

**HB**

**269**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 3, 1995

FURTHER REFERRALS:

Date of Committee Action: 4/26/95

The FINANCE Committee considered:

HB 269

HOUSE BILL NO. 269

TAX CREDIT: GIFTS TO PUBLIC BROADCASTING

"An Act relating to credits against certain taxes for contributions to certain public educational radio and television networks and stations and to endowments for public educational radio and television networks; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 269 (FIN)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal note(s) \_\_\_\_\_  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) Revenue 4/3/95

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Mark J. Hanley</i>	Hanley			<input checked="" type="checkbox"/>	
<i>Don W. Mulder</i>	Mulder			<input checked="" type="checkbox"/>	
<i>Richard J. Foster</i>	Foster	<input checked="" type="checkbox"/>			
<i>Tom Theriault</i>	Theriault			<input checked="" type="checkbox"/>	
<i>Walter Yavanez</i>	Yavanez			<input checked="" type="checkbox"/>	
<i>Pete Parnik</i>	Kelly			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Sean Parnik</i>	Parnik				<input checked="" type="checkbox"/>
<i>Vic Kohring</i>	Kohring			<input checked="" type="checkbox"/>	

CO-CHAIR'S SIGNATURE *Mark Hanley* *Richard J. Foster*  
Hanley FOSTER.

FISCAL NOTE

No. 1  
Bill Version: HB 269  
Publish Date: 4/3/95

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Tax Credit: Gifts to Public Broadcasting BRU: Audit Operations  
 Component: Income and Excise Audit  
 Sponsor: Rep. Ivan, Bunde  
 Requestor: (H) STA COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE: GF	0.0	(3,578.0)	(3,578.0)	(3,578.0)	(3,578.0)	(3,578.0)
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY95) impact \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Robert N. Bartholomew, Deputy Director *Robert N. Bartholomew* Phone: 465-2320  
 Division: Income and Excise Audit Date: 3/24/95  
 Approved by Commissioner: *[Signature]* Date: 3/24/95  
 Agency: Department of Revenue

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### Bill Analysis

This bill would expand Alaska education credit statutes which provide for a tax credit for contributions made to an Alaska university or college as follows:

- *Expanded Base:* Taxpayers would be allowed to claim a credit for contributions to an Alaska public radio or television network in addition to a university or college.
- *Increased Credit:* The maximum credit would increase by \$300,000, from the current \$150,000 to \$450,000.

HB 269, in its current form, does not necessarily foster the bill's intent of providing an incentive for businesses to make contributions to public radio and television networks because the bill does not segregate requirements for public radio and television network contributions from Alaska education contributions. Rather, public radio and television credit language is incorporated into existing sections for Alaska education credits and therefore, it would be at a taxpayer's discretion to pick and choose between Alaska education or public radio and television contributions. Under this bill, it is possible for a taxpayer to claim the maximum credit from contributions to only an Alaska university or college. The department recommends that the bill be amended if this result is contrary to the legislative intent.

A tax credit claimed under this bill could be applied against a taxpayer's tax liability under the following tax types: corporation income (AS 43.20), oil and gas production (AS 43.55), oil and gas property (AS 43.56), mining license (AS 43.65), and fisheries business (AS 43.75). The credit claimed under one of the tax types may not be claimed as a credit under another tax type and when combined, may not exceed \$450,000.

For income tax purposes under AS 43.20, a contribution claimed as a credit may not also be taken as a charitable contribution deduction.

For purposes of production, property, and fisheries business credits, a contribution might qualify for the credit but would not qualify as a deduction because they are not income based. A contribution that qualifies for a credit under those provisions and AS 43.65 may, however, also qualify as a deduction for the same period for income tax purposes.

The mining tax in AS 43.65 is determined by reference to the income from the mining property and the statute is silent whether both a credit and a deduction against the same tax is allowed. The Division has interpreted AS 43.65 as precluding a deduction for charitable contributions. That interpretation has been disputed and is proceeding through the administrative appeal process.

The department recommends that the bill express the legislative intent regarding whether contributions may be claimed as both credits and deductions against the same and other tax types.

This legislation would apply to tax years beginning after December 31, 1995.

### Operating Costs

Department of Revenue does not anticipate any additional costs for administering the tax credit program under this bill. The Department would update its returns to allow for taxpayers to claim a credit for contributions to public radio and television networks.

### Revenue

Total education credits claimed during FY 94 were approximately \$944,000. Assuming that there would be a direct correlation between credits claimed in FY 94 and the 200% rate of increase in the maximum credit allowed under this bill (from \$150,000 to \$450,000), the state would expect credits to increase by 200% or \$1,388,000.

According to data compiled from most recent reports submitted to Department of Administration's Public Broadcasting Commission, corporation contributions to public radio and television including the Alaska Public Radio Network (APRN) during the fiscal year ended June 30, 1993 were approximately \$1,690,000. Assuming that individual corporation contributions to public radio and television remain the same as for FY 93 and that corporations also make Alaska education contributions greater than \$100,000, credits under this bill would increase by \$1,690,000 (100% of \$1,690,000).

Given the assumptions above, the combined revenue impact of this bill would be a reduction in General Fund revenue of \$3,578,000 ( $\$1,888,000 - \$1,690,000$ ).

This bill would apply to tax years beginning after December 31, 1995. Since corporation, fisheries business, and mining license taxpayers file annual returns, the first returns for which a credit could be claimed (calendar year 1996) will not be due until April 1997. Accordingly, any revenue reduction from this bill would not be realized until FY 97.

*failed*

A M E N D M E N T |

OFFERED IN THE HOUSE

BY REPRESENTATIVE IVAN

TO: CSHB 269( ) Version "K"

1 Page 1, line 5, after "taxes":

2       Insert "; establishing credits against the fishery resource landing tax; terminating  
3 the public educational radio and television credits authorized by this Act at the end of  
4 five years"

5 Page 1, line 8, after "PURPOSE.":

6       Insert "(a)"

7 Page 2, following line 6:

8       Insert a new subsection to read:

9       "(b) This Act also authorizes

10               (1) a credit against the fisheries resource landing tax for contributions made  
11 for instruction, research, and educational support purposes that are accepted by a nonprofit,  
12 public or private, Alaska two-year or four-year college or university or Alaska university  
13 foundation; and

14               (2) a credit against that tax for contributions made to instate public  
15 educational radio and television networks and stations and to endowments established to  
16 benefit those public educational radio and television stations."

17 Page 2, line 7, through page 6, line 11:

18       Delete all material and insert:

19       "\* Sec. 2. AS 21.89.070(a) is amended to read:

20               (a) Subject to (c) of this section,

21                       (1) after the effective date of this Act and through December 31,

22               2000, a [A] taxpayer is allowed as a credit against the tax due under AS 21.09.210 or

1 AS 21.66.110 the taxpayer's [FOR] cash contributions for direct instruction, research,  
 2 and educational support purposes, including library and museum acquisitions, and  
 3 contributions to endowment, that are accepted by a nonprofit, public or private, Alaska  
 4 two-year or four-year college or university accredited by a regional accreditation  
 5 association or that are accepted by an Alaska university foundation that supports a  
 6 university or college that could receive a contribution for which a taxpayer may obtain  
 7 a credit under this section, and the taxpayer's cash contributions accepted by a  
 8 nonprofit, noncommercial public Alaska educational radio or television network or  
 9 station and contributions to endowments established to benefit those networks and  
 10 stations. The amount of the credit is the lesser of

11 (A) [(1)] an amount equal to

12 (i) [(A)] 50 percent of contributions of not more than  
 13 \$100,000; and

14 (ii) [(B)] 100 percent of the next \$300,000 [\$100,000]  
 15 of contributions; or

16 (B) [(2)] 50 percent of the taxpayer's tax liability under this  
 17 title; and

18 (2) after December 31, 2000, a taxpayer is allowed as a credit  
 19 against the tax due under AS 21.09.210 or AS 21.66.110 the taxpayer's cash  
 20 contributions for direct instruction, research, and educational support purposes,  
 21 including library and museum acquisitions, and contributions to endowment, that  
 22 are accepted by a nonprofit, public or private, Alaska two-year or four-year  
 23 college or university accredited by a regional accreditation association or that are  
 24 accepted by an Alaska university foundation that supports a university or college  
 25 that could receive a contribution for which a taxpayer may obtain a credit under  
 26 this section. The amount of the credit is the lesser of

27 (A) an amount equal to

28 (i) 50 percent of contributions of not more than  
 29 \$100,000; and

30 (ii) 100 percent of the next \$100,000 of  
 31 contributions; or

32 (B) 50 percent of the taxpayer's tax liability under this title.

1 \* **Sec. 3.** AS 21.89.070(c) is amended to read:

2 (c) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
3 under this section

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

6 (2) may not, when combined with credits taken during the taxpayer's  
7 tax year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]  
8 AS 43.75.018, or AS 43.77.045,

9 (A) through December 31, 2000, exceed \$350,000; and

10 (B) after December 31, 2000, exceed \$150,000.

11 \* **Sec. 4.** AS 43.20.014(a) is amended to read:

12 (a) Subject to (d) of this section.

13 (1) after the effective date of this Act and through December 31,  
14 2000, for [FOR] cash contributions accepted for direct instruction, research, and  
15 educational support purposes, including library and museum acquisitions, and  
16 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
17 public or private, Alaska two-year or four-year college accredited by a regional  
18 accreditation association, and for contributions accepted by a nonprofit,  
19 noncommercial public Alaska educational radio or television network or station  
20 and contributions to endowments established to benefit those stations, a taxpayer  
21 is allowed as a credit against the tax due under this chapter

22 (A) [(1)] 50 percent of contributions of not more than  
23 \$100,000; and

24 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
25 contributions; and

26 (2) after December 31, 2000, for cash contributions accepted for  
27 direct instruction, research, and educational support purposes, including library  
28 and museum acquisitions, and contributions to endowment, by an Alaska  
29 university foundation or by a nonprofit, public or private, Alaska two-year or  
30 four-year college accredited by a regional accreditation association, a taxpayer  
31 is allowed as a credit against the tax due under this chapter

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

1                   and

2                                   (B) 100 percent of the next \$100,000 of contributions.

3 \* Sec. 5. AS 43.20.014(d) is amended to read:

4                   (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
5 credit under this section

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

7                                   (2) may not also be allowed as a deduction [UNDER 26 U.S.C. 170]  
8 against the tax imposed by this chapter or as a deduction against another tax  
9 imposed by this title; and

10                                  (3) may not, when combined with credits taken during the taxpayer's  
11 tax year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]  
12 AS 43.75.018, or AS 43.77.045,

13   (A) through December 31, 2000, exceed \$350,000; and

14   (B) after December 31, 2000, exceed \$150,000.

15 \* Sec. 6. AS 43.55.019(a) is amended to read:

16                   (a) Subject to (d) of this section,

17                                   (1) after the effective date of this Act and through December 31,  
18 2000, for [FOR] cash contributions accepted for direct instruction, research, and  
19 educational support purposes, including library and museum acquisitions, and  
20 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
21 public or private, Alaska two-year or four-year college accredited by a regional  
22 accreditation association, and for contributions accepted by a nonprofit,  
23 noncommercial public Alaska educational radio or television network or station  
24 and contributions to endowments established to benefit those stations, a producer  
25 of oil or gas is allowed as a credit against the tax due under this chapter

26   (A) [(1)] 50 percent of contributions of not more than  
27 \$100,000; and

28   (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
29 contributions; and

30   (2) after December 31, 2000, for cash contributions accepted for  
31 direct instruction, research, and educational support purposes, including library  
32 and museum acquisitions, and contributions to endowment, by an Alaska

1 university foundation or by a nonprofit, public or private, Alaska two-year or  
 2 four-year college accredited by a regional accreditation association, a producer  
 3 of oil or gas is allowed as a credit against the tax due under this chapter

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

5 and

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

7 \* Sec. 7. AS 43.55.019(d) is amended to read:

8 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
 9 credit under this section may not

10 (1) be claimed as a credit under another provision of this title;

11 (2) be allowed as a deduction against the tax imposed by this  
 12 chapter or as a deduction against another tax imposed by this title; and

13 (3) [(2)] when combined with credits taken during the taxpayer's tax  
 14 year under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, [OR]  
 15 AS 43.75.018, or AS 43.77.045,

16 (A) through December 31, 2000, exceed \$350,000; and

17 (B) after December 31, 2000, exceed \$150,000.

