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# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

P.O. BOX 110100  
 JUNEAU, ALASKA 99811-0100  
 TELEPHONE: (907) 465-2300  
 FACSIMILE: (907) 465-2369

September 30, 1993

The Honorable Randy Phillips, Chairman  
 Legislative Budget and Audit Committee  
 P.O. Box 142  
 Eagle River, AK 99577

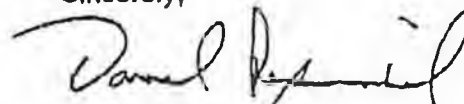
Dear Senator Phillips:

Alaska's education tax credit program was available to corporations and businesses which made contributions to public or private Alaska colleges or universities during the past year. Effective January 1, 1992 the education credit statutes were amended to increase the maximum credit from \$100,000 to \$150,000.

Under the education credit program, taxpayers are allowed a credit against their tax liabilities for 50% of qualified contributions of not more than \$100,000 and 100% of the next \$100,000 of contributions. In accordance with reporting requirements under the statutes listed below, following are the amount of education credits claimed against tax liabilities during the past year.

	Statute	Amount
Corporation Net Income	AS 43.20.014 (c)	\$438,016
Oil and Gas Production	AS 43.85.019 (c)	71,080
Oil and Gas Property	AS 43.56.018 (c)	24,333
Mining License	AS 43.65.018 (c)	0
Fisheries Business	AS 43.75.018 (c)	0
<b>Total</b>		<b>\$533,429</b>

Sincerely,



Darrel J. Rexwinkel  
 Commissioner

cc: Shelby Stastny, Director, Office of Management and Budget  
 Kris Lethin, Legislative Liaison  
 Robert Baratko, Director, Administrative Services Division  
 Larry Meyers, Director, Income and Excise Audit Division  
 John Pilkinton, Director, Oil and Gas Audit Division

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# Alaska State Legislature

Senate Majority Leader  
Chair, Judiciary Committee  
Vice Chair, Community &  
Regional Affairs

Member, State Affairs Committee  
Committee on Committees  
Western States Legislative Forestry Task Force  
Legislative Council



*Senator Robin L. Taylor*

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3873  
Fax: (907) 465-3922

352 Front Street  
Ketchikan, Alaska 99901  
(907) 225-8088  
Fax: (907) 225-0713

## SPONSOR STATEMENT

### SPONSOR SUBSTITUTE FOR SENATE BILL 223

Despite reductions of about 35% since 1986, public broadcasting in Alaska still costs the general fund more than six million dollars per year. Enactment of this legislation would provide an incentive for business and industry to contribute to public broadcasting and reduce the dependence on state funding.

Alaska's public radio and television networks and stations are recognized as an integral part of our educational system. Under Senate Bill 223, contributions to those networks and stations would be allowed as a tax credit under the same provisions which allow for credit for donations to our colleges and universities.

This bill would allow for such credits against the Alaska Net Income Tax and four other state taxes. In fiscal year 1993, Alaska business and industry claimed \$533,429 against their taxes for donations under the education tax credit provisions.

The Alaska State Legislature has shown strong support for public broadcasting in the past. Public broadcasting is a vital part of our communications and education system, depended upon by thousands of rural and urban Alaskans.

To quote Rich McClear, the former manager of Raven Radio in Sitka, "Raven Radio would find this bill very useful in helping us become more independent of state support". That is the goal of SB 223 and I ask for your support.

SPONSOR STATEMENT

# FISCAL NOT

No. 2

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

Bill Version SSB 223

(S) Publish Date: 3-2-94

Revision Date: _____	Dept. Affected: <u>Administration</u>
Title: <u>"An Act authorizing credits against certain taxes for broadcasting...."</u>	BFU: <u>Public Broadcasting Commission</u>
Sponsor: <u>Taylor</u>	Component: <u>Public Broadcasting Commission</u>
Requestor: <u>(S) CRA</u>	COMPONENT SERIAL NO. <u>77</u>

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
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<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of current year (FY94) cost: none

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS:** (Attach a separate page if necessary)

Prepared by: <u>Doug Samimi-Moore</u>	Phone: <u>465-2846</u>
Division: <u>Alaska Public Broadcasting Commission</u>	Date: _____
Approved by Commissioner: <u>Nancy Bear Usual</u>	Date: <u>3/28/94</u>
Agency: <u>Administration</u>	

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Page 1 of 1

# FISCAL NOTE

No. 1

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BI Bill Version SSSB 223  
(S) Publish Date: 3-2-94

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
Title: Tax Credit: Gifts to Public Broadcasting BRU: Revenue Operations  
Component: Income and Excise Audit  
Sponsor: Senator Taylor  
Requestor: (S) CRA COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL</b>						
<b>REVENUE FUND SOURCE: General</b>	(**)	(**)	(**)	(**)	(**)	(**)

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary.)  
  
