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TELEGRAM

ASSOCIAT. INC.
PHONE: 506-6442
JULIEN'S, AK 90802

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62293 POM ANCHORAGE AK 15 43-24 21P AST

PMS SENATOR VIG FISCHER

JULIEN AK

APPRECIATE YOUR CONCERNED REVIEW OF SRS2. IF REPEALED EFFECTIVE
DATE 1-82. PREFER NO REPEAL. RESPECTFULLY,

KEVIN (PAT) PARFELL

BOX 1776 ANCHORAGE AK 99514

1 13 2 11 5 23

(f) Repealed by § 10 ch 1 SSSLA 1980 and § 9 ch 2 SSSLA 1980. (§ 1 ch 70 SLA 1975; am § 2 ch 110 SLA 1978; am §§ 8—11 ch 113 SLA 1980; am § 10 ch 1 SSSLA 1980; am § 9 ch 2 SSSLA 1980)

Effect of amendments. — The 1978 amendment added a former third sentence of subsection (e).

Section 8, ch. 113, SLA 1980, the first 1980 amendment, effective June 21, 1980, and retroactive to January 1, 1980, in former subsection (c), made numerous changes in the tax column of the table. Sections 9 and 10 of ch. 113 rewrote former subsection (d) and subsection (e). Section 11 of ch. 113, effective June 21, 1980, and retroactive to January 1, 1979, added former subsection (f).

The second 1980 amendment, effective September 25, 1980 and retroactive to January 1, 1980, repealed subsections (a)-(d) and (f), concerning income tax on individuals and fiduciaries.

The third 1980 amendment, effective September 25, 1980, and retroactive to January 1, 1979, made the same changes

as the second 1980 amendment.

Editor's note. — As to legislative findings and intent, see § 1, ch. 110, SLA 1978, in the 1978 Temporary and Special Acts and Resolves.

Section 4, ch. 110, SLA 1978, provides: "This Act applies to taxable income earned or received after December 31, 1977."

Section 52, ch. 113, SLA 1980, effective June 21, 1980, makes sections 8—10 of the Act applicable to tax years beginning after December 31, 1979. Section 51 of the Act, effective June 21, 1980, makes section 11 of the Act applicable to tax returns for tax years beginning after December 31, 1978.

For legislative findings and purpose of the second and third 1980 amendments, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.012. Limitation on application of chapter; credits. The tax imposed by this chapter does not apply to individuals or to fiduciaries. However, an individual may file a return under this chapter in order to receive a tax credit under AS 43.20.013. (§ 2 ch 1 SSSLA 1980; § 2 ch 2 SSSLA 1980)

Effective date. — Section 13, ch. 1, SSSLA 1980, and § 11, ch. 2, SSSLA 1980, provide that this section take effect September 25, in accordance with AS 01.10.070(c). Section 12 of ch. 1 provides that this section is retroactive to January 1, 1980, and § 10 of ch. 2, provides that

this section is retroactive to January 1, 1979.

Editor's note. — For legislative findings and purpose of the enacting legislation, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.013. Individual tax credits. (a) [Effective until January 1, 1981] A resident individual is entitled to a tax credit not to exceed \$50 for

(1) A contribution made in a calendar year to a person or organization for use exclusively

- (A) for a political campaign for a candidate for
- (i) President or Vice President of the United States, whether or not the candidate will be voted on in a primary election in Alaska;
- (ii) United States senator from Alaska;
- (iii) United States representative from Alaska;
- (iv) governor or lieutenant governor of Alaska;
- (v) the Alaska legislature;
- (vi) delegate to an Alaska constitutional convention;
- (vii) electoral confirmation as a judge or justice of a court in Alaska;

or

(viii) municipal office in Alaska; or
 (B) by a group seeking to influence the outcome of a ballot proposition or question in Alaska; and
 (2) dues paid in a calendar year to a nonprofit organization organized primarily for the purpose of influencing elections in Alaska.

(a) [Effective January 1, 1981] A resident individual is entitled to a tax credit not to exceed \$100 for
 (1) a contribution made in a calendar year to a person or organization for use exclusively
 (A) for a political campaign for a candidate for
 (i) President or Vice President of the United States, whether or not the candidate will be voted on in a primary election in Alaska;
 (ii) United States senator from Alaska;
 (iii) United States representative from Alaska;
 (iv) governor or lieutenant governor of Alaska;
 (v) the Alaska legislature;
 (vi) delegate to an Alaska constitutional convention;
 (vii) electoral confirmation as a judge or justice of a court in Alaska;
 or
 (viii) municipal office in Alaska; or
 (B) by a group seeking to influence the outcome of a ballot proposition or question in Alaska; and
 (2) dues paid in a calendar year to a nonprofit organization organized primarily for the purpose of influencing elections in Alaska.

(b) A resident individual is entitled to a tax credit equal to 16 percent of the tax credit claimed by the individual on his federal income tax return for household and dependent care services necessary for his gainful employment.