18 \* Sec. 8. AS 43.56.018(a) is amended to read:

19 (a) Subject to (d) of this section,

20 (1) after the effective date of this Act and through December 31,  
 21 2000, for [FOR] cash contributions accepted for direct instruction, research, and  
 22 educational support purposes, including library and museum acquisitions, and  
 23 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
 24 public or private, Alaska two-year or four-year college accredited by a regional  
 25 accreditation association, and for contributions accepted by a nonprofit,  
 26 noncommercial public Alaska educational radio or television network or station  
 27 and contributions to endowments established to benefit those stations, the owner  
 28 of property taxable under this chapter is allowed as a credit against the tax due under  
 29 this chapter

30 (A) [(1)] 50 percent of contributions of not more than  
 31 \$100,000; and

32 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of

1 contributions; and

2 (2) after December 31, 2000, for cash contributions accepted for  
 3 direct instruction, research, and educational support purposes, including library  
 4 and museum acquisitions, and contributions to endowment, by an Alaska  
 5 university foundation or by a nonprofit, public or private, Alaska two-year or  
 6 four-year college accredited by a regional accreditation association, the owner of  
 7 property taxable under this chapter is allowed as a credit against the tax due  
 8 under this chapter

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

10 and

11 (B) 100 percent of the next \$100,000 of contributions.

12 \* Sec. 9. AS 43.56.018(d) is amended to read:

13 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
 14 credit under this section may not

15 (1) be claimed as a credit under another provision of this title;

16 (2) be allowed as a deduction against the tax imposed by this  
 17 chapter or as a deduction against another tax imposed by this title; and

18 (3) [(2)] when combined with credits taken during the taxpayer's tax  
 19 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, [OR]  
 20 AS 43.75.018, or AS 43.77.045,

21 (A) through December 31, 2000, exceed \$350,000; and

22 (B) after December 31, 2000, exceed \$150,000.

23 \* Sec. 10. AS 43.65.018(a) is amended to read:

24 (a) Subject to (d) of this section,

25 (1) after the effective date of this Act and through December 31,  
 26 2000, for [FOR] cash contributions accepted for direct instruction, research, and  
 27 educational support purposes, including library and museum acquisitions, and  
 28 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
 29 public or private, Alaska two-year or four-year college accredited by a regional  
 30 accreditation association, and for contributions accepted by a nonprofit,  
 31 noncommercial public Alaska educational radio or television network or station  
 32 and contributions to endowments established to benefit those stations, a person

1 engaged in the business of mining in the state is allowed as a credit against the tax  
2 due under this chapter

3 (A) [(1)] 50 percent of contributions of not more than  
4 \$100,000; and

5 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
6 contributions; and

7 (2) after December 31, 2000, for cash contributions accepted for  
8 direct instruction, research, and educational support purposes, including library  
9 and museum acquisitions, and contributions to endowment, by an Alaska  
10 university foundation or by a nonprofit, public or private, Alaska two-year or  
11 four-year college accredited by a regional accreditation association. Person  
12 engaged in the business of mining in the state is allowed as a credit against the  
13 tax due under this chapter

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

15 and

16 (B) 100 percent of the next \$100,000 of contributions.

17 \* Sec. 11. AS 43.65.018(d) is amended to read:

18 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
19 credit under this section may not

20 (1) be claimed as a credit under another provision of this title;

21 (2) be allowed as a deduction against the tax imposed by this  
22 chapter or as a deduction against another tax imposed by this title; and

23 (3) [(2)] when combined with credits taken during the taxpayer's tax  
24 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR]  
25 AS 43.75.018, or AS 43.77.045.

26 (A) through December 31, 2000, exceed \$350,000; and

27 (B) after December 31, 2000, exceed \$150,000.

28 \* Sec. 12. AS 43.75.018(a) is amended to read:

29 (a) Subject to (d) of this section.

30 (1) after the effective date of this Act and through December 31,  
31 2000, for [FOR] cash contributions accepted for direct instruction, research, and  
32 educational support purposes, including library and museum acquisitions, and

1 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
 2 public or private, Alaska two-year or four-year college accredited by a regional  
 3 accreditation association, and for contributions accepted by a nonprofit,  
 4 noncommercial public Alaska educational radio or television network or station  
 5 and contributions to endowments established to benefit those stations. a person  
 6 engaged in a fisheries business is allowed as a credit against the tax due under this  
 7 chapter

8 (A) [(1)] 50 percent of contributions of not more than  
 9 \$100,000; and

10 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
 11 contributions; and

12 (2) after December 31, 2000, for cash contributions accepted for  
 13 direct instruction, research, and educational support purposes, including library  
 14 and museum acquisitions, and contributions to endowment, by an Alaska  
 15 university foundation or by a nonprofit, public or private, Alaska two-year or  
 16 four-year college accredited by a regional accreditation association, a person  
 17 engaged in a fisheries business is allowed as a credit against the tax due under  
 18 this chapter

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

20 and

21 (B) 100 percent of the next \$100,000 of contributions.

22 \* Sec. 13. AS 43.75.018(d) is amended to read:

23 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
 24 credit under this section may not

25 (1) be claimed as a credit under another provision of this title;

26 (2) be allowed as a deduction against the tax imposed by this  
 27 chapter or as a deduction against another tax imposed by this title; and

28 (3) [(2)] when combined with credits taken during the taxpayer's tax  
 29 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR]  
 30 AS 43.65.018, or AS 43.77.045,

31 (A) through December 31, 2000, exceed \$350,000; and

32 (B) after December 31, 2000, exceed \$150,000.

1 \* Sec. 14. AS 43.77 is amended by adding a new section to read:

2 Sec. 43.77.045. ADDITIONAL RESOURCE LANDING TAX CREDIT. (a)

3 Subject to (c) of this section,

4 (1) after the effective date of this Act and through December 31, 2000,  
5 for cash contributions accepted for direct instruction, research, and educational support  
6 purposes, including library and museum acquisitions, and contributions to endowment,  
7 by an Alaska university foundation or by a nonprofit, public or private, Alaska  
8 two-year or four-year college accredited by a regional accreditation association, and  
9 for contributions accepted by a nonprofit, noncommercial public Alaska educational  
10 radio or television network or station and contributions to endowments established to  
11 benefit those stations, a person engaged in a fisheries business is allowed as a credit  
12 against the tax due under this chapter

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

14 (B) 100 percent of the next \$300,000 of contributions; and

15 (2) after December 31, 2000, for cash contributions accepted for direct  
16 instruction, research, and educational support purposes, including library and museum  
17 acquisitions, and contributions to endowment, by an Alaska university foundation or  
18 by a nonprofit, public or private, Alaska two-year or four-year college accredited by  
19 a regional accreditation association, a person engaged in a fisheries business is  
20 allowed as a credit against the tax due under this chapter

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

22 (B) 100 percent of the next \$100,000 of contributions.

23 (b) Each public college and university shall include in its annual operating  
24 budget request contributions received under this section and how the contributions  
25 were used.

26 (c) In each tax year, contributions claimed as a credit under this section may  
27 not

28 (1) be claimed as a credit under another provision of this title;

29 (2) be allowed as a deduction against the tax imposed by this chapter  
30 or as a deduction against another tax imposed by this title; and

31 (3) when combined with credits taken during the taxpayer's tax year  
32 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or

1 AS 43.75.018,

2 (A) through December 31, 2000, exceed \$350,000; and

3 (B) after December 31, 2000, exceed \$150,000.

4 \* Sec. 15. AS 43.77.050(b) is amended to read:

5 (b) After payment of the amount determined under (a) of this section, the  
6 balance of the tax collected under this chapter shall be paid into a separate account  
7 in the general fund. The annual balance in the account may be appropriated by the  
8 legislature for revenue sharing under AS 43.77.060. The amount of all tax credits  
9 approved by the commissioner under AS 43.77.040(b) and the amount of all tax  
10 credits claimed under AS 43.77.045 shall be deducted from amounts paid to  
11 municipalities under AS 43.77.060(a) - (c)."

12 Renumber the following bill sections accordingly.

*original*

A M E N D M E N T 2

OFFERED IN THE HOUSE

TO: CSHB 269( ) "K" version, 4/3/95

- 1 Page 1, line 2:
- 2 Delete "and to"
- 3 Insert ", contributions to"
  
- 4 Page 1, line 3, after "stations":
- 5 Insert ", and contributions to public schools for educational technology,"
  
- 6 Page 1, line 10, after "stations":
- 7 Delete "and"
- 8 Insert ", "
  
- 9 Page 1, line 11, after "stations":
- 10 Insert ", and to instate public schools for educational technology"
  
- 11 Page 2, line 15:
- 12 Delete "and"
  
- 13 Page 2, line 18, after "stations":
- 14 Insert ". and the taxpayer's cash contributions made to and accepted by a state
- 15 school district or a public school in the state for instructional equipment and related
- 16 materials that are used to enhance the quality and effectiveness of teaching and learning
- 17 through electronic means, and to enhance electronic access to information in <sup>School</sup> libraries,
- 18 including hardware, software, and telecommunications"
  
- 19 Page 3, line 6:

1 Delete "and"

2 Page 3, line 8, after "stations":

3 Insert ", and for cash contributions made to and accepted by a state school district  
4 or a public school in the state for educational technology"

5 Page 3, line 27:

6 Delete "and"

7 Page 3, line 29, after "stations":

8 Insert ", and for cash contributions made to and accepted by a state school district  
9 or a public school in the state for educational technology"

10 Page 4, line 16:

11 Delete "and"

12 Page 4, line 18, after "stations":

13 Insert ", and for cash contributions made to and accepted by a state school district  
14 or a public school in the state for educational technology"

15 Page 5, line 6:

16 Delete "and"

17 Page 5, line 8, after "stations":

18 Insert ", and for cash contributions made to and accepted by a state school district  
19 or a public school in the state for educational technology"

20 Page 5, line 27:

21 Delete "and"

22 Page 5, line 29, after "stations":

23 Insert ", and for cash contributions made to and accepted by a state school district

1 or a public school in the state for educational technology"

2 Page 6, following line 11:

3 Insert a new bill section to read:

4 "\*\* Sec. 14. AS 43.99.950 is amended by adding a new paragraph to read:

5 (3) "educational technology" means instructional equipment and related  
6 materials that are used to enhance the quality and effectiveness of teaching and  
7 learning through electronic means, and to enhance electronic access to information in  
8 libraries, including hardware, software, and telecommunications."

9 Renumber the following bill sections accordingly.

NO OBJ

AMENDMENT

3

Adopted

OFFERED IN THE HOUSE

BY REPRESENTATIVE NAVARRE

TO: CSHB 269( ) Version "K"

1 Page 1, line 5, after "taxes":

2 Insert "; amending the manner of computing refunds to local governments of the  
3 fisheries business tax and the fishery resource landing tax; establishing credits against  
4 the fishery resource landing tax; terminating the public educational radio and television  
5 credits authorized by this Act at the end of five years"

6 Page 1, line 8, after "PURPOSE.":

7 Insert "(a)"

8 Page 2, following line 6:

9 Insert a new subsection to read:

10 "(b) This Act also authorizes

11 (1) a credit against the fisheries resource landing tax for contributions made  
12 for instruction, research, and educational support purposes that are accepted by a nonprofit,  
13 public or private, Alaska two-year or four-year college or university or Alaska university  
14 foundation; and

15 (2) a credit against that tax for contributions made to instate public  
16 educational radio and television networks and stations and to endowments established to  
17 benefit those public educational radio and television stations."

18 Page 2, line 7, through page 6, line 11:

19 Delete all material and insert:

20 "\* Sec. 2. AS 21.89.070(a) is amended to read:

21 (a) Subject to (c) of this section,

22 (1) after the effective date of this Act and through December 31,

1        2000, a [A] taxpayer is allowed as a credit against the tax due under AS 21.09.210 or  
 2        AS 21.66.110 the taxpayer's [FOR] cash contributions for direct instruction, research,  
 3        and educational support purposes, including library and museum acquisitions, and  
 4        contributions to endowment, that are accepted by a nonprofit, public or private, Alaska  
 5        two-year or four-year college or university accredited by a regional accreditation  
 6        association or that are accepted by an Alaska university foundation that supports a  
 7        university or college that could receive a contribution for which a taxpayer may obtain  
 8        a credit under this section, and the taxpayer's cash contributions accepted by a  
 9        nonprofit, noncommercial public Alaska educational radio or television network or  
 10        station and contributions to endowments established to benefit those networks and  
 11        stations. The amount of the credit is the lesser of

12                                    (A) [(1)] an amount equal to

13    (i) [(A)] 50 percent of contributions of not more than  
 14                                    \$100,000; and

15    (ii) [(B)] 100 percent of the next \$300,000 [\$100,000]  
 16                                    of contributions; or

17                                    (B) [(2)] 50 percent of the taxpayer's tax liability under this  
 18                                    title; and

19                                    (2) after December 31, 2000, a taxpayer is allowed as a credit  
 20        against the tax due under AS 21.09.210 or AS 21.66.110 the taxpayer's cash  
 21        contributions for direct instruction, research, and educational support purposes,  
 22        including library and museum acquisitions, and contributions to endowment, that  
 23        are accepted by a nonprofit, public or private, Alaska two-year or four-year  
 24        college or university accredited by a regional accreditation association or that are  
 25        accepted by an Alaska university foundation that supports a university or college  
 26        that could receive a contribution for which a taxpayer may obtain a credit under  
 27        this section. The amount of the credit is the lesser of

28                                    (A) an amount equal to

29    (i) 50 percent of contributions of not more than  
 30                                    \$100,000; and

31    (ii) 100 percent of the next \$100,000 of  
 32                                    contributions; or

1 (B) 50 percent of the taxpayer's tax liability under this title.

