. [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 \* Sec. 9. AS 43.65.018 is amended by adding a new subsection to read:

20 (d) A contribution claimed as a credit under this section may not be claimed as a credit  
21 under another provision of this title.

22 \* Sec. 10. AS 43.75.018(a) is amended to read:

23 (a) For cash contributions accepted for direct instruction, research, and educational  
24 support purposes, including library and museum acquisitions and contributions to  
25 endowment, by an accredited, nonprofit, public or private, Alaska two-year or four-year  
26 college or university, a [A] person engaged in a fisheries business is allowed as a credit against  
27 the tax due under this chapter

28 (1) 50 percent of [CASH] contributions of not more than [ACCEPTED FOR  
29 DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES,  
30 INCLUDING LIBRARY AND MUSEUM ACQUISITIONS, BY AN ACCREDITED,  
31 NONPROFIT, PUBLIC OR PRIVATE, ALASKA, TWO- OR FOUR-YEAR, COLLEGE OR

1 UNIVERSITY. THE CREDIT MAY NOT EXCEED THE LESSER OF 10 PERCENT OF THE  
2 AMOUNT OF TAX DUE UNDER THIS CHAPTER OR] \$100,000; and  
3 (2) 100 percent of the next \$100,000 of contributions. [A CONTRIBUTION  
4 CLAIMED AS A CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED AS A CREDIT  
5 UNDER ANOTHER PROVISION OF THIS TITLE.]  
6 \* Sec. 11. AS 43.75.018 is amended by adding a new subsection to read:  
7 (d) A contribution claimed as a credit under this section may not be claimed as a credit  
8 under another provision of this title.  
9 \* Sec. 12. AS 43.20.014(b), AS 43.55.019(b), AS 43.56.018(b), AS 43.65.018(b), and  
10 AS 43.75.018(b) are repealed.  
11 \* Sec. 13. This Act takes effect January 1, 1992, and applies to tax years beginning after  
12 December 31, 1991.