(c) The commissioner of revenue shall pay the amount of a tax credit allowed by this section to a resident individual who makes a return as provided in AS 43.20.012. A credit under this section shall be paid in the manner provided in AS 43.20.030(e) for the payment of refunds and payment may not be made without an appropriation for that purpose. (§ 2 ch 1 SSSLA 1980; am § 9 ch 1 SSSLA 1980; § 2 ch 2 SSSLA 1980)

Effect of amendment. — Section 9, ch 1, SSSLA 1980, effective January 1, 1981, substituted "\$100" for "\$50" in the introductory language of subsection (a).

Effective date. — Section 13, ch 1, SSSLA 1980, and § 11, ch 2, SSSLA 1980, provide that this section take effect September 25, in accordance with AS 01 10 070(c). Section 12 of ch. 1 provides

that this section is retroactive to January 1, 1980, and § 10 of ch. 2, provides that this section is retroactive to January 1, 1979.

Editor's note. — For legislative findings and purpose of the enacting legislation, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

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SLA 1978

Introduced: 1/14/81
Referred: Finance

1 IN THE SENATE

BY COLLETTA

2 SENATE BILL NO. 82

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act repealing the campaign contribution tax credit
7 for individuals; and providing for an effective date."

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

9 * Section 1. AS 43.20.013 is repealed.

10 * Sec. 2. [This Act is retroactive to January 1, 1981, and applies to
11 individual tax years after December 31, 1980.]

12 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).

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STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

February 4, 1981

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 205 - Behrends Building
Juneau, Alaska

Re: Senate Bill No. 82

Dear Senator Fischer:

Senate Bill No. 82, an Act repealing the campaign contribution tax credit for individuals, was introduced in the Senate on February 14, 1981 and was referred to the Senate Finance Committee. Subsequently, on January 16, 1981 the Bill was given an additional referral to the Senate State Affairs Committee.

For the consideration of the Senate State Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary Jenkins, Director, Audit Division and Vincent Wright, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

cc: The Honorable Don Bennett
The Honorable M. E. Dankworth
Co-Chairmen
Senate Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 82
 Title An Act repealing the campaign contribution tax credit for individuals
 Requested by Senate Finance Committee Date 1/22/81

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Revenue Collection And Management
 BRU, Program, or Subprogram(s) Affected Audit Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) - None

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars) - None

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

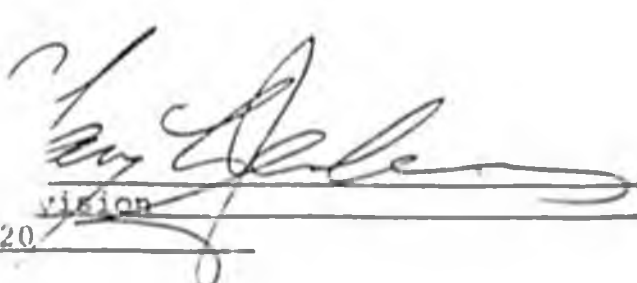
POSITIONS - None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There will be no effect on the administrative costs of the audit division from the repeal of the refundable credit provisions. This bill would repeal both the political contribution and child care credits.

IV. DATE 2/3/81

PREPARED BY 
 AGENCY Audit Division
 PHONE 465-2320

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 82
 Title Repealing the campaign contribution tax credit for individuals
 Requested by Senate Finance Committee Date 1/21/81

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

Millions
FUNDING (Thousands of Dollars)

GENERAL FUND					
FEDERAL FUNDS					
OTHER (Specify Fund Source)					
Savings to the State (Political contributions and child care.)		(1.63)	(2.8)	(2.8)	

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The aforementioned figures reflect the projected upward adjustment in the political contribution credit from \$50 to \$100.

The figures indicated the savings to the State as a result of repeal of the refundable credit portion of AS 43.20.013. Claims for refundable tax credits for 1979 and 1980 would be permitted and payments would be made on those claims.

IV. DATE 1/21/81 PREPARED BY Vincent D. Wright
 AGENCY Revenue
 Original: Legislative Finance PHONE 465-2391
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

CAMPAIGN FINANCING

Statement of position*

as announced by national board, January 1974:

The League of Women Voters of the United States believes that changes must be made in the methods of financing political campaigns in order to make our government more accountable, more representative and more responsive to all of our citizens.

The goals of a campaign finance system should be:

- to ensure the public's right to know;
- to combat corruption and undue influence;
- to enable candidates to compete more equitably for public office;

To achieve these goals, the League favors a system of combined private and public funding and supports the following campaign financing measures:

Disclosure

- Require full and timely disclosure of all campaign contributions and expenditures.
- Require each candidate to designate one central committee to coordinate, control and report all financial transactions.

Limitations

- Limit the size and type of contributions from all sources, including stringent limits on the use of cash.
- Limit total expenditures consistent with full discussion of the issues and adequate exposure of the candidates.
- Limit expenditures for the broadcast media if there are no limits on *total* expenditures.