2 \* Sec. 3. AS 21.89.070(c) is amended to read:

3 (c) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
4 under this section

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

7 (2) may not, when combined with credits taken during the taxpayer's  
8 tax year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]  
9 AS 43.75.018, or AS 43.77.045,

10 (A) through December 31, 2000, exceed \$350,000; and

11 (B) after December 31, 2000, exceed \$150,000.

12 \* Sec. 4. AS 43.20.014(a) is amended to read:

13 (a) Subject to (d) of this section,

14 (1) after the effective date of this Act and through December 31,  
15 2000, for [FOR] cash contributions accepted for direct instruction, research, and  
16 educational support purposes, including library and museum acquisitions, and  
17 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
18 public or private, Alaska two-year or four-year college accredited by a regional  
19 accreditation association, and for contributions accepted by a nonprofit,  
20 noncommercial public Alaska educational radio or television network or station  
21 and contributions to endowments established to benefit those stations, a taxpayer  
22 is allowed as a credit against the tax due under this chapter.

23 (A) [(1)] 50 percent of contributions of not more than  
24 \$100,000; and

25 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
26 contributions; and

27 (2) after December 31, 2000, for cash contributions accepted for  
28 direct instruction, research, and educational support purposes, including library  
29 and museum acquisitions, and contributions to endowment, by an Alaska  
30 university foundation or by a nonprofit, public or private, Alaska two-year or  
31 four-year college accredited by a regional accreditation association, a taxpayer  
32 is allowed as a credit against the tax due under this chapter

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

2 and

3 (B) 100 percent of the next \$100,000 of contributions.

4 \* Sec. 5. AS 43.20.014(d) is amended to read:

5 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
6 credit under this section

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

8 (2) may not also be allowed as a deduction [UNDER 26 U.S.C. 170]  
9 against the tax imposed by this chapter or as a deduction against another tax  
10 imposed by this title; and

11 (3) may not, when combined with credits taken during the taxpayer's  
12 tax year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]  
13 AS 43.75.018, or AS 43.77.045,

14 (A) through December 31, 2000, exceed \$350,000; and

15 (B) after December 31, 2000, exceed \$150,000.

16 \* Sec. 6. AS 43.55.019(a) is amended to read:

17 (a) Subject to (d) of this section,

18 (1) after the effective date of this Act and through December 31,  
19 2000, for [FOR] cash contributions accepted for direct instruction, research, and  
20 educational support purposes, including library and museum acquisitions, and  
21 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
22 public or private, Alaska two-year or four-year college accredited by a regional  
23 accreditation association, and for contributions accepted by a nonprofit,  
24 noncommercial public Alaska educational radio or television network or station  
25 and contributions to endowments established to benefit those stations, a producer  
26 of oil or gas is allowed as a credit against the tax due under this chapter

27 (A) [(1)] 50 percent of contributions of not more than  
28 \$100,000; and

29 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
30 contributions; and

31 (2) after December 31, 2000, for cash contributions accepted for  
32 direct instruction, research, and educational support purposes, including library

1 and museum acquisitions, and contributions to endowment, by an Alaska  
 2 university foundation or by a nonprofit, public or private, Alaska two-year or  
 3 four-year college accredited by a regional accreditation association, a producer  
 4 of oil or gas is allowed as a credit against the tax due under this chapter

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

6 and

7 (B) 100 percent of the next \$100,000 of contributions.

8 \* Sec. 7. AS 43.55.019(d) is amended to read:

9 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
 10 credit under this section may not

11 (1) be claimed as a credit under another provision of this title;

12 (2) be allowed as a deduction against the tax imposed by this  
 13 chapter or as a deduction against another tax imposed by this title; and

14 (3) [(2)] when combined with credits taken during the taxpayer's tax  
 15 year under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, [OR]  
 16 AS 43.75.018, or AS 43.77.045,

17 (A) through December 31, 2000, exceed \$350,000; and

18 (B) after December 31, 2000, exceed \$150,000.

19 \* Sec. 8. AS 43.56.018(a) is amended to read:

20 (a) Subject to (d) of this section,

21 (1) after the effective date of this Act and through December 31,  
 22 2000, for [FOR] cash contributions accepted for direct instruction, research, and  
 23 educational support purposes, including library and museum acquisitions, and  
 24 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
 25 public or private, Alaska two-year or four-year college accredited by a regional  
 26 accreditation association, and for contributions accepted by a nonprofit,  
 27 noncommercial public Alaska educational radio or television network or station  
 28 and contributions to endowments established to benefit those stations, the owner  
 29 of property taxable under this chapter is allowed as a credit against the tax due under  
 30 this chapter

31 (A) [(1)] 50 percent of contributions of not more than  
 32 \$100,000; and

1                    (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
 2                    contributions; and

3                    (2) after December 31, 2000, for cash contributions accepted for  
 4                    direct instruction, research, and educational support purposes, including library  
 5                    and museum acquisitions, and contributions to endowment, by an Alaska  
 6                    university foundation or by a nonprofit, public or private, Alaska two-year or  
 7                    four-year college accredited by a regional accreditation association, the owner of  
 8                    property taxable under this chapter is allowed as a credit against the tax due  
 9                    under this chapter

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

11                    and

12                    (B) 100 percent of the next \$100,000 of contributions.

13 \* Sec. 9. AS 43.56.018(d) is amended to read:

14                    (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
 15                    credit under this section may not

16                    (1) be claimed as a credit under another provision of this title;

17                    (2) be allowed as a deduction against the tax imposed by this  
 18                    chapter or as a deduction against another tax imposed by this title; and

19                    (3) [(2)] when combined with credits taken during the taxpayer's tax  
 20                    year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, [OR]  
 21                    AS 43.75.018, or AS 43.77.045,

22                    (A) through December 31, 2000, exceed \$350,000; and

23                    (B) after December 31, 2000, exceed \$150,000.

24 \* Sec. 10. AS 43.65.018(a) is amended to read:

25                    (a) Subject to (d) of this section,

26                    (1) after the effective date of this Act and through December 31,  
 27                    2000, for [FOR] cash contributions accepted for direct instruction, research, and  
 28                    educational support purposes, including library and museum acquisitions, and  
 29                    contributions to endowment, by an Alaska university foundation or by a nonprofit,  
 30                    public or private, Alaska two-year or four-year college accredited by a regional  
 31                    accreditation association, and for contributions accepted by a nonprofit,  
 32                    noncommercial public Alaska educational radio or television network or station

1 and contributions to endowments established to benefit those stations, a person  
 2 engaged in the business of mining in the state is allowed as a credit against the tax  
 3 due under this chapter

4 (A) [(1)] 50 percent of contributions of not more than  
 5 \$100,000; and

6 (B) [(2)] 100 percent of the next ~~\$350,000~~ [\$100,000] of  
 7 contributions; and

8 (2) after December 31, 2000, for cash contributions accepted for  
 9 direct instruction, research, and educational support purposes, including library  
 10 and museum acquisitions, and contributions to endowment, by an Alaska  
 11 university foundation or by a nonprofit, public or private, Alaska two-year or  
 12 four-year college accredited by a regional accreditation association, a person  
 13 engaged in the business of mining in the state is allowed as a credit against the  
 14 tax due under this chapter

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

16 and

17 (B) 100 percent of the next \$100,000 of contributions.

18 \* Sec. 11. AS 43.65.018(d) is amended to read:

19 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
 20 credit under this section may not

21 (1) be claimed as a credit under another provision of this title;

22 (2) be allowed as a deduction against the tax imposed by this  
 23 chapter or as a deduction against another tax imposed by this title; and

24 (3) [(2)] when combined with credits taken during the taxpayer's tax  
 25 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR]  
 26 AS 43.75.018, or AS 43.77.045,

27 (A) through December 31, 2000, exceed \$350,000; and

28 (B) after December 31, 2000, exceed \$150,000.

29 \* Sec. 12. AS 43.75.018(a) is amended to read:

30 (a) Subject to (d) of this section,

31 (1) after the effective date of this Act and through December 31,  
 32 2000, for [FOR] cash contributions accepted for direct instruction, research, and

1 educational support purposes, including library and museum acquisitions, and  
 2 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
 3 public or private, Alaska two-year or four-year college accredited by a regional  
 4 accreditation association, and for contributions accepted by a nonprofit,  
 5 noncommercial public Alaska educational radio or television network or station  
 6 and contributions to endowments established to benefit those stations. a person  
 7 engaged in a fisheries business is allowed as a credit against the tax due under this  
 8 chapter

9 (A) [(1)] 50 percent of contributions of not more than  
 10 \$100,000; and

11 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
 12 contributions; and

13 (2) after December 31, 2000, for cash contributions accepted for  
 14 direct instruction, research, and educational support purposes, including library  
 15 and museum acquisitions, and contributions to endowment, by an Alaska  
 16 university foundation or by a nonprofit, public or private, Alaska two-year or  
 17 four-year college accredited by a regional accreditation association, a person  
 18 engaged in a fisheries business is allowed as a credit against the tax due under  
 19 this chapter

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

21 and

22 (B) 100 percent of the next \$100,000 of contributions.

23 \* Sec. 13. AS 43.75.018(d) is amended to read:

24 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
 25 credit under this section may not

26 (1) be claimed as a credit under another provision of this title;

27 (2) be allowed as a deduction against the tax imposed by this  
 28 chapter or as a deduction against another tax imposed by this title; and

29 (3) [(2)] when combined with credits taken during the taxpayer's tax  
 30 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR]  
 31 AS 43.65.018, or AS 43.77.045,

32 (A) through December 31, 2000, exceed \$350,000; and



1                   (2) be allowed as a deduction against the tax imposed by this chapter  
2                   or as a deduction against another tax imposed by this title; and

3                   (3) when combined with credits taken during the taxpayer's tax year  
4                   under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or  
5                   AS 43.75.018,

6                                   (A) through December 31, 2000, exceed \$350,000; and

7                                   (B) after December 31, 2000, exceed \$150,000.

8       \* Sec. 16. AS 43.77.060 is amended by adding a new subsection to read:

9                   (e) In (a) and (b) of this section, "tax revenue collected" includes one-half the  
10                   amount credited against taxes under AS 43.77.045."

11       Renumber the following bill sections accordingly.

AMENDMENT  
HB 269 WORK DRAFT 9-LS0937\K

4

By Foster

adopted NO OBJ

ADD

Page 2, Line 30:

(2) may not be allowed as a deduction against the tax imposed by this chapter or a tax imposed under AS 43; and  
(Existing subsection 2 would be renumbered to subsection 3).

Alaska State House of Representatives  
House District 39



Session  
Alaska State Capital  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4942

Interim  
P.O. Box 137  
Akiak, Alaska 99552  
Phone: (907) 765-7526

**Representative Ivan M. Ivan**

**SPONSOR STATEMENT - HOUSE BILL 269**

With reduced funding proposed for public broadcasting, I have introduced House Bill 269 to provide an alternative funding source and lessen the general fund demand for this service.

This legislation provides a tax credit for contributions made to instate public radio and television stations and networks. The credit to public broadcasting is limited to \$450,000; 50% of the first \$100,000 in contributions and 100% of contributions of the next \$400,000. The new limits also apply to the university system and library and museum acquisitions. The tax credit would be applied against a taxpayer's liability under the following tax types: the insurance premium tax (AS 21.09.210), tax on title insurance premiums (AS 21.66.110), corporation income (AS 43.20), oil and gas production (AS 43.55), oil and gas property (AS 43.56), mining license (AS 43.65) and fisheries business (AS 43.75). The credit claimed under one of the tax types may not be claimed under another tax type.

A different maximum for the insurance premium tax and the title insurance tax is established. An attached memorandum from Legislative Counsel Jack Chenoweth explains the limitation.

