

SENATE BILL NO. 225

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY SENATOR KERTTULA

Introduced: 1/10/94  
Referred: HES, JUD, FIN

A BILL

FOR AN ACT ENTITLED

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

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

4 \* Section 1. AS 21.09.210 is amended by adding a new subsection to read:

5 (j) The provisions of AS 21.89.070 apply to a taxpayer who is required to pay  
6 a tax due under this section.

7 \* Sec. 2. AS 21.66.110 is amended by adding a new subsection to read:

8 (b) The provisions of AS 21.89.070 apply to a taxpayer who is required to pay  
9 the tax due under this section.

10 \* Sec. 3. AS 21.89 is amended by adding a new section to read:

11 Sec. 21.89.070. INSURANCE TAX CREDIT FOR GIFTS TO COLLEGES.

12 (a) For cash contributions accepted for direct instruction, research, and educational  
13 support purposes, including library and museum acquisitions, and contributions to  
14 endowment, by a nonprofit, public or private, Alaska two-year or four-year college or

1 by an Alaska university foundation accredited by a regional accreditation association,  
2 a taxpayer is allowed as a credit against the tax due under AS 21.09.210 or  
3 AS 21.66.110 the lesser of

4 (1) an amount equal to

5 (A) 50 percent of contributions of not more than \$100,000; and

6 (B) 100 percent of the next \$100,000 of contributions; or

7 (2) 50 percent of the taxpayer's tax liability under this title.

8 (b) By September 30 of each year, the Department of Commerce and  
9 Economic Development shall report to the Legislative Budget and Audit Committee  
10 on the credits taken during the preceding state fiscal year under this section. Each  
11 public college and university shall include in its annual operating budget request  
12 contributions received and how the contributions were used.

13 (c) A contribution claimed as a credit under this section

14 (1) may not be claimed as a credit under more than one provision of  
15 this title; and

16 (2) may not, when combined with credits taken during the taxpayer's  
17 tax year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or  
18 AS 43.75.018, exceed \$150,000.

19 \* Sec. 4. AS 43.20.014(d) is amended to read:

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

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

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

24 (3) may not, when combined with credits taken during the taxpayer's  
25 tax year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, or  
26 AS 43.75.018, exceed \$150,000.

27 \* Sec. 5. AS 43.55.019(d) is amended 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  
31 under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, or AS 43.75.018,

- 1           exceed \$150,000.
- 2   \* Sec. 6. AS 43.56.018(d) is amended to read:
- 3           (d) A contribution claimed as a credit under this section may not
- 4                 (1) be claimed as a credit under another provision of this title; and
- 5                 (2) when combined with credits taken during the taxpayer's tax year
- 6           under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, or AS 43.75.018,
- 7           exceed \$150,000.
- 8   \* Sec. 7. AS 43.65.018(d) is amended to read:
- 9           (d) A contribution claimed as a credit under this section may not
- 10                (1) be claimed as a credit under another provision of this title; and
- 11                (2) when combined with credits taken during the taxpayer's tax year
- 12           under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.75.018,
- 13           exceed \$150,000.
- 14   \* Sec. 8. AS 43.75.018(d) is amended to read:
- 15           (d) A contribution claimed as a credit under this section may not
- 16                (1) be claimed as a credit under another provision of this title; and
- 17                (2) when combined with credits taken during the taxpayer's tax year
- 18           under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.65.018,
- 19           exceed \$150,000.
- 20   \* Sec. 9. This Act is retroactive to January 1, 1994, and applies to contributions made
- 21   under AS 21.89.070, added by sec. 3 of this Act, after December 31, 1993.
- 22   \* Sec. 10. This Act takes effect immediately under AS 01.10.070(c).