HOUSE BILL NO. 331 am S

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE GRUENBERG

SENATORS Halford, Rodey, Menard, Pearce, Uehling, Frank, Zharoff

Amended: 5/20/91
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, and limit the total credit that a taxpayer may take against all of the following state taxes
7 during the taxpayer's tax year to a maximum of $150,000:
8 (1) Alaska Net Income Tax (AS 43.20);
9 (2) Oil and Gas Properties Production Tax (AS 43.55);
10 (3) Oil and Gas Exploration, Production, and Pipeline Transportation Property Tax
11 (AS 43.56);
12 (4) Mining License Tax (AS 43.65);
13 (5) Fisheries Taxes (AS 43.75).
14 *** Sec. 2.** AS 43.20.014(a) is amended to read:

1 (a) **For cash contributions accepted for direct instruction, research, and educational**
2 **support purposes, including library and museum acquisitions, and contributions to**
3 **endowment, by a nonprofit, public or private, Alaska two-year or four-year college or**
4 **university accredited by a regional accreditation association, a** [A] taxpayer is allowed as a
5 credit against the tax due under this chapter
6 **(1)** 50 percent of [CASH] contributions **of not more than** [ACCEPTED FOR
7 DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES,
8 INCLUDING LIBRARY AND MUSEUM ACQUISITIONS, BY AN ACCREDITED,
9 NONPROFIT, PUBLIC OR PRIVATE, ALASKA, TWO- OR FOUR-YEAR, COLLEGE OR
10 UNIVERSITY. THE CREDIT MAY NOT EXCEED THE LESSER OF 10 PERCENT OF THE
11 AMOUNT OF TAX DUE UNDER THIS CHAPTER OR] $100,000**; and**
12 **(2) 100 percent of the next $100,000 of contributions** [A CONTRIBUTION
13 CLAIMED AS A CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED AS A CREDIT
14 UNDER ANOTHER PROVISION OF THIS TITLE. A DEDUCTION IS NOT ALLOWED
15 UNDER 26 U.S.C. 170, IF THE CREDIT PROVIDED BY THIS SECTION IS CLAIMED].
16 * **Sec. 3.** AS 43.20.014 is amended by adding a new subsection to read:
17 (d) A contribution claimed as a credit under this section
18 (1) may not be claimed as a credit under another provision of this title;
19 (2) may not also be allowed as a deduction under 26 U.S.C. 170 against the tax
20 imposed by this chapter; and
21 (3) may not, when combined with credits taken during the taxpayer's tax year
22 under AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018, exceed $150,000.
23 * **Sec. 4.** AS 43.55.019(a) is amended to read:
24 (a) **For cash contributions accepted for direct instruction, research, and educational**
25 **support purposes, including library and museum acquisitions, and contributions to**
26 **endowment, by a nonprofit, public or private, Alaska two-year or four-year college or**
27 **university accredited by a regional accreditation association, a** [A] producer of oil or gas is
28 allowed as a credit against the tax due under **this chapter**
29 **(1)** [AS 43.55.011 - 43.55.150] 50 percent of [CASH] contributions **of not more**
30 **than $100,000; and**
31 **(2) 100 percent of the next $100,000 of contributions** [ACCEPTED FOR

1 DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES,
2 INCLUDING LIBRARY AND MUSEUM ACQUISITIONS, BY AN ACCREDITED,
3 NONPROFIT, PUBLIC OR PRIVATE, ALASKA, TWO- OR FOUR-YEAR, COLLEGE OR
4 UNIVERSITY. THE CREDIT MAY ONLY BE APPLIED AGAINST THE TAX LIABILITY
5 ACCRUING DURING THE MONTH THE CONTRIBUTION IS MADE. THE CREDIT MAY
6 NOT EXCEED THE LESSER OF 10 PERCENT OF THE AMOUNT OF TAX DUE UNDER
7 AS 43.55.011 - 43.55.150 OR $10,000. A CONTRIBUTION CLAIMED AS A CREDIT UNDER
8 THIS SECTION MAY NOT BE CLAIMED AS A CREDIT UNDER ANOTHER PROVISION
9 OF THIS TITLE].
10 * **Sec. 5.** AS 43.55.019 is amended by adding new subsections to read:
11 (d) A contribution claimed as a credit under this section may not
12 (1) be claimed as a credit under another provision of this title; and
13 (2) when combined with credits taken during the taxpayer's tax year under AS
14 43.20.014, AS 43.56.018, AS 43.65.018, or AS 43.75.018, exceed $150,000.
15 (e) The department may, by regulation, establish procedures by which a taxpayer may
16 allocate a pro rata share of a credit claimed under this section against monthly tax payments
17 made during the tax year.
18 * **Sec. 6.** AS 43.56.018(a) is amended to read:
19 (a) **<u>For cash contributions accepted for direct instruction, research, and educational</u>**
20 **<u>support purposes, including library and museum acquisitions, and contributions to</u>**
21 **<u>endowment, by a nonprofit, public or private, Alaska two-year or four-year college or</u>**
22 **<u>university accredited by a regional accreditation association, the</u>** [THE] owner of property
23 taxable under this chapter is allowed as a credit against the tax due under this chapter
24 **<u>(1)</u>** 50 percent of [CASH] contributions **<u>of not more than $100,000; and</u>**
25 **<u>(2) 100 percent of the next $100,000 of contributions</u>** [ACCEPTED FOR
26 DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES,
27 INCLUDING LIBRARY AND MUSEUM ACQUISITIONS, BY AN ACCREDITED,
28 NONPROFIT, PUBLIC OR PRIVATE, ALASKA, TWO- OR FOUR-YEAR, COLLEGE OR
29 UNIVERSITY. THE CREDIT MAY ONLY BE APPLIED AGAINST THE TAX LIABILITY
30 ACCRUING DURING THE MONTH THE CONTRIBUTION IS MADE. THE CREDIT MAY
31 NOT EXCEED THE LESSER OF 10 PERCENT OF THE AMOUNT OF TAX DUE UNDER