**DIVISION OF LEGAL SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA**

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101


130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

**MEMORANDUM**

March 23, 1995

**SUBJECT:** Draft CSHB 269 ( ) (Work Order No. 9-LS0937F)

**TO:** Representative Ivan Ivan  
ATTN: Tom Wright

**FROM:** Jack Chenoweth  
Legislative Counsel 

This bill draft splits the authority for the contributions, leaving the existing contribution schedules for museums, libraries, and University purposes unaffected, but adding a credit for contributions to public educational radio and television networks and stations and endowments established to support them.

Unlike the original bill, this draft expands the credit to cover contributions that may be claimed as credits against insurance tax-related sources under AS 21.89.070--specifically, the insurance premium tax, AS 21.09.210, and the title insurance premium tax, AS 21.66.110. For the credits against that pair of taxes only, a different maximum is established. That ceiling may be lower than is provided in credits against other taxes. The credit ceiling for contributions claims as credits against the insurance taxes is further limited to "50 percent of the taxpayer's liability under [AS 21]." That limitation was in place for contributions made for libraries, museums, and university purposes and I simply extended it to cover contributions for public educational radio and television networks and stations and endowments established to support them.

My recollection is that the "50 percent of the taxpayer's liability under [AS 21]" language was included when the credit was first authorized under AS 21.89.070(a) to reflect the fact that (1) revenue derived from the insurance taxes were not significant--certainly in no way approximated amounts received from the corporate income tax or the severance tax, for example--and (2) that, without that kind of ceiling, it might be possible for the taxpayer to claim the entire amount of tax liability as a credit, thereby leaving no return of revenue to the state. Those considerations prompted me to bring the ceiling concept forward into this draft committee substitute.

JBC:glc  
95-260.glc

Alaska State House of Representatives  
House District 39

Session  
Alaska State Capital  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4942



Interim  
P.O. Box 137  
Akiak, Alaska 99552  
Phone: (907) 765-7526

**Representative Ivan M. Ivan**

SECTIONAL ANALYSIS for CS for HOUSE BILL 269  
WORK DRAFT 9-LS0937\G

**Section 1:** Purpose statement. Describes which state taxes credits may be applied against for contributions to instate public educational radio and television networks and stations and to endowments to benefit public educational radio and television stations.

**Section 2:** Extends tax credits for public broadcasting from the insurance premium tax and the tax on title insurance premiums. Increases the maximum credits under the insurance premium tax and the tax on title insurance premiums to \$450,000 or 50% of the taxpayer's tax liability. This is a new credit.

**Section 3:** Explains that contributions claimed as a credit under AS 21.89.070 may not exceed \$450,000 and may not be claimed as a credit under more than one provision of this title.

**Section 4:** Extends tax credits for public broadcasting from the Alaska Net Income Tax program (AS 43.20). Increases the contributions to \$500,00 for all programs eligible to receive these contributions.

**Section 5:** Explains that contributions claimed as a credit under AS 43.20.014 may not exceed \$450,000, may not be claimed as a deduction under 26 U.S.C. 170 against the tax imposed under this chapter and may not be claimed as a credit under more than one provision of this title.

**Section 6:** Extends tax credits for public broadcasting from the Oil and Gas Properties Production Tax program (AS 43.55). Increases the contributions to \$500,00 for all programs eligible to receive these contributions.

**Section 7:** Explains that contributions claimed as a credit under AS 43.55.019 may not exceed \$450,000, may not be allowed as a deduction against the tax imposed by this chapter or as a deduction against another tax imposed by this title and may not be claimed as a credit under more than one provision of this title.

**Section 8:** Extends tax credits for public broadcasting from the Oil and Gas Exploration, Production and Pipeline Transportation Property Tax program (AS 43.55.020) to the following areas: Kasihtuk • Kipnuk • Koliganek • Kongiganak • Kwehuk • Kwigilingok • Manokotak • Napaktak • Napaktak • New Stuyahok • Nunapitchuk • Oscarville • Platinum • Portage Creek • Quinhagak • Togiak • Tuntutuliak • Twin Hills

43.56). Increases the contributions to \$500,00 for all programs eligible to receive these contributions.

**Section 9:** Explains that contributions claimed as a credit under AS 43.56.018 may not exceed \$450,000, may not be allowed as a deduction against the tax imposed by this chapter or as a deduction against another tax imposed by this title and may not be claimed as a credit under more than one provision of this title.

**Section 10:** Extends tax credits for public broadcasting from the Mining License Tax program (AS 43.65). Increases the contributions to \$500,00 for all programs eligible to receive these contributions.

**Section 11:** Explains that contributions claimed as a credit under AS 43.65.018 may not exceed \$450,000, may not be allowed as a deduction against the tax imposed by this chapter or as a deduction against another tax imposed by this title and may not be claimed as a credit under more than one provision of this title.

**Section 12:** Extends tax credits for public broadcasting from the Fisheries Taxes program (AS 43.75). Increases the contributions to \$500,00 for all programs eligible to receive these contributions.

**Section 13:** Explains that contributions claimed as a credit under AS 43.75.018 may not exceed \$450,000, may not be allowed as a deduction against the tax imposed by this chapter or as a deduction against another tax imposed by this title and may not be claimed as a credit under more than one provision of this title.

**Section 14:** Clarifies tax year application.

**Section 15:** Effective date of January 1, 1996.

FISCAL NOTE

No. 1  
Bill Version: HB 269  
Publish Date: 4/3/95

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
Title: Tax Credit: Gifts to Public Broadcasting BRU: Audit Operations  
Component: Income and Excise Audit  
Sponsor: Rep. Ivan, Bunde  
Requestor: (H) STA COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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>

CAPITAL						
REVENUE FUND SOURCE: GF	0.0	(3,578.0)	(3,578.0)	(3,578.0)	(3,578.0)	(3,578.0)

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 (FY95) impact \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Robert N. Bartholomew, Deputy Director *Robert N. Bartholomew* Phone: 465-2320  
Division: Income and Excise Audit Date: 3/24/95  
Approved by Commissioner: *[Signature]* Date: 3/24/95  
Agency: Department of Revenue

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### Bill Analysis

This bill would expand Alaska education credit statutes which provide for a tax credit for contributions made to an Alaska university or college as follows:

- **Expanded Base:** Taxpayers would be allowed to claim a credit for contributions to an Alaska public radio or television network in addition to a university or college.
- **Increased Credit:** The maximum credit would increase by \$300,000, from the current \$150,000 to \$450,000.

HB 269, in its current form, does not necessarily foster the bill's intent of providing an incentive for businesses to make contributions to public radio and television networks because the bill does not segregate requirements for public radio and television network contributions from Alaska education contributions. Rather, public radio and television credit language is incorporated into existing sections for Alaska education credits and therefore, it would be at a taxpayer's discretion to pick and choose between Alaska education or public radio and television contributions. Under this bill, it is possible for a taxpayer to claim the maximum credit from contributions to only an Alaska university or college. The department recommends that the bill be amended if this result is contrary to the legislative intent.

A tax credit claimed under this bill could be applied against a taxpayer's tax liability under the following tax types: corporation income (AS 43.20), oil and gas production (AS 43.55), oil and gas property (AS 43.56), mining license (AS 43.65), and fisheries business (AS 43.75). The credit claimed under one of the tax types may not be claimed as a credit under another tax type and when combined, may not exceed \$450,000.

For income tax purposes under AS 43.20, a contribution claimed as a credit may not also be taken as a charitable contribution deduction.

For purposes of production, property, and fisheries business credits, a contribution might qualify for the credit but would not qualify as a deduction because they are not income based. A contribution that qualifies for a credit under those provisions and AS 43.65 may, however, also qualify as a deduction for the same period for income tax purposes.

The mining tax in AS 43.65 is determined by reference to the income from the mining property and the statute is silent whether both a credit and a deduction against the same tax is allowed. The Division has interpreted AS 43.65 as precluding a deduction for charitable contributions. That interpretation has been disputed and is proceeding through the administrative appeal process.

The department recommends that the bill express the legislative intent regarding whether contributions may be claimed as both credits and deductions against the same and other tax types.

This legislation would apply to tax years beginning after December 31, 1995.

### Operating Costs

Department of Revenue does not anticipate any additional costs for administering the tax credit program under this bill. The Department would update its returns to allow for taxpayers to claim a credit for contributions to public radio and television networks.

### Revenue

Total education credits claimed during FY 94 were approximately \$944,000. Assuming that there would be a direct correlation between credits claimed in FY 94 and the 200% rate of increase in the maximum credit allowed under this bill (from \$150,000 to \$450,000), the state would expect credits to increase by 200% or \$1,888,000.

According to data compiled from most recent reports submitted to Department of Administration's Public Broadcasting Commission, corporation contributions to public radio and television including the Alaska Public Radio Network (APRN) during the fiscal year ended June 30, 1993 were approximately \$1,690,000. Assuming that individual corporation contributions to public radio and television remain the same as for FY 93 and that corporations also make Alaska education contributions greater the \$100,000, credits under this bill would increase by \$1,690,000 (100% of \$1,690,000).

Given the assumptions above, the combined revenue impact of this bill would be a reduction in General Fund revenue of \$3,578,000 ( $\$1,888,000 + \$1,690,000$ ).

This bill would apply to tax years beginning after December 31, 1995. Since corporation, fisheries business, and mining license taxpayers file annual returns, the first returns for which a credit could be claimed (calendar year 1996) will not be due until April 1997. Accordingly, any revenue reduction from this bill would not be realized until FY 97.



# Kachemak Bay Broadcasting, Inc.

3913 Kachemak Way • Homer, AK 99603  
(907) 235-7721 • Fax: (907) 235-2357

Representative Ivan Ivan  
Alaska House of Representatives  
Alaska State Capitol  
Juneau, Alaska 99801-1182

March 30, 1995

Dear Representative Ivan,

I'd like to take the opportunity for sponsoring House Bill 269, relating to tax credits for contributions to public broadcasting entities.

As you well know, public broadcasting funding is under attack by those who have not carefully considered the consequences of their actions. Public broadcasting provides a service that no one else will deliver. That service is delivered to all of Alaska, the urban areas as well as in your district.

HB 269 is not the entire answer to our funding problem, it surely is a big part of the answer. Many of us who support this bill understand clearly that declining state revenues will translate into declining state support for our service. We are working towards replacing those funds to secure the future of public broadcasting. The passage of this bill will get us started in that effort.

Thanks for your help, and thanks for your past and continuing support for public broadcasting.

Sincerely  
  
Will Peterson  
General Manager, KBBI



ALEUTIAN PENINSULA BROADCASTING, INC.  
KSDP AM 830  
P.O. Box 328  
Sand Point, AK 99661  
(907) 383-5737



March 30, 1995

Honorable Ivan Ivan,

KSDP Radio, members and listeners all would like to Thank you very much for introducing the house bill # 269, the tax credit bill.

We need as much support and help that we can get. Especially in rural Alaska where Public Broadcasting is a big part of the life style of the residents.

We appreciate your support.

Sincerely,

Ruth Farrens, General Manager



**RAVEN RADIO  
KCAW • 104.7 FM**

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

**FAX**

March 27, 1995

**Representative Ivan Ivan  
Alaska State Capital  
Juneau, AK 99811**

Dear Representative Ivan;

Thank you for sponsoring legislation which would allow tax credits to Public Broadcasting.

These tax credits will be a crucial factor for stations like KCAW-FM to continue to provide services with lower state support.

Respectfully,

A handwritten signature in black ink, appearing to read "Lily Herwald". The signature is written in a cursive, flowing style.

**Lily Herwald  
Business Manager**

Talkeetna Community Radio, Inc.

P.O. Box 300  
Talkeetna, Alaska 99676

Telephone (907)-733-1700  
Fax (907)-733-1700

Honorable Representative Ivan Ivan  
Room 503  
Alaska State Capitol Building  
Juneau, Alaska  
1995

March 27,

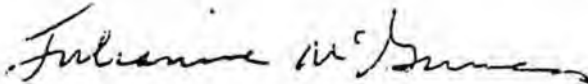
Dear Representative Ivan,

As a Public Broadcaster in a small rural Alaskan community, I strongly urge all Representatives on the House State Affairs and House Finance Committees to support House Bill Number 269 promoting legislation to allow tax credits for contributions to educational radio and television networks, stations, and endowments. In these lean fiscal times, I believe that such tax credit incentives are a logical, innovative and appropriate measure to insure that some vital educational services continue to be provided to the Alaskan public.

Many rural citizens who listen to educational radio in the Talkeetna, Trapper Creek, and surrounding communities also support such legislation, because their access to these services is increasingly threatened by a lean economic base and decreasing State funding.

Thank you for your support and attention to this issue.

Sincerely,



Julianne McGuinness  
Station Manager  
KTNA-FM



# KYUK

BETHEL BROADCASTING, INC.

