

CS FOR SENATE BILL NO. 300 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/19/91
Referred: Rules

Sponsor(s): SENATORS KERTTULA, Menard

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 a nonprofit, public or private, Alaska two-year or four-year college or
3 university accredited by a regional accreditation association. a [A] taxpayer is allowed as a
4 credit against the tax due under this chapter

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

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

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

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

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

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

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

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

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

28 (2) 100 percent of the next \$100,000 of contributions [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 ONLY BE APPLIED AGAINST THE TAX LIABILITY
2 ACCRUING DURING THE MONTH THE CONTRIBUTION IS MADE. THE CREDIT MAY
3 NOT EXCEED THE LESSER OF 10 PERCENT OF THE AMOUNT OF TAX DUE UNDER
4 AS 43.55.011 - 43.55.150 OR \$10,000. A CONTRIBUTION CLAIMED AS A CREDIT UNDER
5 THIS SECTION MAY NOT BE CLAIMED AS A CREDIT UNDER ANOTHER PROVISION
6 OF THIS TITLE].

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

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

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

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

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

19 (1) 50 percent of [CASH] contributions of not more than \$100,000; and

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

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

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

1 under another provision of this title.

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

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

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

11 (1) 50 percent of [CASH] contributions of not more than [ACCEPTED FOR
12 DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES,
13 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] \$100,000; and

17 (2) 100 percent of the next \$100,000 of contributions. [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 * Sec. 9. AS 43.65.018 is amended by adding a new subsection to read:

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

23 * Sec. 10. AS 43.75.018(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] person engaged in a
28 fisheries business is allowed as a credit against the tax due under this chapter

29 (1) 50 percent of [CASH] contributions of not more than [ACCEPTED FOR
30 DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES,
31 INCLUDING LIBRARY AND MUSEUM ACQUISITIONS, BY AN ACCREDITED,

1 NONPROFIT, PUBLIC OR PRIVATE, ALASKA, TWO- OR FOUR-YEAR, COLLEGE OR
2 UNIVERSITY. THE CREDIT MAY NOT EXCEED THE LESSER OF 10 PERCENT OF THE
3 AMOUNT OF TAX DUE UNDER THIS CHAPTER OR] \$100,000; and

4 (2) 100 percent of the next \$100,000 of contributions. [A CONTRIBUTION
5 CLAIMED AS A CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED AS A CREDIT
6 UNDER ANOTHER PROVISION OF THIS TITLE.]

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

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

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

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