

CS HB

6

SENATE COMMITTEE REPORT

FURTHER:

5/13/87

DATE TURNED INTO OFFICE 5/16/87

Mr. President:

FINANCE Committee considered CSHB 6(Fin) am

relating to, and allowing tax credits for, contributions to certain educational institutions; and restricting state tax deductions under 26 U.S.C. 170.

and recommended:

replace with _____ CS FOR _____) same title
 or adopt _____ SCS FOR CS H.B. 6 (NEEL)) new title

attached amendment(s) S(Jud)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)
 new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

3 DO PASS
Chairman signature and recommendation

Committee Backup Attached

FISCAL NOTE

No. 4

Bill Version: CSHB 6(Fin)
 Publish Date: HOUSE 3/4/87

REQUEST

Bill/Resolution No.: CSHB 6 (FIN)
 Title: Act allowing tax credits for contributions to educational institutions
 Sponsor: Gruenderg, et. al
 Requestor: _____
 Date of Request: January 27, 1987

FISCAL DETAIL

Agency Affected: University of Alaska
 BRU: All
 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE		Positive	Positive	Positive	Positive	Positive

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See attached.

Prepared by: Brian Rogers, Budget Director
 Division: University of Alaska
 Approved by ^{Vice President} Sherrill Carter
 Agency: University of Alaska

Phone: 474-6490
 Date: January 29, 1987
 Date: January 29, 1987

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 6(Fin)

No. 4
CSHB 6(Fin)
3/4/87

It is impossible to give exact figures on what the revenue gain to the University of Alaska would be under HB 6 because, although the tax credit incentive can be analyzed, the degree of response to such a tax measure is not possible to gauge.

Corporations who now make charitable contributions will have an incentive to channel them toward qualifying institutions, as they will have an economic incentive to do so. Losses to the Alaska state treasury from the tax credit will be offset by corresponding gains — twice as large as the losses — to Alaska educational institutions.

This is particularly important in the case of multi-state corporations, who will, if the measure passes, have a strong economic incentive to contribute to qualifying educational institutions in Alaska, rather than institutions in other states. Non-Alaska tax-deductible organizations will tend to lose contributions as corporations operating in Alaska will retain a greater amount of net income by redirecting their contributions to qualifying Alaska educational institutions.

The magnitude of corporate contributions which might be affected is likely to be in the \$250,000 to \$1 million range annually. The oil industry, for example, contributed less than \$20 million to U.S. colleges and universities in 1984. If the University of Alaska could due to this tax credit garner 2% of the total U.S. oil industry contributions, the measure would generate \$400,000 for the university and cost \$200,000 to the state treasury.

Provisions in the legislation which deny eligibility for contributions accepted for endowment purposes will, however, be detrimental to current efforts by the University of Alaska. The university is seeking to increase the size of its endowments and to create endowed chairs in areas of excellence. These provisions (Sec. 43.20.014(b), Sec. 43.55.109(b), Sec. 43.55.018(b), Sec. 43.65.018(b), and Sec. 43.75.018(b)) will create economic disincentives for corporations and individuals to contribute to endowments; those wishing to contribute to the university will receive additional economic benefits if they contribute to current operations rather than endowments.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CEHB 6(Fin)
Publish Date: HOUSE 3/4/87

REQUEST

Revision Date: 2/3/87
Title: Tax Credits - Educational Institutions
Sponsor: Gruenberg et al
Requestor: House Health, Education & Social Services and Finance

Agency Affected: Revenue
BRU: Audit

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
TRAVEL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CONTRACTUAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
SUPPLIES	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
EQUIPMENT	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
LANDS & STRUCTURES	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
GRANTS, CLAIMS	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
MISCELLANEOUS	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
REVENUE	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

FUNDING: (Thousands of Dollars)

GENERAL FUND	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
FEDERAL FUNDS	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
OTHER	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
TOTAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: See attached.

Prepared By: Steven E. Kettel
Division: Audit

Phone: 465-2320
Date: 2/3/87

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: 2/4/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Fiscal Note Bill Analysis

Section 1 - 7

HB 6 is very similar to CS for HB 688 which was introduced in the House last year. The bill provides for a tax credit to be given to those persons and businesses making cash contributions to certain educational institutions and restricting state tax deductions under 26 U.S.C. 170.