Pouch 468 Bethel, Alaska 99550 (907) 543-3131 Fax: 543-3130


March 23, 1995

Representative Ivan Ivan  
House of Representatives  
State of Alaska  
Juneau, AK 99811  
FAX:465-2278

Dear Representative Ivan:

A quick note to give my support to HB 269, the Tax Credit bill for public broadcasting. The bill will give public broadcasting entities a tool to use to encourage corporate support of the service.  
Thank you.

Sincerely,

  
John A. McDonald  
General Manager  
Bethel Broadcasting Inc.

## **HB269 (IVAN, Bunde) PUBLIC BROADCASTING TAX CREDITS**

**HB269 encourages corporate contributions to public broadcasting by providing modest tax credits for such donations. The bill extends to public broadcasting tax credits already authorized for higher education under ch. 58, LA 1987, and ch. 71, SLA 1991, allowing for a 50% tax credit on the first \$100,000 of contributions and 100% tax credit on subsequent contributions. This bill allows tax credits up to a maximum of \$450,000.**

**Why should public broadcasting receive special consideration for a tax credit?**

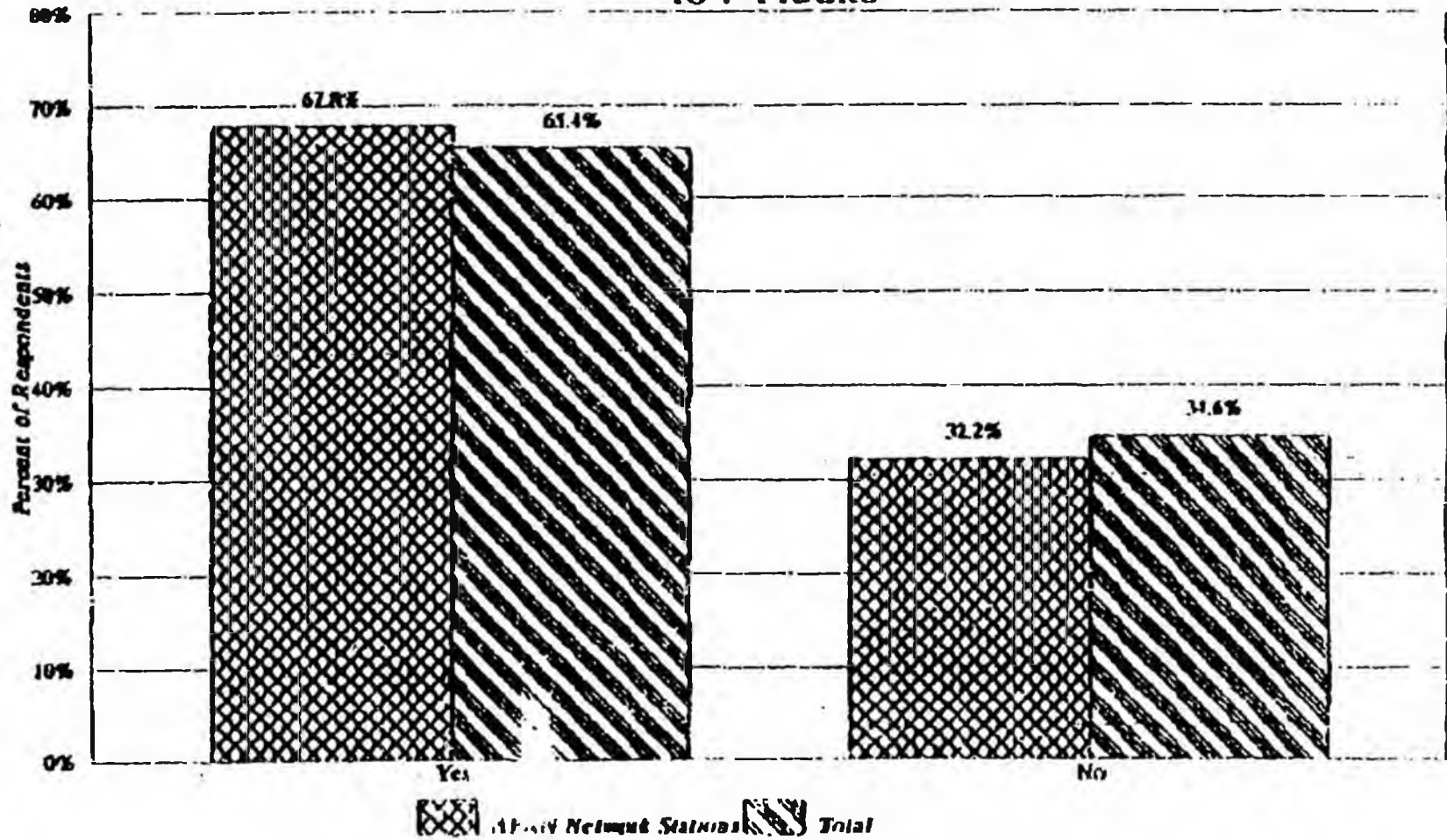
1. Many members of the Legislature have indicated their wish to see public broadcasting less dependent on state funding and more reliant on private sector support. HB269 will "kick start" the move towards increasing private support for public broadcasting.
2. A statewide poll of 3900 Alaskans conducted by Willhight Research Corporation (Seattle) indicates that 65.4% of Alaskans support a corporate tax credit for contributions to public radio.
3. Public broadcasting has a special relationship with the state unlike that with other non-profit corporations. The state initially SET UP most of the stations in the state--applied for the licenses, hired the station managers, and supervised construction. 200,000 Alaskans each week now depend on public broadcasting. Individuals donate over \$2 million each year. Few non-government programs in the state enjoy such widespread use and support.
4. In response to the Legislature's desire for public broadcasting to be more aggressive in seeking private support, the Public Broadcasting Endowment Trust was created in 1993 to raise and invest private funding to support public broadcasting services in future years. The Trust, a bi-partisan private corporation whose members include Ed Rasmuson, Robert Gottstein, John Ayers and Jacob Adams, considers HB269 to be essential to their effort to "seed" the Trust.
5. Federal matching funds of up to 28% on the dollar will be available for all contributions made under this tax credit bill.

Would you support giving corporations who contribute to public radio a credit on their taxes?

\* Survey Area: State of Alaska (NSSA)

Survey Date: January 6 - March 2, 1994

18+ Adults



WARNING: The audience listening records and other information contained in this report are copyrighted. The unauthorized use of any of the contents of this report constitutes copyright infringement which could subject the infringer to civil damages of up to \$50,000, criminal penalties of up to one year imprisonment and/or \$10,000 fine, and costs and attorney's fees pursuant to Sections 504, 505 and 506 of the Federal Copyright Act of 1976. Willhight Research, Inc. has granted Subscribers a limited license to use the information contained in this report for personal or family use only.

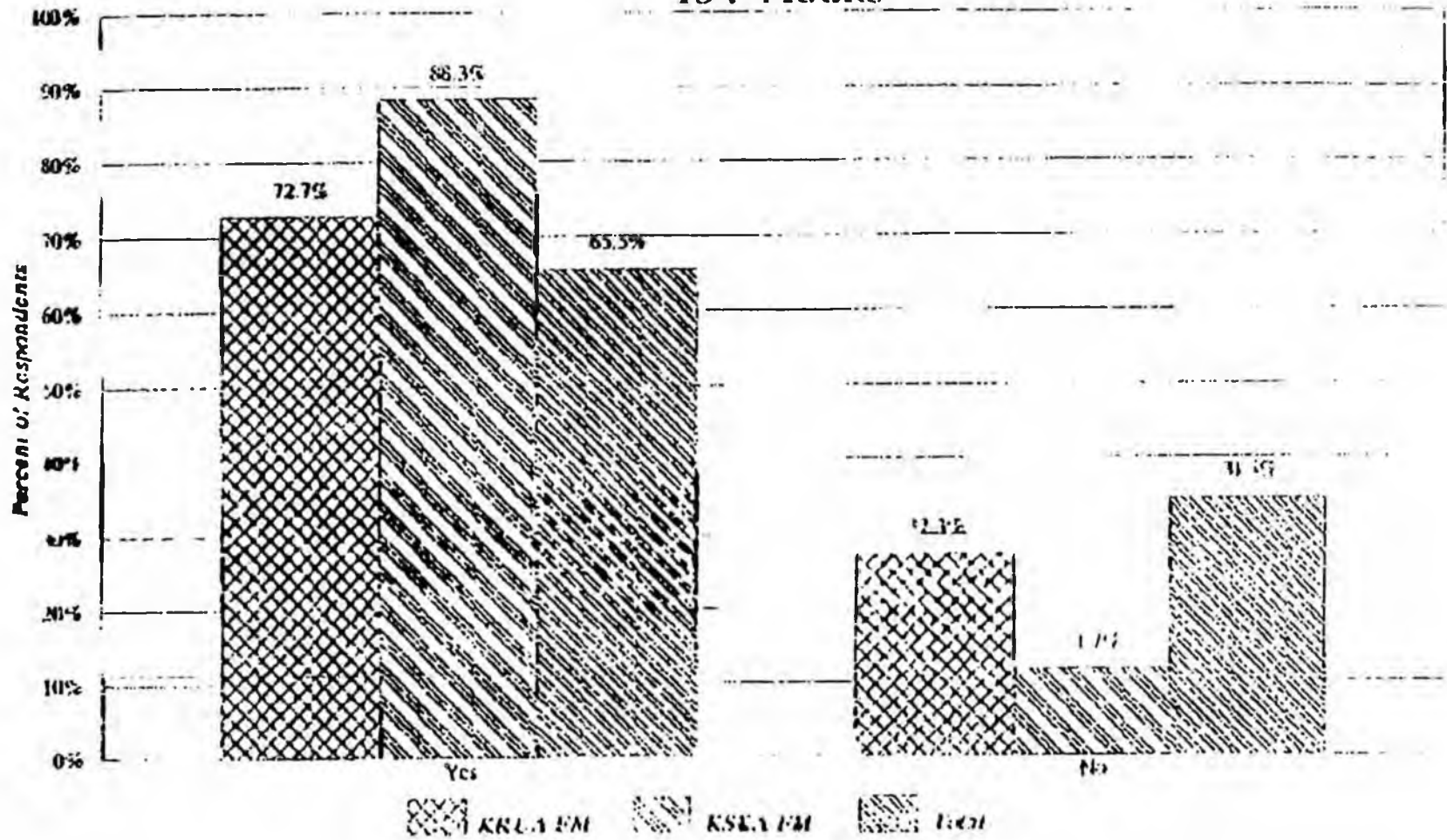
APR 25 1994 12:55 APR 19 1994 11:27 FAX 266-7434

Would you support giving corporations who contribute to public radio a credit on their taxes?

\* Survey Area: Anchorage, AK (SSA)