(\*\*) See Attached

Prepared by: Larry E. Mevers *[Signature]* Phone: 465-2320  
Division: Income and Excise Audit Date: March 1, 1994  
Approved by Commissioner: Darrel J. Rexwinkel *[Signature]* Date: March 1, 1994  
Agency: Department of Revenue

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### Bill Analysis

This bill authorizes taxpayers to claim a credit against taxes due for cash contributions to private nonprofit corporations that are licensed as a public broadcasting station in the state. The credit, not to exceed \$150,000, may be claimed against the following tax types:

- Corporation Net Income (AS 43.20)
- Oil and Gas Production (AS 43.55)
- Oil and Gas Property (AS 43.56)
- Mining License (AS 43.65)
- Fisheries Business (AS 43.75)

During the taxpayer's tax year, credits claimed cannot be combined to exceed \$150,000.

This bill takes effect January 1, 1995.

### Revenue

Total amount of credits will vary each year depending on contributions made by taxpayers. Although it is not likely that all taxpayers will make contributions to reach the maximum \$150,000 credit allowed under this bill and have tax liabilities to the extent of the credit, following is the maximum impact on revenue assuming that the top 10% of taxpayers claim the maximum credit allowed (except that all oil and gas taxpayers would claim credits).

<i>Tax Type</i>	<i># Taxpayers</i>	<i>Total Credits (# Taxpayers x \$150,000)</i>
Corporation Net Income	685	\$102,750,000
Oil and Gas Production and Property	30	4,500,000
Mining License	50	7,500,000
Fisheries Business	50	7,500,000
<b>Total</b>	<b>815</b>	<b>\$122,250,000</b>





**RAVEN RADIO**  
**KCAW • 104.7 FM**

2 B Lincoln Street • Sitka, Alaska 99835 • (907) 747-5877

September 5, 1993

Joe Ambrose, Chief of Staff  
Senator Robin Taylor  
392 Front St.  
Ketchikan, AK 99901

Dear Joe,

Thank you for sending me the tax credit bill which Senator Taylor hopes to introduce in the legislature next session. The bill looks like the type we would like to see introduced and passed into law. Diane Kaplan of APRN is reviewing the bill and running it past two APRN board members who represent corporations that plan to make major contributions to Public Radio to see if there are any changes they feel would be helpful. Raven Radio would find this bill very useful in helping us become more independent of State support. It will be especially useful as we approach corporations in a capital drive.

This may be my last letter to you for a while. I will be going to Albania in mid September to work for Radio Tirane on a grant from the German Marshall Fund of the United States. Therefore I have resigned my position as manager of Raven Radio. I plan to return to Sitka in the spring of 1994 and pursue other activities. Ken Fate has been named Interim General Manager. He has been Chief Announcer, supervising volunteers for the past three years. Before that Ken managed KUOI in Moscow Idaho. I know you will find him a pleasure to work with.

Thank you for your help on this legislation and for your overall help the past years.

Sincerely,

Rich McClear  
General Manager

August 30, 1993

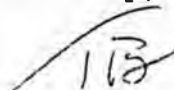
Joe Ambrose  
352 Front Street  
Ketchikan, Alaska 99901

Dear Joe:

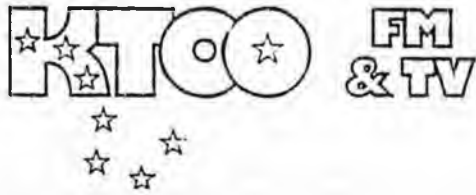
Just received your fax on Robin's draft bill on tax credits for public broadcasting. We appreciate Robin's efforts on our behalf as we face yet another year of decreasing revenue. KSTK has redoubled our efforts to find outside funding in order to keep the five staff members required for federal funding.

Please keep us notified of the progress of this bill. If you have any questions, please give me a call.

Sincerely,



Tis Peterman  
General Manager



Capital Community Broadcasting, Inc.  
224 Fourth Street  
Juneau, Alaska 99801-1198  
(907) 586-1670  
FAX: (907) 586-3612

August 27, 1993

Senator Robin Taylor  
c/o Joe Ambrose  
35 1/2 Front Street  
Ketchikan, Alaska 99901

Dear Senator Taylor:

Thanks for sharing the draft of the tax credit legislation. We're delighted that you're taking the lead on this important means of helping public stations become more self reliant.

At first glance, the draft bill seems right in line with our ideas. I'm hoping to have a chance to discuss the specifics with some of my colleagues at other stations in the next week or two, and will plan on a more complete response soon. One preliminary suggestion would be to extend the credit to communications and transportation companies. Both industries are already substantial supporters, and would be likely to increase their support under the terms of your bill.

I hope you're enjoying the interim and the great Southeast summer. Thanks for taking the time to think about this piece of legislation.

Sincerely,

A handwritten signature in cursive script that reads 'Bill'.

Bill Legere  
President and General Manager