The credit is generally limited to 50 percent of the contribution and is further limited depending upon the type of tax being offset. The following tax types may receive the credit and the additional limitations are noted

TAX TYPE	LIMITATION
AS 43.20 Corporate Income Tax	Lesser of 10% of tax or \$20,000
AS 43.55 Oil & Gas Production Tax	Lesser of 10% of tax or \$1,000
AS 43.56 Oil & Gas Property Tax	Lesser of 10% of tax or \$1,000
AS 43.65 Mining Tax	Lesser of 10% of tax or \$10,000
AS 43.75 Fisheries Business Tax	Lesser of 10% of tax or \$10,000

For income tax purposes the credit is in lieu of the contribution deduction normally allowed by the Internal Revenue Code. A person with a tax liability in several of the creditable tax types may only receive credit under one type. There is no carryover of unused credits as drafted.

Contributions may not be earmarked for specific purposes and must be used for direct instruction, research, and educational support purposes, including library and museum acquisitions.

Both the Department of Revenue and each public college and university must file informational reports with the legislature.

Section 8

Provides that the tax credit will not reduce the 25 - 50 percent share of the fisheries tax that is shared to local municipalities.

Section 9

Provides an effective date applicable to contributions made after December 31, 1987.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSHB 6(Fin)
Publish Date: HOUSE 3/4/87

REQUEST

Revision Date:
Title: An Act Allowing Tax Credits For
Contributions to Education Institutions
Sponsor: Gruenberg
Requestor: _____

Agency Affected: Revenue
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	(See Attachment)					

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

Prepared By: Mary Ellen Frank/Bob Elliott *MEF BE*
Division: Research

Phone: 465-2173
Date: 2/6/87

Approved by Commissioner: Hugh Malone *HW For*
Agency: Revenue

Date: 2/9/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Continuation for Fiscal Note Analysis

HB 6

It is impossible to give exact figures on what the revenue loss to the State would be under HB 6 because, although the incentives can be analyzed (below), the degree of response to the tax measure isn't possible to gauge.

1. The State will lose tax revenue but may also have less demand for existing revenues if educational institutions are funded by private contributions.
2. Non-educational tax deductible organizations will tend to lose contributions from companies because corporations will have a net gain in retained income by redirecting their contribution budgets to qualifying Alaska educational institutions.
3. Non-Alaskan tax deductible organizations including educational institutions will tend to lose contributions as corporations operating in Alaska will retain a greater amount of net income by redirecting their contributions to qualifying Alaska educational institutions.
4. On aggregate, companies that do not make charitable contributions now will have no economic incentives* to change that. Companies that have contribution budgets will have incentive to channel them toward qualifying institutions as they will have an economic incentive*. *Economic incentive here means having greater net income retained after contribution.
5. The Federal government will tend to gain tax revenue on aggregate. Companies which currently make contributions will have less deductions against Federal income taxes (due to the add back of state credits), and thus will have a greater Federal tax liability. In contrast, companies not already making contributions would have more deductions and less Federal tax liability if they chose to make contributions. However, as noted in item four above, they would have less retained income after contributions, and thus no economic incentive.
6. There will be less ability for the State and educational institutions to estimate revenues and subsequently to control budgets due to the unpredictable nature of the tax credits.

Original sponsors: Gruenberg, Koponen,
Frank, et al.

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

SENATE CS FOR CS FOR HOUSE BILL NO. 6 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to, and allowing tax credits for,

7

contributions to certain educational institutions;

8

and restricting state tax deductions under 26 U.S.C.

9

170."

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

11 * Section 1. PURPOSE. It is the purpose of this Act to provide col-
12 leges and universities with a private source of funding for direct instruc-
13 tion, research, and educational support purposes, including library and
14 museum acquisitions, during this period of decreased state revenue.

15 * Sec. 2. AS 43.20 is amended by adding a new section to read:

16 Sec. 43.20.014. INCOME TAX EDUCATION CREDIT. (a) A taxpayer is
17 allowed as a credit against the tax due under this chapter 50 percent
18 of cash contributions accepted for direct instruction, research, and
19 educational support purposes, including library and museum acquisi-
20 tions, by an accredited, nonprofit, public or private, Alaska, two- or
21 four-year, college or university. The credit may not exceed the
22 lesser of 10 percent of the amount of tax due under this chapter or
23 \$100,000. A contribution claimed as a credit under this section may
24 not be claimed as a credit under another provision of this title. A
25 deduction is not allowed under 26 U.S.C. 170, if the credit provided
26 by this section is claimed.

27 (b) Contributions accepted for endowment purposes are not eligi-
28 ble for the credit under (a) of this section.