Survey Date: January 6 - March 2, 1994

18+ Adults



Reporting Respondents: Local 37 and 3

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APR 11 '94 13:17

578 P02

2054710603 WILLMIGHT RESEARCH

# WILLHIGHT RESEARCH, INC.

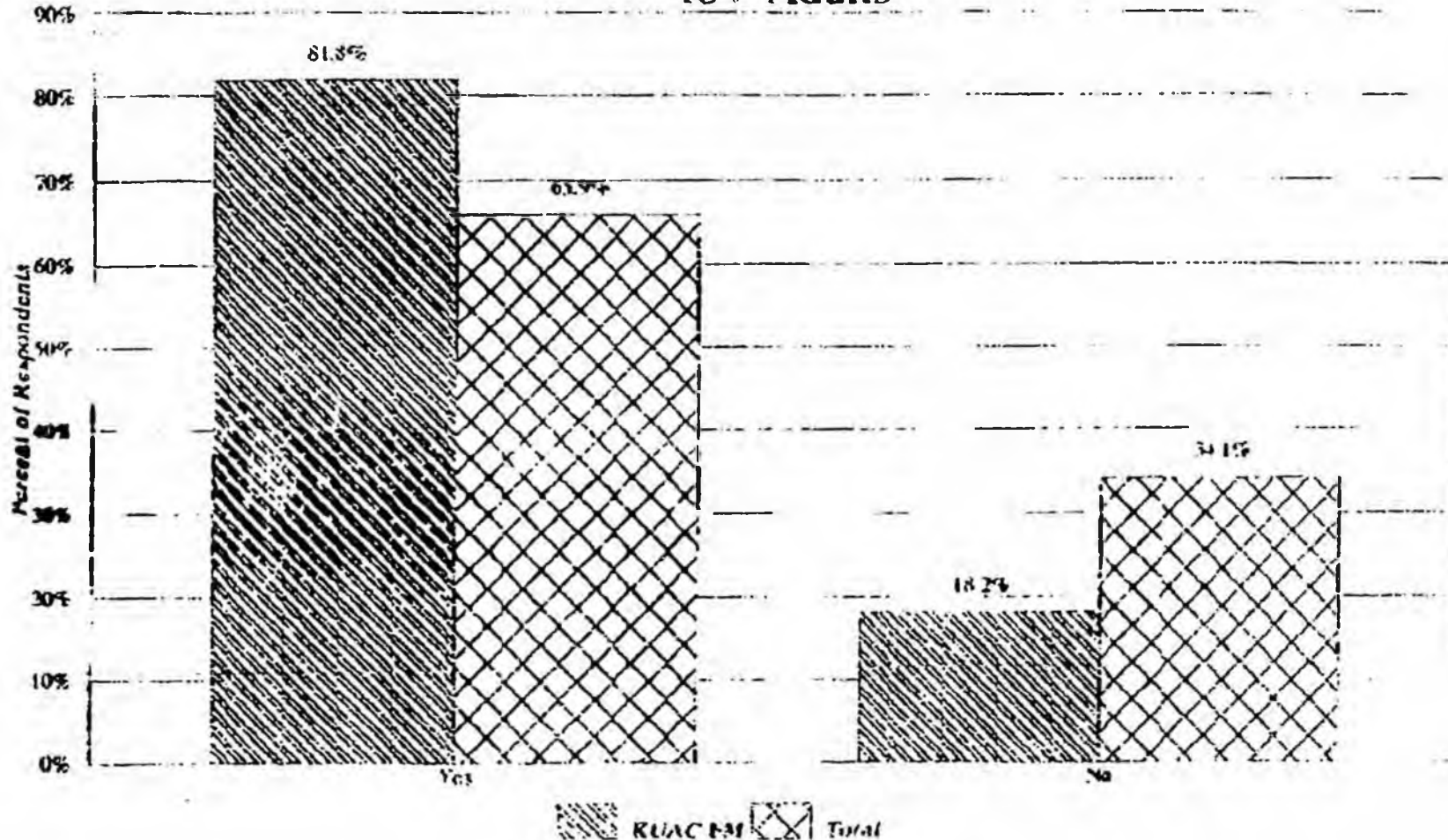
## AUDIENCE MEASUREMENT SURVEYS

Would you support giving corporations who contribute to public radio a credit on their taxes?

\* Survey Area: Fairbanks/North Pole & Vicinity, AK (NSSA)

Survey Date: January 6 - March 2, 1994

18+ Adults



Reporting Requirements: Local Stations

**WARNING:** The audience listening estimate and other information contained in this report are copyrighted. The unauthorized use of any of the contents of this report constitutes copyright infringement which could subject the infringer to civil damages of up to \$50,000, criminal penalties of up to one year imprisonment and a \$10,000 fine and costs and attorneys' fees pursuant to Sections 501, 505 and 506 of the Federal Copyright Act of 1976. Willhight Research, Inc. has granted Statcom a limited license to use the information contained in this report. Any person or entity that wishes to obtain a limited license to use this information may contact Willhight Research, Inc. at the address hereon or at the address listed on the back of this report.

APR 11 '94 14:59

571 F06

2064310E07 WILLHIGHT RESEARCH

A FAX from:

# Willhight Research, Inc.

2104 S.W. 152nd, Suite #4

Seattle, WA 98166

Voice: 206-431-8430 Date: 206-431-0803



To: Diane Kaplan, APRN  
FAX: 907-263-7450  
From: Jim Willhight  
Date: May 02, 1994 3:33 PM  
Pages: 1 Page(s) (including cover page)

## Re: SAMPLE SIZE OF STATE OF ALASKA STUDY

Please find a table below noting the sample size for the recently completed survey of State of Alaska residents. The sample period was from January 9th through March 2nd 1994.

The sample size was 3,921 (completed in-tabulated interviews) for persons 12+ and 3556 (in-tab) for the sample of persons 18+. We asked for qualitative and attitudinal data from 18+ persons so the sample for those data categories was 18+.

The sample was controlled both geographically (the state wide sample was broken into fifteen geographic sample units) and demographically (for each age/sex cell noted below).

The following are the total state samples for each age/sex cell:

	MALE	FEMALE	TOTAL
12-17	196	169	365
18-24	235	214	449
25-34	476	478	954
35-44	542	497	1039
45-49	168	149	317
50-54	145	131	276
55-64	137	122	259
65+	139	123	262
12+	2036	1883	3921
18+	1842	1714	3556
25+	1607	1500	3107
35+	1131	1022	2153
50+	421	376	797
55+	274	245	521
12-24	431	383	814
18-34	711	692	1403
18-49	1421	1338	2759
25-49	1386	1124	2510
25-54	1351	1255	2606

If transmission of this FAX fails please call for retransmission.

## TESTIMONY ON HB269

My name is Edward Rasmuson. I am chairman of the National Bank of Alaska. I am a charter member of the Public Broadcasting Endowment Trust, an independent non-profit corporation whose purpose is to secure long-term private support for public broadcasting in Alaska and a past member of the University of Alaska board of regents.

My company and my family have a long history of supporting higher education and educational broadcasting in this state. Many employees and customers of NBA are users of these services. Especially in rural Alaska, in places like Dillingham, Kotzebue and Wrangell, the only radio available is public radio. We have a strong interest in seeing these important Alaska resources remain viable.

HB269 will provide corporations with the needed incentive to increase their charitable giving at a time when the state is making significant operating budget reductions. I am strongly in support of this legislation which will provide a means for encouraging new corporations operating in the state to become philanthropists for the first time and to encourage current business contributors in the state to increase their giving.

HB269 creates an opportunity for Alaska's government and business community to become partners in providing important educational and communications services for our state. This is a time when such partnerships should be encouraged.

When Senator Stevens spoke to your joint session earlier this year, he focused on the increasing role that telecommunications will play in the economics of our state and how public broadcasting is the cornerstone for that industry. This is the industry that will create growing opportunities for good employment for our young people, especially those in rural Alaska. Public higher education is the means for a good economic future for many of our children and must be supported.

At the present time we are limited to giving \$200,000 towards higher education in Alaska. By increasing the cap to \$500,000 this would allow a number of corporations to increase their giving to not only higher education but to Public Radio as well. The monies that higher education now receives as a result of this credit, as well as potential monies that Public radio would receive, would go a long way in supporting these educational institutions. The total amount of money is really insignificant taken the entire State of Alaska's current income stream. However, these monies are extremely important to the current recipient. If not for these monies, some of the institutions would not be around. A like analogy could be made for public radio with the current funding being curtailed.

I urge your support of HB269. It is an important investment in Alaska's future.

Chapter 058  
CHAPTER: CH058  
SOURCE: SCSCSHB6(HESS)AMS  
Action Date: JUNE 12, 1987  
Year: 87  
Effective Date: SEPTEMBER 10, 1987

AN ACT

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

-----

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

\* Section 1. PURPOSE. The legislature recognizes the unique social and economic importance of Alaska's colleges and universities to the state's future. It is the purpose of this Act to provide colleges and universities with a private source of funding for direct instruction, research, and educational support purposes, including library and museum acquisitions.

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

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

(b) Contributions accepted for endowment purposes are not eligible for the credit under (a) of this section.

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

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

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

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

Sec. 43.55.019. OIL OR GAS PRODUCER EDUCATION CREDIT. (a) A producer of oil or gas is allowed as a credit against the tax due under this chapter 50 percent of cash contributions accepted for direct instruction,

research, and educational support purposes, including library and museum acquisitions, by an accredited, nonprofit, public or private, Alaska, two- or four-year, college or university. The credit may only be applied against the tax liability accruing during the month the contribution is made. The credit may not exceed the lesser of 10 percent of the amount of tax due under this chapter or \$10,000. A contribution claimed as a credit under this section may not be claimed as a credit under another provision of this title.

(b) Contributions accepted for endowment purposes are not eligible for the credit under (a) of this section.

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

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

Sec. 43.56.018. OIL OR GAS PROPERTY EDUCATION CREDIT. (a) The owner of property taxable under this chapter is allowed as a credit against the tax due under this chapter 50 percent of cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, by an accredited, nonprofit, public or private, Alaska, two- or four-year, college or university. The credit may only be applied against the tax liability accruing during the month the contribution is made. The credit may not exceed the lesser of 10 percent of the amount of tax due under this chapter or \$10,000. A contribution claimed as a credit under this section may not be claimed as a credit under another provision of this title.

(b) Contributions accepted for endowment purposes are not eligible for the credit under (a) of this section.

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

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

Sec. 43.65.018. MINING BUSINESS EDUCATION CREDIT. (a) A person engaged in the business of mining in the state is allowed as a credit against the tax due under this chapter 50 percent of cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, by an accredited, nonprofit, public or private, Alaska, two- or four-year, college or university. The credit may not exceed the lesser of 10 percent of the amount of tax due under this chapter or \$100,000. A contribution

claimed as a credit under this section may not be claimed as a credit under another provision of this title.

(b) Contributions accepted for endowment purposes are not eligible for the credit under (a) of this section.

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

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

Sec. 43.75.018. FISHERIES BUSINESS EDUCATION CREDIT. (a) A person engaged in a fisheries business is allowed as a credit against the tax due under this chapter 50 percent of cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, by an accredited, nonprofit, public or private, Alaska, two- or four-year, college or university. The credit may not exceed the lesser of 10 percent of the amount of tax due under this chapter or \$100,000. A contribution claimed as a credit under this section may not be claimed as a credit under another provision of this title.

(b) Contributions accepted for endowment purposes are not eligible for the credit under (a) of this section.

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

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

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

\* Sec. 9. The provisions of this Act apply to contributions made after December 31, 1987.

Chapter 071  
Chapter: CH071  
Source: HB 331 am S  
Action Date: June 21, 1991  
Year: 91  
Effective Date: January 1, 1992

AN ACT

Relating to tax credits for contributions to certain educational institutions; and providing for an effective date.

\* Section 1. The provisions of this Act revise and extend the credits authorized by ch. 58, SLA 1987, under each of the following state taxes for contributions made to instate institutions of postsecondary education, and limit the total credit that a taxpayer may take against all of the following state taxes during the taxpayer's tax year to a maximum of \$150,000:

- (1) Alaska Net Income Tax (AS 43.20);
- (2) Oil and Gas Properties Production Tax (AS 43.55);
- (3) Oil and Gas Exploration, Production, and Pipeline Transportation Property Tax (AS 43.56);
- (4) Mining License Tax (AS 43.65);
- (5) Fisheries Taxes (AS 43.75).

\* Sec. 2. AS 43.20.014(a) is amended to read:

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

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

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

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

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

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

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

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

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

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

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

(2) 100 percent of the next \$100,000 or contributions [ACCEPTED FOR DIRECT INSTRUCTION, RESEARCH, AND EDUCATIONAL SUPPORT PURPOSES, INCLUDING LIBRARY AND MUSEUM ACQUISITIONS, BY AN ACCREDITED, NONPROFIT, PUBLIC OR PRIVATE, ALASKA, TWO- OR FOUR-YEAR, COLLEGE OR UNIVERSITY. THE CREDIT MAY ONLY BE APPLIED AGAINST THE TAX LIABILITY ACCRUING DURING THE MONTH THE CONTRIBUTION IS MADE. THE CREDIT MAY NOT EXCEED THE LESSER OF 10 PERCENT OF THE AMOUNT OF TAX DUE UNDER AS 43.55.011 - 43.55.150 OR \$10,000. A CONTRIBUTION CLAIMED AS A CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED AS A CREDIT UNDER ANOTHER PROVISION OF THIS TITLE].

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

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

(1) be claimed as a credit under another provision of this title;

and

(2) when combined with credits taken during the taxpayer's tax year under AS 43.20.014, AS 43.56.018, AS 43.65.018, or AS 43.75.018, exceed \$150,000.

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

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

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

a regional accreditation association, the [THE] owner of property taxable under this chapter is allowed as a credit against the tax due under this chapter

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

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

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

(d) A contribution claimed as a credit under this section may not  
(1) be claimed as a credit under another provision of this title;

and

(2) when combined with credits taken during the taxpayer's tax year under AS 43.20.014, AS 43.55.019, AS 43.65.018, or AS 43.75.018, exceed \$150,000.

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

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

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

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

(2) 100 percent of the next \$100,000 of contributions. [A CONTRIBUTION CLAIMED AS A CREDIT UNDER THIS SECTION MAY NOT BE

CLAIMED AS A CREDIT UNDER ANOTHER PROVISION OF THIS TITLE.]

\* Sec. 9. AS 43.65.018 is amended by adding a new subsection to read:

(d) A contribution claimed as a credit under this section may not  
(1) be claimed as a credit under another provision of this title;

and

(2) when combined with credits taken during the taxpayer's tax year under AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.75.018, exceed \$150,000.

