

SB

306



SENATOR DAVE DONLEY
ALASKA STATE LEGISLATURE

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

CS Senate Bill 306 would prohibit courts from unconditionally granting non-custodial parents a tax exemption for their child in a divorce, legal separation, dissolution, or annulment. This prevents 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. Presently, federal law automatically grants the exemption to the custodial parent, which is determined by the actual amount of time that the parent has custody of the child.

This legislation does allow for the court to conditionally grant a tax exemption to the non-custodial parent for a tax year if the non-custodial parent is in compliance with federal law and also not in arrears of more than four months of their support payments or payment schedule of support payments. 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).

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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