29 (c) By September 30 of each year, the Department of Revenue

1 shall report to the Legislative Budget and Audit Committee on the
2 credits taken under this section. Each public college and university
3 shall include in its annual operating budget request contributions
4 received and how the contributions were used.

5 * Sec. 3. AS 43.20.036 is amended by adding a new subsection to read:

6 (j) For purposes of calculating the tax payable under this
7 chapter, a deduction under 26 U.S.C. 170 may only be taken if payment
8 is made on or before the last day of the taxable year.

9 * Sec. 4. AS 43.55 is amended by adding a new section to read:

10 Sec. 43.55.019. OIL OR GAS PRODUCER EDUCATION CREDIT. (a) A
11 producer of oil or gas is allowed as a credit against the tax due
12 under this chapter 50 percent of cash contributions accepted for
13 direct instruction, research, and educational support purposes, in-
14 cluding library and museum acquisitions, by an accredited, nonprofit,
15 public or private, Alaska, two- or four-year, college or university.
16 The credit may only be applied against the tax liability accruing
17 during the month the contribution is made. The credit may not exceed
18 the lesser of 10 percent of the amount of tax due under this chapter
19 or \$10,000. A contribution claimed as a credit under this section may
20 not be claimed as a credit under another provision of this title.

21 (b) Contributions accepted for endowment purposes are not eligi-
22 ble for the credit under (a) of this section.

23 (c) By September 30 of each year, the Department of Revenue
24 shall report to the Legislative Budget and Audit Committee on the
25 credits taken under this section. Each public college and university
26 shall include in its annual operating budget request contributions
27 received and how the contributions were used.

28 * Sec. 5. AS 43.56 is amended by adding a new section to read:

29 Sec. 43.56.018. OIL OR GAS PROPERTY EDUCATION CREDIT. (a) The

1 owner of property taxable under this chapter is allowed as a credit
2 against the tax due under this chapter 50 percent of cash contribu-
3 tions accepted for direct instruction, research, and educational
4 support purposes, including library and museum acquisitions, by an
5 accredited, nonprofit, public or private, Alaska, two- or four-year,
6 college or university. The credit may only be applied against the tax
7 liability accruing during the month the contribution is made. The
8 credit may not exceed the lesser of 10 percent of the amount of tax
9 due under this chapter or \$10,000. A contribution claimed as a credit
10 under this section may not be claimed as a credit under another pro-
11 vision of this title.

12 (b) Contributions accepted for endowment purposes are not eligi-
13 ble for the credit under (a) of this section.

14 (c) By September 30 of each year, the Department of Revenue
15 shall report to the Legislative Budget and Audit Committee on the
16 credits taken under this section. Each public college and university
17 shall include in its annual operating budget request contributions
18 received and how the contributions were used.

19 * Sec. 6. AS 43.65 is amended by adding a new section to read:

20 Sec. 43.65.018. MINING BUSINESS EDUCATION CREDIT. (a) A person
21 engaged in the business of mining in the state is allowed as a credit
22 against the tax due under this chapter 50 percent of cash contribu-
23 tions accepted for direct instruction, research, and educational
24 support purposes, including library and museum acquisitions, by an
25 accredited, nonprofit, public or private, Alaska, two- or four-year,
26 college or university. The credit may not exceed the lesser of 10
27 percent of the amount of tax due under this chapter or \$100,000. A
28 contribution claimed as a credit under this section may not be claimed
29 as a credit under another provision of this title.

1 (b) Contributions accepted for endowment purposes are not eligi-
2 ble for the credit under (a) of this section.

3 (c) By September 30 of each year, the Department of Revenue
4 shall report to the Legislative Budget and Audit Committee on the
5 credits taken under this section. Each public college and university
6 shall include in its annual operating budget request contributions
7 received and how the contributions were used.

8 * Sec. 7. AS 43.75 is amended by adding a new section to read:

9 Sec. 43.75.018. FISHERIES BUSINESS EDUCATION CREDIT. (a) A
10 person engaged in a fisheries business is allowed as a credit against
11 the tax due under this chapter 50 percent of cash contributions ac-
12 cepted for direct instruction, research, and educational support
13 purposes, 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. 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 (b) Contributions accepted for endowment purposes are not eligi-
20 ble for the credit under (a) of this section.

21 (c) By September 30 of each year, the Department of Revenue
22 shall report to the Legislative Budget and Audit Committee on the
23 credits taken under this section. Each public college and university
24 shall include in its annual operating budget request contributions
25 received and how the contributions were used.

26 * Sec. 8. AS 43.75.130 is amended by adding a new subsection to read:

27 (d) In this section, "tax revenue collected" includes the amount
28 credited against taxes under AS 43.75.018.

