

**SB**

**306**

**SENATE COMMITTEE ON  
First Committee of Referral**

DATE: 2/16/98

FURTHER: Judiciary

Date of 5-Day Notice: 2/19/98  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 2/25/98

Health, Education and Social Services Committee considered

SENATE BILL NO. 306

"An Act relating to the authority to claim a child who is the subject of a child support order as a dependent for purposes of a federal income tax exemption; relating to certification of child support arrears; amending Rule 90.3, Alaska Rules of Civil Procedure."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Rew. L. Luman</i>	<input checked="" type="checkbox"/>	<i>Lynne Green</i>	<input checked="" type="checkbox"/>		
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
CHAIR: <i>Leon W. [Signature]</i>	<input checked="" type="checkbox"/>	CHAIR:			

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal

Department	Date	Zero	Fiscal
Revenue	2/20/98		<input checked="" type="checkbox"/>

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date      Zero      Fiscal

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill



**SENATOR DAVE DONLEY**  
ALASKA STATE LEGISLATURE

**Sponsor Statement  
for Senate Bill 306  
"Tax Deductions for Custodial Parents"**

This legislation keeps a parent who is in arrears of child support from unfairly claiming an exemption for a child they are not supporting. Currently many custodial parents are being unfairly denied legitimate tax deductions because of a prior agreement in the child support order.

Senate Bill 306 enables a custodial parent to claim their child as a tax deduction if the parent paying support is in arrears for more than four months. Four months is an existing standard for revocation of licenses used by the State Board of Licensing and is defined in AS 25.27.244q(6). To facilitate the process of changing the recipient of the exemption, the court shall require, at the issuance of a support order, the payer to submit signed copies of IRS form 8332, waiving the tax exemption. These documents, signed for all tax years, will be held in the court file until such a time, if it occurs, when the payer is in arrears. This legislation also requires the Child Support Enforcement Agency provide the payee with a document certifying that the payer was indeed in arrears under AS 25.27.244q(6).

This legislation only applies to future support orders and cannot be retroactive.

DD/ljh

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*MEMBER:* Senate Finance Committee • Legislative Budget & Audit Committee  
• Senate Community & Regional Affairs Committee

Produced in House

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Tax Exemptions in Child Support Cases BRU: Child Support Enforcement Division  
 Component: Child Support Enforcement Division  
 Sponsor: Senator Donley  
 Requestor: (S) HES COMPONENT SERIAL NO. 111

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	12.2	12.2	12.2	12.2	12.2	12.2
TRAVEL						
CONTRACTUAL	7.2	7.2	7.2	7.2	7.2	7.2
SUPPLIES						
EQUIPMENT	6.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>25.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES ( )</b>						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	16.8	12.8	12.8	12.8	12.8	12.8
1003 GF Match						
1004 GF	8.6	6.6	6.6	6.6	6.6	6.6
1001 CBRF						
1048 University of AK receipts						
Other						
<b>TOTAL</b>	<b>25.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>

Estimate of any current year cost \$ 00

POSITIONS:

FULL-TIME						
PART-TIME	1.0	1.0	1.0	1.0	1.0	1.0
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Senate Bill 306 would amend AS 25.27. The amendment would mandate that the Child Support Enforcement Division (CSED) certify, in writing, whether the case obligor is in arrears more than four times the monthly obligation, regardless of whether or not a payment schedule has been established. The information must be available to the custodial parent within 30 days of submitting a written request to obtain it. Rule 90.3, Alaska Rules of Civil Procedure would then be amended to entitle the custodial parent to claim the child(ren) as dependents for federal tax purposes (assuming they are entitled to do so under federal law and assuming accumulated arrearages in excess of four months.)

Prepared by: Barbara Miklos, Director  
 Division: Child Support Enforcement Division  
 Approved by Commissioner: Wilson L. Condon  
 Agency: Revenue

Phone: 269-6800  
 Date: February 20, 1998  
 Date: February 20, 1998

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