\* Sec. 10. AS 43.75.018(a) is amended to read:

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

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

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

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

(d) A contribution claimed as a credit under this section may not  
(1) be claimed as a credit under another provision of this title;

and

(2) when combined with credits taken during the taxpayer's tax year under AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.65.018, exceed \$150,000.

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

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

Chapter 021  
Chapter: CH021  
Source: CSSB 225(HES)  
Action Date: May 5, 1994  
Effective Date: See Chapter  
94

### AN ACT

Relating to credits against certain insurance taxes for contributions to certain educational institutions; and providing for an effective date.

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- \* Section 1. AS 21.09.210 is amended by adding a new subsection to read:
  - (j) The provisions of AS 21.89.070 apply to a taxpayer who is required to pay a tax due under this section.
  
- \* Sec. 2. AS 21.66.110 is amended by adding a new subsection to read:
  - (b) The provisions of AS 21.89.070 apply to a taxpayer who is required to pay the tax due under this section.
  
- \* Sec. 3. AS 21.89 is amended by adding a new section to read:

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

  - (a) A taxpayer is allowed a credit against the tax due under AS 21.09.210 or AS 21.66.110 for cash contributions for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, that are accepted by a nonprofit, public or private, Alaska two-year or four-year college or university accredited by a regional accreditation association or that are accepted by an Alaska university foundation that supports a university or college that could receive a contribution for which a taxpayer may obtain a credit under this section. The amount of the credit is the lesser of
    - (1) an amount equal to
      - (A) 50 percent of contributions of not more than \$100,000; and
      - (B) 100 percent of the next \$100,000 of contributions; or
    - (2) 50 percent of the taxpayer's tax liability under this title.
  - (b) By September 30 of each year, the Department of Commerce and Economic Development shall report to the Legislative Budget and Audit Committee on the credits taken during the preceding state fiscal year under this section. Each public college and university shall include in its annual operating budget request contributions received and how the

contributions were used.

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

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

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

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

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

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

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

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

\* Sec. 5. AS 43.55.019(d) is amended to read:

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

(1) be claimed as a credit under another provision of this title; and

(2) when combined with credits taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, or AS 43.75.018, exceed \$150,000.

\* Sec. 6. AS 43.56.018(d) is amended to read:

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

(1) be claimed as a credit under another provision of this title; and

(2) when combined with credits taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, or AS 43.75.018, exceed \$150,000.

\* Sec. 7. AS 43.65.018(d) is amended to read:

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

(1) be claimed as a credit under another provision of this title; and

(2) when combined with credits taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.75.018, exceed \$150,000.

\* Sec. 8. AS 43.75.018(d) is amended to read:

(d) A contribution claimed as a credit under this section may not  
(1) be claimed as a credit under another provision of this title;  
and

(2) when combined with credits taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.65.018, exceed \$150,000.

\* Sec. 9. This Act is retroactive to January 1, 1994, and applies to contributions made under AS 21.89.070, added by sec. 3 of this Act, after December 31, 1993.

\* Sec. 10. This Act takes effect immediately under AS 01.10.070(c).

Sec. 21.09.210  
TAX.

(a) Each authorized insurer, and each formerly authorized insurer with respect to premiums received while an authorized insurer in this state, shall file with the director, on or before March 1 in each year, a report of all insurance business written or contracted in the state, with proper proportionate allocation of premium for the property, subjects, or risks in the state insured under policies or contracts covering property, subjects, or risks located or resident in more than one state, during the preceding year ending December 31. The report must show

- (1) the amounts paid policyholders on losses;
- (2) the total direct premium income including policy membership and other fees, premiums paid by application of dividends, refunds, savings coupon, and similar returns or credits to payment of premiums for new or additional or extended or renewed insurance, charges for payment of premium in installments, and all other consideration for insurance from all kinds and classes of insurance whether designated a premium or otherwise;
- (3) the amounts paid policyholders as returned premiums;
- (4) the amounts paid policyholders as dividends.

(b) Each insurer, and each formerly authorized insurer with respect to premiums received while an authorized insurer in this state, shall pay a tax on the total direct premium income received during the year ending on the preceding December 31 and paid for the insurance of property or risks resident or located in the state other than wet marine and transportation insurance, after deducting from the total direct premium income the applicable cancellations, returned premiums, the unabsorbed portion of any deposit premium, all policy dividends, unabsorbed premiums refunded to policyholders, refunds, savings, savings coupons, and other similar returns paid or credited to policyholders with respect to their policies. No deductions may be made of cash surrender value of policies. Considerations received on annuity contracts are not included in the direct premium income and are not subject to tax. The tax shall be paid to the director annually on or before March 1, and is computed at the rate of

- (1) for domestic and foreign insurers, except hospital and medical service corporations, 2.7 percent;
- (2) for hospital and medical service corporations, six percent of their gross premiums less claims paid.

(c) *Repealed, Sec. 48 ch 29 SLA 1987.*

(d) An authorized insurer shall, with respect to all wet marine and transportation contracts written in this state during the preceding calendar year, on or before March 1 of each year, pay to the director a tax of three-quarters of one percent on its gross underwriting profit. The gross

underwriting profit is computed by deducting from the net premiums on wet marine and transportation insurance contracts, the net losses paid during the calendar year under the contracts. In the case of an insurer issuing participating contracts, the gross underwriting profit may not include, for computation of the tax prescribed by this section, the amounts refunded or paid as participation dividends by the insurers to the holders of the contracts. In this subsection,

(1) "net losses" means gross losses less salvage and recoveries on reinsurance ceded;

(2) "net premiums" means gross premiums less all return premiums and premiums for reinsurance.

(e) Payment to the director by an insurer of the tax upon its premiums required by this section shall be in lieu of all other taxes imposed by the state upon premiums, franchise, privilege, or other taxes measured by income of the insurer commencing with the taxable year beginning January 1, 1967.

(f) The state hereby pre-empts the field of imposing excise, privilege, franchise, income, license, permit, registration, and similar taxes, licenses, and fees upon insurers and their general agents, agents, and representatives as such; and on the intangible property of insurers or agents; and all political subdivisions of agencies in the state, including home rule boroughs or cities, are prohibited from imposing or levying upon insurers, or upon their general agents, agents, and representatives as such, any tax, license, or fee. However, this subsection shall not be construed as prohibiting the imposition by political subdivisions of taxes upon real and tangible personal property of insurers and their general agents, agents, and representatives.

(g) The director may suspend or revoke the certificate of authority of an insurer that fails to pay its taxes as required under this section.

(h) The provisions of this section do not apply to title insurance companies. A premium tax on title insurance companies shall be levied in accordance with the provisions of AS 21.66.110.

(i) Premiums paid by the state for insurance policies and contracts purchased under the provisions of AS 39.30 are exempt from taxation under this section. An insurer may not include the tax imposed under this section in a premium charged on an insurance policy or contract purchased by the state under the provisions of AS 39.30. An insurer may claim the exemption on forms provided by the division of insurance.

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

History -

(Sec. 1 ch 120 SLA 1966; am Sec. 29 ch 137 SLA 1982; am Sec. 1 ch 118 SLA 1986; am Sec. 41 ch 14 SLA 1987; am Sec. 1, 48 ch 29 SLA 1987; am Sec. 1 ch 23 SLA 1989; am Sec. 16 - 18 ch 67 SLA 1992; am Sec. 1 ch 21

SLA 1994)

Amendment Notes -

The 1992 amendment, effective July 1, 1992, substituted "on or before March 1" for "before March 2" in subsection (a) and for "before April 1" in subsections (b) and (d); made punctuation changes in subsection (a); and in subsection (d) added the definitions at the end, deleting similar language from the introductory paragraph, and made a stylistic change.

The 1994 amendment, effective May 6, 1994, added subsection (j).

Editors Notes -

Section 2, ch. 113, SLA 1986 provides that the tax rates in (b) of this section, as amended by Sec. 1, ch. 118, SLA 1986, apply "to the tax due by April 1, 1987 for the tax year beginning January 1, 1986 and to the tax due for subsequent tax years."

Section 2, ch. 23, SLA 1989, provides that the 1989 amendment to (i) of this section is retroactive to January 1, 1989.

Decisions -

Constitutionality. - Subsection (b), prior to the 1986 amendment of this section, violated the equal protection clauses of both the Alaska and federal constitutions because it imposed a higher tax on foreign insurance companies than on domestic insurance companies, a discrimination which lacked any legitimate state purpose. *Principal Mut. Life Ins. Co. v. State, Div. of Ins.*, 780 P.2d 1023 (Alaska 1989).

The purpose of excluding "insurance businesses" from the coverage of AS 43.70.030(a) - of the Alaska Business License Act by virtue of the definition in AS 43.70.110(1) is apparently to avoid taxing these businesses twice, since insurers are subject to a premiums tax imposed by this section. *Northern Adjusters, Inc. v. Department of Revenue*, 627 P.2d 205 (Alaska 1981).

Sec. 21.66.110

**ANNUAL TAX ON TITLE INSURANCE PREMIUMS.**

(a) Annually each title insurance company shall pay on or before March 1, a tax of one percent of the amount of gross title insurance premiums received by it including as premium income received from guaranteed certificates of title and other guarantees of title during the preceding calendar year covering property in this state, as shown by its annual statement to the director.

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

History -

(Sec. 1 ch 120 SLA 1966; am Sec. 159 ch 67 SLA 1992; am Sec. 2 ch 21 SLA 1994)

Amendment Notes -

The 1992 amendment, effective July 1, 1992, substituted "on or before March 1" for "before April 1."

The 1994 amendment, effective May 6, 1994, added subsection (b).

Sec. 21.89.070

INSURANCE TAX CREDIT FOR GIFTS TO COLLEGES.

(a) A taxpayer is allowed a credit against the tax due under AS 21.09.210 or AS 21.66.110 for cash contributions for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, that are accepted by a nonprofit, public or private, Alaska two-year or four-year college or university accredited by a regional accreditation association or that are accepted by an Alaska university foundation that supports a university or college that could receive a contribution for which a taxpayer may obtain a credit under this section. The amount of the credit is the lesser of

(1) an amount equal to

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

(B) 100 percent of the next \$100,000 of contributions; or  
(2) 50 percent of the taxpayer's tax liability under this title.

(b) Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used.

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

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

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

History -

(Sec. 3 ch 21 SLA 1994; am Sec. 10 ch 126 SLA 1994)

Effective Date Notes -

Section 10, ch. 21, SLA 1994 makes this section effective May 6, 1994, in accordance with AS 01.10.070(c).

Amendment Notes -

The 1994 amendment, effective July 1, 1994, deleted the former first sentence in subsection (b), relating to the department's annual report for credits taken under this section.

Editors Notes -

Under Sec. 9, ch. 21, SLA 1994, ch. 21 is retroactive to January 1, 1994, and applies to contributions made under AS 21.89.070 after December 31, 1993.

Chapter 43.20  
ALASKA NET INCOME TAX ACT

Chapter 43.55

OIL AND GAS PRODUCTION TAXES AND OIL SURCHARGE

Decisions -

No apportionment formula to calculate interest expense. - Administrative regulation precluded the use of an apportionment formula by the department of revenue to calculate allowable interest expense for debt incurred to construct the trans Alaska pipeline system. State, Dep't of Revenue v. Atlantic Richfield Co., 858 P.2d 307 (Alaska 1993) (decided under former AS 43.21.030).

Entitlements benefit qualified as taxable income. - The entitlements benefit a gas company received from internally transferring and refining federal price-controlled Alaska North Shore oil qualified as taxable income under former AS 43.21.020 (since repealed). State, Dep't of Revenue v. Atlantic Richfield Co., 858 P.2d 307 (Alaska 1993).

Collateral Refs -

71 Am. Jur. 2d, State and Local Taxation, Sec. 218-220.

84 C.J.S., Taxation, Sec. 404, 427.

State tax on or in respect of goods shipped in interstate commerce to consignee for sale on consignor's account without previous sale or order for purchase. 4 ALR2d 244.

Constitutional exemption from taxation as subject to legislative regulation respecting conditions of its assertion. 4 ALR2d 744.

Power of legislature to remit, release, or compromise tax claim. 28 ALR2d 1425.

When right to refund of state or local taxes accrues, within statute limiting time for applying for refund. 46 ALR2d 1350.

Legislative power to exempt from taxation property, purposes, or uses additional to those specified in constitution. 61 ALR2d 1031.

Financial hardship or inability to pay taxes as rendering inapplicable statutes denying remedy by injunction against assessment or collection of tax. 65 ALR2d 550.

Expenses and taxes deductible by lessee in computing lessor's oil and gas royalty or other return. 73 ALR2d 1056.