29 * Sec. 9. The provisions of this Act apply to contributions made after

1 December 31, 1987.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

MEMORANDUM

April 16, 1987

SUBJECT: Constitutionality of SCSCSHB 6 (HESS)

TO: Senator Paul Fischer, Chair
 Health, Education and Social Services
 Committee

FROM: Theresa L. Bannister *TB*
 Legislative Counsel

This memo accompanies the committee substitute for CSHB 6(Fin) am that has been requested for your committee. The CS adds private schools to the tax credit provisions.

Please be aware that a question exists about the constitutionality of the proposed CS because it covers private schools. The state constitution prohibits public money being spent "for the direct benefit of any religious or other private educational institution". Art. VII, sec. 1, Alaska State Constitution. Applying private school contributions as credits against taxes owed to the state might be construed to be using state money for the benefit of religious or other private educational institutions. There does not appear to be any case law directly on this point, so the result of a court challenge is unclear.

If I may be of further assistance, please advise.

TLB:mkr
m11/033

Enclosure

Original sponsors: Gruenberg, Koponen,
Frank, et al.

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 6 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to, and allowing tax credits for,
7 contributions to certain educational institutions;
8 and restricting state tax deductions under 26 U.S.C.
9 170."
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
11 * Section 1. PURPOSE. It is the purpose of this Act to provide col-
12 leges and universities with a private source of funding for direct instruc-
13 tion, research, and educational support purposes, including library and
14 museum acquisitions, during this period of decreased state revenue.
15 * Sec. 2. AS 43.20 is amended by adding a new section to read:
16 Sec. 43.20.014. INCOME TAX EDUCATION CREDIT. (a) A taxpayer is
17 allowed as a credit against the tax due under this chapter 50 percent
18 of cash contributions accepted for direct instruction, research, and
19 educational support purposes, including library and museum acquisi-
20 tions, by an accredited, nonprofit, public, Alaska, two- or four-year,
21 college or university. The credit may not exceed the lesser of 10
22 percent of the amount of tax due under this chapter or \$10,000. A
23 contribution claimed as a credit under this section may not be claimed
24 as a credit under another provision of this title. A deduction is not
25 allowed under 26 U.S.C. 170, if the credit provided by this section is
26 claimed.
27 (b) Contributions accepted for endowment purposes are not eligi-
28 ble for the credit under (a) of this section.
29 (c) By September 30 of each year, the Department of Revenue

1 shall report to the Legislative Budget and Audit Committee on the
2 credits taken under this section. Each public college and university
3 shall include in its annual operating budget request contributions
4 received and how the contributions were used.

5 * Sec. 3. AS 43.20.036 is amended by adding a new subsection to read:

6 (j) For purposes of calculating the tax payable under this
7 chapter, a deduction under 26 U.S.C. 170 may only be taken if payment
8 is made on or before the last day of the taxable year.

9 * Sec. 4. AS 43.55 is amended by adding a new section to read:

10 Sec. 43.55.019. OIL OR GAS PRODUCER EDUCATION CREDIT. (a) A
11 producer of oil or gas is allowed as a credit against the tax due
12 under this chapter 50 percent of cash contributions accepted for
13 direct instruction, research, and educational support purposes, in-
14 cluding library and museum acquisitions, by an accredited, nonprofit,
15 public, Alaska, two- or four-year, college or university. The credit
16 may only be applied against the tax liability accruing during the
17 month the contribution is made. The credit may not exceed the lesser
18 of 10 percent of the amount of tax due under this chapter or \$1,000.
19 A contribution claimed as a credit under this section may not be
20 claimed as a credit under another provision of this title.

21 (b) Contributions accepted for endowment purposes are not eligi-
22 ble for the credit under (a) of this section.

23 (c) By September 30 of each year, the Department of Revenue
24 shall report to the Legislative Budget and Audit Committee on the
25 credits taken under this section. Each public college and university
26 shall include in its annual operating budget request contributions
27 received and how the contributions were used.

28 * Sec. 5. AS 43.56 is amended by adding a new section to read:

29 Sec. 43.56.018. OIL OR GAS PROPERTY EDUCATION CREDIT. (a) The

1 owner of property taxable under this chapter is allowed as a credit
2 against the tax due under this chapter 50 percent of cash contribu-
3 tions accepted for direct instruction, research, and educational
4 support purposes, including library and museum acquisitions, by an
5 accredited, nonprofit, public, Alaska, two- or four-year, college or
6 university. The credit may only be applied against the tax liability
7 accruing during the month the contribution is made. The credit may
8 not exceed the lesser of 10 percent of the amount of tax due under
9 this chapter or \$1,000. A contribution claimed as a credit under this
10 section may not be claimed as a credit under another provision of this
11 title.