Enforcement

- Establish an independent body to monitor and enforce the campaign finance laws.

Base of funding

- Encourage broad-based contributions from the general public and the use of tax credits and deductions.
- Provide public financing including income tax checkoff and supplemental government appropriations.
- Equalize the use of government services, such as franking, for challengers and incumbents.

Use of the broadcast media

- Modify the equal time law to facilitate debate and discussion of issues by major candidates, yet allow reasonable opportunities for all candidates to present their views.

Length of campaigns

- Limit the length of campaigns.

Application of position

The League's position on campaign financing reflects our continuing concern for open and honest elections and for maximum citizen participation in the political process. We therefore support broad based citizen involvement in campaigns, including volunteer efforts and limited financial contributions. Recognizing, however, that limited private contributions alone cannot provide adequate funding, the League favors the use of public funds, in addition, to finance political campaigns.

Goals — "To enable candidates to compete more equitably for public office" reflects two distinct concerns: first, that differences in candidates' personal wealth and other financial resources not be a necessary consideration in seeking public office; second, that insofar as possible there be an equalization of opportunity for challengers and incumbents.

Disclosure — "Full and timely disclosure" means full disclosure of contributions before elections and full disclosure of expenditures and other financial transactions by a stated deadline.

*This position is applicable to all federal campaigns for public office — presidential and congressional, primaries as well as general elections. It may also be applied to state and local campaigns.

"One central committee" does not imply a limit to the number of campaign committees that may work for a candidate. It means that each candidate would have a central financial committee to account for all campaign contributions and expenditures and to report these financial transactions to the appropriate regulatory body.

Limitations — The League believes that limits on contributions and expenditures should be realistic and reasonable: high enough to be enforceable and to allow both for discussion of the issues and for visibility of the candidates. Limits should not be so low as to affect challengers adversely.

"Type of contributions" refers to contributions in goods and services, such as office space and personnel, telephone and mail, use of credit cards, etc., as well as money.

The "use of cash," i.e. currency without written instrument, should be limited to *small* amounts but not so limited as to prevent out-of-pocket contributions by citizens.

Enforcement — An "independent body" refers to an elections commission to centralize reporting and overseeing of campaign receipts and expenditures of each candidate and to enforce the campaign financing laws. Such a commission must be adequately funded and staffed, with powers to investigate, to subpoena and to initiate court action against violators. Strong penalties should be provided for violations.

Base of funding — The League favors a mixed system of private and public funding of campaigns that encourages small individual contributions; increases the use of tax credits and deductions and the income tax check-off; and makes additional government funds available to bona fide candidates who have demonstrated substantial public support.

The League believes that the government should supply some services such as telephone, office space and candidate information, partly to help equalize the assets of incumbents and challengers. The League believes that incumbents should not be allowed to use the franking privilege before elections or, conversely, that challengers be extended some free mailing privileges.

Use of the broadcast media — The effect of the equal time provision has been to lessen the amounts of public service time available to major political candidates. Because the League believes that political campaigns should be characterized by full discussion of the issues, we favor changes in this law which would give bona fide candidates more opportunity to discuss substantive questions.

Length of campaigns — The League believes that the length of campaigns should be shortened, for example, by limiting the time period between primaries and general elections. Campaigns should be long enough, however, to allow for discussion of the issues and adequate visibility of all candidates, especially challengers.

March 9, 1981

Mr. Chairman and Members of the State Affairs Committee:

1:30
PM

Several members of the League of Women Voters have been brainstorming ideas for funding day care. We thought we might share our ideas with you.

I think we all agree that we want quality day care for our children and we all want access to day care. The ideas presented here for your consideration are our ideas and do not represent any action activities on our part.

Suggestions for day care...

- 1) Build day care facilities into all new state buildings. The facilities should accomodate from 25 to 50 children. Facilities would be open to use by any users, and not necessarily restricted to folks working in the building.
- 2) State could provide a direct subsidy along the lines of Revenue Sharing of \$30.00 per day, per child to licensed day care facilities including licensed home, day care mothers.

Centers and home day care mothers would continue to charge a daily user fee to parents.

The state/local subsidy for low/moderate income families would continue to assist families with the user fee.

- 3) A bonus of \$100,000 to \$500,000 annually to day care centers providing quality care and education programs. The bonus would be paid after evaluation based on criteria developed by parents and experts in the field of early child development.
- 4) State tax break given to businesses that provide day care on their premises for employee children.

The federal Revenue Act of 1971 provided for this type of tax break.

- 5) Meal subsidies keeping pace with the cost of food.
- 6) Special funding for staff training and continuing education which will enable staff to provide for quality day care.

7) Reimbursement for relatives providing day care

Margaret E. Holland

Margaret E. Holland
League of Women Voters
of Alaska
Action Chair

8926 Birch Lane
Juneau, Alaska 99801
789-0424 / 465-4070