Chapter 43.56

**OIL AND GAS EXPLORATION, PRODUCTION AND PIPELINE  
TRANSPORTATION PROPERTY TAXES**

**Collateral Refs -**

71 Am. Jur. 2d, State and Local Taxation, Sec. 218-220.

84 C.J.S., Taxation, Sec. 68, 314, 322, 404, 427.

Constitutional exemption from taxation as subject to legislative regulation respecting conditions of its assertion. 4 ALR2d 744.

Loading or unloading interstate freight in performance of obligation resting upon one other than interstate carrier as interstate commerce as regards local taxation. 10 ALR2d 651.

Property destined for removal from state as subject to taxation therein. 11 ALR2d 938.

Power of legislature to remit, release, or compromise tax claim. 28 ALR2d 1425.

Validity of provision for exemption from taxation of property transferred to private parties for redevelopment purposes. 44 ALR2d 1446.

When right to refund of state or local taxes accrues, within statute limiting time for applying for refund. 46 ALR2d 1350.

Legislative power to exempt from taxation property, purposes, or uses additional to those specified in constitution. 61 ALR2d 1031.

Financial hardship or inability to pay taxes as rendering inapplicable statutes denying remedy by injunction against assessment or collection of tax. 65 ALR2d 550.

Expenses and taxes deductible by lessee in computing lessor's oil and gas royalty or other return. 73 ALR2d 1056.

Right of property taxpayer to recover back taxes voluntarily but mistakenly paid a second or successive time. 84 ALR2d 1133.

Transportation, freight, mailing, or handling charges billed separately to purchaser of goods as subject to sales or use taxes. 2 ALR4th 1124.

Chapter 43.65

MINING LICENSE TAX

Decisions -

Cited in Northern Adjusters, Inc. v. Department of Revenue, 627 P.2d 205 (Alaska 1981).

Collateral Refs -

51 Am. Jur. 2d, Licenses and Permits, Sec. 26, 30; 54 Am. Jur. 2d, Mines and Minerals, Sec. 146, 147; 71 Am. Jur. 2d, State and Local Taxation, Sec. 218.

58 C.J.S., Mines and Minerals, Sec. 223, 224; 84 C.J.S., Taxation, Sec. 68, 170.

Property destined for removal from state as subject to taxation therein. 11 ALR2d 938.

Legislative power to exempt from taxation property, purposes, or uses additional to those specified in constitution. 61 ALR2d 1031.

Financial hardship or inability to pay taxes as rendering inapplicable statutes denying remedy by injunction against assessment or collection of tax. 65 ALR2d 550.

Solid mineral royalty as real or personal property for tax purposes. 68 ALR2d 734.

Payment of taxes to prevent closing of, or interference with, business as involuntary so as to permit recovery. 80 ALR2d 1040.

What constitutes manufacturing and who is a manufacturer under tax laws. 17 ALR3d 7.

Chapter 43.75  
FISHERIES TAXES

Cross References -

For legislative findings and purpose in connection with the 1979 amendments to this chapter, see Sec. 1 and 2, ch. 79, SLA 1979 in the Temporary and Special Acts.

AG Opinions -

A native business enterprise incorporated under the Indian Reorganization Act of 1934, 48 Stat. 987, 25 U.S.C.A. Sec. 476 et seq., whether it be a cooperative store or a cannery, doing business outside of an Indian reservation is subject to the Alaska Business License Act, AS 43.70, and this chapter, even though those businesses may be operated by Alaska Natives who have incorporated under the Indian Reorganization Act of 1934.

Conversely, such native business enterprises doing business within a reservation are not subject to these state taxes. 1978 Op. Att'y Gen., No. 16.

Decisions -

Cited in Northern Adjusters, Inc. v. Department of Revenue, 627 P.2d 205 (Alaska 1981).

Sec. 43.20.014

INCOME TAX EDUCATION CREDIT.

(a) For cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association, a taxpayer is allowed as a credit against the tax due under this chapter

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

(2) 100 percent of the next \$100,000 of contributions.

(b) *Repealed, Sec. 12 ch 71 SLA 1991 .*

(c) Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used.

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

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

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

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

History -

(Sec. 2 ch 58 SLA 1987; am Sec. 45 ch 21 SLA 1991; am Sec. 2, 3, 12 ch 71 SLA 1991; am Sec. 4 ch 21 SLA 1994; am Sec. 17 ch 126 SLA 1994)

Revisors Notes -

In 1991, to harmonize the amendments made by chs. 21 and 71, SLA 1991, the words "by an Alaska" were inserted before "university foundation" in (a) of this section.

Cross References -

For statement of legislative purpose in connection with the enactment of this section, see Sec. 1, ch. 58, SLA 1987, in the Temporary and Special Acts.

Amendment Notes -

The first 1991 amendment, effective June 11, 1991, in subsection (a), added "or university foundation" to the first sentence and made a stylistic change.

The second 1991 amendment, effective January 1, 1992, rewrote subsection (a), repealed subsection (b), and added subsection (d).

The first 1994 amendment, effective May 6, 1994, inserted a section reference in paragraph (d)(3).

The second 1994 amendment, effective July 1, 1994, deleted the former first sentence in subsection (c), relating to the annual departmental

report on the credits taken under this section.

Editors Notes -

Section 13, ch. 71, SLA 1991 provides that the amendments made by the Act apply "to tax years beginning after December 31, 1991."

Section 9, ch. 21, SLA 1994 makes the 1994 amendment to (d)(3) of this section retroactive to January 1, 1994.

AG Opinions -

Contributions to a private nonprofit corporation that is raising money for a William A. Egan Instructional Program and Memorial at the University of Alaska are not eligible for the education tax credit, but contributions made directly to the University of Alaska for the memorial portion of the planned project would qualify for a credit if they were accepted for "library and museum acquisitions." February 10, 1989 Op. Att'y Gen.

Sec. 43.55.019

OIL OR GAS PRODUCER EDUCATION CREDIT.

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

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

(2) 100 percent of the next \$100,000 of contributions.

(b) *Repealed, Sec. 12 ch 71 SLA 1991 .*

(c) Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used.

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

(1) be claimed as a credit under another provision of this title;

and

(2) when combined with credits taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, or AS 43.75.018, exceed \$150,000.

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

History -

(Sec. 4 ch 58 SLA 1987; am Sec. 49 ch 21 SLA 1991; am Sec. 4, 5, 12 ch 71 SLA 1991; am Sec. 5 ch 21 SLA 1994; am Sec. 18 ch 126 SLA 1994)

Revisors Notes -

References to "AS 43.55.011 - 43.55.150" were substituted for "this chapter" in (a) of this section in 1989 to reflect the enactment of AS 43.55.200 - 43.55.240.

In 1991, to harmonize the amendments made by chs. 21 and 71, SLA 1991, the words "by an Alaska" were inserted before "university foundation" in (a) of this section.

Cross References -

For statement of legislative purpose in connection with the enactment of this section, see Sec. 1, ch. 58, SLA 1987 in the Temporary and Special Acts.

Amendment Notes -

The first 1991 amendment, effective June 11, 1991, in subsection (a), added "or university foundation" to the end of the first sentence.

The second 1991 amendment, effective January 1, 1992, rewrote subsection (a), repealed subsection (b), and added subsections (d) and (e).

The first 1994 amendment, effective May 6, 1994, inserted a section

reference in paragraph (d)(2).

The second 1994 amendment, effective July 1, 1994, deleted the former first sentence in subsection (c), relating to the annual departmental report on the credits taken under this section.

Editors Notes -

Section 9, ch. 21, SLA 1994 makes the 1994 amendment to (d) of this section retroactive to January 1, 1994.

Sec. 43.56.018

OIL OR GAS PROPERTY EDUCATION CREDIT.

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

- (1) 50 percent of contributions of not more than \$100,000; and
- (2) 100 percent of the next \$100,000 of contributions.

(b) *Repealed, Sec. 12 ch 71 SLA 1991.*

(c) Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used.

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

- (1) be claimed as a credit under another provision of this title;

and

- (2) when combined with credits taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, or AS 43.75.018, exceed \$150,000.

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

History -

(Sec. 5 ch 58 SLA 1987; am Sec. 50 ch 21 SLA 1991; am Sec. 6, 7, 12 ch 71 SLA 1991; am Sec. 6 ch 21 SLA 1994; am Sec. 19 ch 126 SLA 1994)

Revisors Notes -

In 1991, to harmonize the amendments made by chs. 21 and 71, SLA 1991, the words "by an Alaska" were inserted before "university foundation" in (a) of this section.

Cross References -

For statement of legislative purpose in connection with the enactment of this section, see Sec. 1, ch. 58, SLA 1987 in the Temporary and Special Acts.

Amendment Notes -

The first 1991 amendment, effective June 11, 1991, in subsection (a), added "or university foundation." to the end of the first sentence.

The second 1991 amendment, effective January 1, 1992, rewrote subsection (a), repealed subsection (b), and added subsections (d) and (e).

The first 1994 amendment, effective May 6, 1994, inserted a section reference in paragraph (d)(2).

The second 1994 amendment, effective July 1, 1994, deleted the former first sentence in subsection (c), relating to the annual departmental

report on the credits taken under this section.

Editors Notes -

Section 9, ch. 21, SLA 1994 makes the 1994 amendment to (d) of this section retroactive to January 1, 1994.

Sec. 43.6<sup>1</sup>.018

MINING BUSINESS EDUCATION CREDIT.

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

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

(2) 100 percent of the next \$100,000 of contributions.

(b) *Repealed, Sec. 12 ch 71 SLA 1991 .*

(c) Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used.

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

(1) be claimed as a credit under another provision of this title;

and

(2) when combined with credits taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.75.018, exceed \$150,000.

History -

(Sec. 6 ch 58 SLA 1987; am Sec. 51 ch 21 SLA 1991; am Sec. 8, 9, 12 ch 71 SLA 1991; am Sec. 7 ch 21 SLA 1994; am Sec. 20 ch 126 SLA 1994)

Revisors Notes -

In 1991, to harmonize the amendments made by chs. 21 and 71, SLA 1991, the words "by an Alaska" were inserted before "university foundation" in (a) of this section.

Cross References -

For statement of legislative purpose in connection with the enactment of this section, see Sec. 1, ch. 58, SLA 1987 in the Temporary and Special Acts.

Amendment Notes -

The first 1991 amendment, effective June 11, 1991, in subsection (a), added "or university foundation" to the end of the first sentence.

The second 1991 amendment, effective January 1, 1992, rewrote subsection (a), repealed subsection (b), and added subsection (d).

The first 1994 amendment, effective May 6, 1994, inserted a section reference in paragraph (d)(2).

The second 1994 amendment, effective July 1, 1994, deleted the former first sentence in subsection (c), relating to the annual departmental report on the credits taken under this section.

Editors Notes -

Section 9, ch. 21, SLA 1994 makes the 1994 amendment to (d) of this section retroactive to January 1, 1994.

Sec. 43.75.013

FISHERIES BUSINESS EDUCATION CREDIT.

(a) For cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association, a person engaged in a fisheries business is allowed as a credit against the tax due under this chapter

- (1) 50 percent of contributions of not more than \$100,000; and
- (2) 100 percent of the next \$100,000 of contributions.

(b) *Repealed, Sec. 12 ch 71 SLA 1991 .*

(c) Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used.

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

- (1) be claimed as a credit under another provision of this title;

and

- (2) when combined with credits taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.65.018, exceed \$150,000.

History -

(Sec. 7 ch 58 SLA 1987; am Sec. 53 ch 21 SLA 1991; am Sec. 10 - 12 ch 71 SLA 1991; am Sec. 8 ch 21 SLA 1994; am Sec. 21 ch 126 SLA 1994)

Revisors Notes -

In 1991, to harmonize the amendments made by chs. 21 and 71, SLA 1991, the words "by an Alaska" were inserted before "university foundation" in (a) of this section.

Cross References -

For statement of legislative purpose in connection with the enactment of this section, see Sec. 1, ch. 58, SLA 1987 in the Temporary and Special Acts.

Amendment Notes -

The first 1991 amendment, effective June 11, 1991, in subsection (a), added "or university foundation" to the end of the first sentence.

The second 1991 amendment, effective January 1, 1992, rewrote subsection (a), repealed subsection (b), and added subsection (d).

The first 1994 amendment, effective May 6, 1994, inserted a section reference in paragraph (d)(2).

The second 1994 amendment, effective July 1, 1994, deleted the former first sentence in subsection (c), relating to the annual departmental report on the credits taken under this section.

Editors Notes -

Section 9, ch. 21, SLA 1994 makes the 1994 amendment to (d) of this

section retroactive to January 1, 1994.