12 (b) Contributions accepted for endowment purposes are not eligi-
13 ble for the credit under (a) of this section.

14 (c) By September 30 of each year, the Department of Revenue
15 shall report to the Legislative Budget and Audit Committee on the
16 credits taken under this section. Each public college and university
17 shall include in its annual operating budget request contributions
18 received and how the contributions were used.

19 * Sec. 6. AS 43.65 is amended by adding a new section to read:

20 Sec. 43.65.018. MINING BUSINESS EDUCATION CREDIT. (a) A person
21 engaged in the business of mining in the state is allowed as a credit
22 against the tax due under this chapter 50 percent of cash contribu-
23 tions accepted for direct instruction, research, and educational
24 support purposes, including library and museum acquisitions, by an
25 accredited, nonprofit, public, Alaska, two- or four-year, college or
26 university. The credit may not exceed the lesser of 10 percent of the
27 amount of tax due under this chapter or \$10,000. A contribution
28 claimed as a credit under this section may not be claimed as a credit
29 under another provision of this title.

1 (b) Contributions accepted for endowment purposes are not eligi-
2 ble for the credit under (a) of this section.

3 (c) By September 30 of each year, the Department of Revenue
4 shall report to the Legislative Budget and Audit Committee on the
5 credits taken under this section. Each public college and university
6 shall include in its annual operating budget request contributions
7 received and how the contributions were used.

8 * Sec. 7. AS 43.75 is amended by adding a new section to read:

9 Sec. 43.75.018. FISHERIES BUSINESS EDUCATION CREDIT. (a) A
10 person engaged in a fisheries business is allowed as a credit against
11 the tax due under this chapter 50 percent of cash contributions ac-
12 cepted for direct instruction, research, and educational support
13 purposes, including library and museum acquisitions, by an accredited,
14 nonprofit, public, Alaska, two- or four-year, college or university.
15 The credit may not exceed the lesser of 10 percent of the amount of
16 tax due under this chapter or \$10,000. A contribution claimed as a
17 credit under this section may not be claimed as a credit under another
18 provision of this title.

19 (b) Contributions accepted for endowment purposes are not eligi-
20 ble for the credit under (a) of this section.

21 (c) By September 30 of each year, the Department of Revenue
22 shall report to the Legislative Budget and Audit Committee on the
23 credits taken under this section. Each public college and university
24 shall include in its annual operating budget request contributions
25 received and how the contributions were used.

26 * Sec. 8. AS 43.75.130 is amended by adding a new subsection to read:

27 (d) In this section, "tax revenue collected" includes the amount
28 credited against taxes under AS 43.75.018.

29 * Sec. 9. The provisions of this Act apply to contributions made after

1 December 31, 1987.

SENATE COMMITTEE REPORT

FURTHER:

JUDICIARY
FINANCE

3/9/87

DATE TURNED INTO OFFICE 4/16/87

Mr. President:

HESS Committee considered CSHB 6(Fin)am

relating to, and allowing tax credits for, contributions to certain educational institutions; and restricting state tax deductions under 26 U.S.C. 170."

and recommended:

replace with SCS FOR CS HB 6 (HESS)) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Paul F. ...
Paul P. Josephson

Paul F. ... Do Pass
Chairman signature and recommendation

Committee Backup Attached

SENATE COMMITTEE REPORT

FURTHER: FINANCE

DATE TURNED INTO OFFICE

5/12/87

Mr. President:

JUDICIARY

Committee considered CSHB 6 (Fin) am

relating to, and allowing tax credits for, contributions to certain educational institutions; and restricting state tax deductions under 26 U.S.C. 170.

and recommended:

[] replace with CS FOR _____) [] same title
[] or adopt _____ CS FOR _____) [] new title

[X] attached amendment(s) and

[] do pass

[] do not pass

[] no recommendation

[X] individual recommendations

[] further referral to _____

[] letter of intent adopted _____

Committee [X] attached or [] adopted fiscal note(s)

[] new [X] updated or [X] previous
[] zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Handwritten signatures: Bob Koller, Dan Rosenthal, Rich Hallford, Curtis Jungnickel

Blank lines for other recommendations

Handwritten signature: Kathleen De-...
Chairman signature and recommendation

[] Committee Backup Attached