1 THIS CHAPTER OR $10,000. A CONTRIBUTION CLAIMED AS A CREDIT UNDER THIS
2 SECTION MAY NOT BE CLAIMED AS A CREDIT UNDER ANOTHER PROVISION OF
3 THIS TITLE].
4 * **Sec. 7.** AS 43.56.018 is amended by adding new subsections to read:
5 (d) A contribution claimed as a credit under this section may not
6 (1) be claimed as a credit under another provision of this title; and
7 (2) when combined with credits taken during the taxpayer's tax year under AS
8 43.20.014, AS 43.55.019, AS 43.65.018, or AS 43.75.018, exceed $150,000.
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. 8.** AS 43.65.018(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 a nonprofit public or private, Alaska two-year or four-year college or**
16 **university accredited by a regional accreditation association, a** [A] person engaged in the
17 business of mining in the state is allowed as a credit against the tax due under this chapter
18 (1) 50 percent of [CASH] contributions **of not more than** [ACCEPTED FOR
19 DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES,
20 INCLUDING LIBRARY AND MUSEUM ACQUISITIONS, BY AN ACCREDITED,
21 NONPROFIT, PUBLIC OR PRIVATE, ALASKA, TWO- OR FOUR-YEAR, COLLEGE OR
22 UNIVERSITY. THE CREDIT MAY NOT EXCEED THE LESSER OF 10 PERCENT OF THE
23 AMOUNT OF TAX DUE UNDER THIS CHAPTER OR] $100,000**; and**
24 **(2) 100 percent of the next $100,000 of contributions**. [A CONTRIBUTION
25 CLAIMED AS A CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED AS A CREDIT
26 UNDER ANOTHER PROVISION OF THIS TITLE.]
27 * **Sec. 9.** AS 43.65.018 is amended by adding a new subsection to read:
28 (d) A contribution claimed as a credit under this section may not
29 (1) be claimed as a credit under another provision of this title; and
30 (2) when combined with credits taken during the taxpayer's tax year under AS
31 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.75.018, exceed $150,000.

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

2 (a) **For cash contributions accepted for direct instruction, research, and educational**
3 **support purposes, including library and museum acquisitions and contributions to**
4 **endowment, by a nonprofit, public or private, Alaska two-year or four-year college or**
5 **university accredited by a regional accreditation association, a** [A] person engaged in a
6 fisheries business is allowed as a credit against the tax due under this chapter

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

13 **(2) 100 percent of the next $100,000 of contributions**. [A CONTRIBUTION
14 CLAIMED AS A CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED AS A CREDIT
15 UNDER ANOTHER PROVISION OF THIS TITLE.]

16 * **Sec. 11.** AS 43.75.018 is amended by adding a new subsection to read:

17 (d) A contribution claimed as a credit under this section may not

18 (1) be claimed as a credit under another provision of this title; and

19 (2) when combined with credits taken during the taxpayer's tax year under AS
20 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.65.018, exceed $150,000.

21 * **Sec. 12.** AS 43.20.014(b), AS 43.55.019(b), AS 43.56.018(b), AS 43.65.018(b), and
22 AS 43.75.018(b) are repealed.

23 * **Sec. 13.** This Act takes effect January 1, 1992, and applies to tax years beginning after
24 December 31, 1991.