

SB

267

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 267
(S) Publish Date: 2/01/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title: Alaska Veterans Memorial BRU: Community Assistance&Econ Dev
Endowment Fund Component: Community & Business
Sponsor: Rules By Request Development
Requester: Governor Component No. 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	*	*	*	*	*	*
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	*	*	*	*	*	*
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The impact of this bill on revenues and expenditures is indeterminate due to the difficulty in anticipating the extent to which tax credits will be appropriated to the endowment funds.

Prepared by: Ginny Fay, Deputy Director
Division: Community & Business Development
Approved by: Deborah B. Sedwick, Commissioner
Agency: Department of Community & Economic Development

Phone 907-465-5472
Date/Time 10/3/01 4:21 PM
Date 10/3/2001

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 267
(S) Publish Date: 2/01/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Veterans Memorial Endowment BRU Revenue Operations
and Tax Credit Component Tax Division
Sponsor Rules Committee
Requester Governor Co-nponent No. 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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 EXPENDITURES						
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CHANGE IN REVENUES ()	**	**	**	**	**	**
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

** Although we do not believe there are a sufficient facts for estimating the potential revenue loss under this bill, the best source for revenue loss information is the Education Tax Credit data. The reason why Education Tax Credit data is useful is that the structure of the proposed Alaska Veterans Memorial Endowment Tax Credit mirrors the structure of the existing Education Tax Credit. Additionally, because taxpayers are limited to a maximum of \$150,000 in credit, they may choose to substitute Alaska Veterans Memorial Tax Credits for Education Tax Credits. The revenue loss would then only be any additional credits beyond those that would have been used as education credits. In FY 2001, 37 taxpayers used approximately \$2.1 million in Education Tax Credits. About 97 percent of those credits were used by 16 of the 37 taxpayers.

Prepared by: Brett Fried
Division: Tax Division
Approved by: Larry Perslly, Deputy Commissioner
Agency: Department of Revenue

Phone 465-3682
Date/Time 11/10/01 2:18 PM
Date 11/10/2001

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 267
(S) Publish Date: 2/01/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DMVA
Title Veterans Memorial Endowment BRU Veterans Services
Component Veterans Services
Sponsor Rules
Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	125.0					
TOTAL OPERATING	125.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	125.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	125.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The proposed bill sets up an endowment fund to maintain and develop veterans or military memorials. It also provides an opportunity for private entities to contribute to the fund and receive a tax credit against their state taxes. The amount in the fiscal note is the initial contribution to the fund. Earnings from the fund will be available to expend, contingent on appropriations, for projects approved by the department in consultation with veteran groups.

Prepared by: Carol Carroll Phone 465-4730
Division Administrative Services Date/Time 12/7/01 3:15 PM
Approved by: Carol Carroll Date 12/07/2001
Agency Department of Military and Veterans Affairs

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 267
(S) Publish Date: 2/01/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DMV*
Title Veterans Memorial Endowment BRU Veterans Services
Component Veterans Services
Sponsor Rules
Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	125.0					
TOTAL OPERATING	125.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	125.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	125.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

F Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The proposed bill sets up an endowment fund to maintain and develop veterans or military memorials. It also provides an opportunity for private entities to contribute to the fund and receive a tax credit against their state taxes. The amount in the fiscal note is the initial contribution to the fund. Earnings from the fund will be available to expend, contingent on appropriations, for projects approved by the department in consultation with veteran groups.

Prepared by: Carol Carroll
Division: Administrative Services
Approved by: Carol Carroll
Agency: Department of Military and Veterans Affairs

Phone 465-4730
Date/Time 12/7/01 3:15 PM
Date 12/07/2001

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 267
(S) Publish Date: 2/01/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Veterans Memorial Endowment BRU Revenue Operations
and Tax Credit Component Tax Division
Sponsor Rules Committee
Requester Governor Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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 EXPENDITURES						
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CHANGE IN REVENUES ()	**	**	**	**	**	**
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

** Although we do not believe there are a sufficient facts for estimating the potential revenue loss under this bill, the best source for revenue loss information is the Education Tax Credit data. The reason why Education Tax Credit data is useful is that the structure of the proposed Alaska Veterans Memorial Endowment Tax Credit mirrors the structure of the existing Education Tax Credit. Additionally, because taxpayers are limited to a maximum of \$150,000 in credit, they may choose to substitute Alaska Veterans Memorial Tax Credits for Education Tax Credits. The revenue loss would then only be any additional credits beyond those that would have been used as education credits. In FY 2001, 37 taxpayers used approximately \$2.1 million in Education Tax Credits. About 97 percent of those credits were used by 16 of the 37 taxpayers.

Prepared by: Brett Fried Phone 465-3682
Division Tax Division Date/Time 11/10/01 2:18 PM
Approved by: Larry Persily, Deputy Commissioner Date 11/10/2001
Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 267
(S) Publish Date: 2/01/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title: Alaska Veterans Memorial BRU: Community Assistance&Econ Dev
Endowment Fund Component: Community & Business
Sponsor: Rules By Request Development
Requester: Governor Component No. 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	*	*	*	*	*	*
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	*	*	*	*	*	*
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The impact of this bill on revenues and expenditures is indeterminate due to the difficulty in anticipating the extent to which tax credits will be appropriated to the endowment funds.

Prepared by: Ginny Fay, Deputy Director
Division: Community & Business Development
Approved by: Deborah B. Sedwick, Commissioner
Agency: Department of Community & Economic Development

Phone 907-465-5472
Date/Time 10/3/01 4:21 PM
Date 10/3/2001

22-GS2003U
Cook
5/12/02

adopted 5/12

**HOUSE CS FOR CS FOR SENATE BILL NO. 267(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION**

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska veterans' memorial endowment fund and providing for
2 credits against certain taxes for contributions to that fund; providing that the amount of
3 each tax credit for contributions to the Alaska veterans' memorial endowment fund on
4 amounts that do not exceed \$100,000 is 50 percent and on amounts that exceed \$100,000
5 but do not exceed \$200,000 is 75 percent; relating to other tax credits for certain
6 contributions; and providing for an effective date."

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

8 * **Section 1.** AS 21.89.070(c) is amended to read:

- 9 (c) A contribution claimed as a credit under this section may not
- 10 (1) be claimed as a credit under more than one provision of this title;
- 11 and
- 12 (2) when combined with credits taken during the taxpayer's tax year
- 13 under AS 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021,

1 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]
2 AS 43.77.045, or 43.77.046, exceed \$150,000.

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

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

5 (1) be claimed as a credit under more than one provision of this title;

6 and

7 (2) when combined with credits taken during the taxpayer's tax year
8 under AS 21.89.075 [AS 21.89.071, 21.89.075], AS 43.20.014, [43.20.018,]
9 AS 43.55.019, [43.55.021,] AS 43.56.018, [43.56.019,] AS 43.65.018, [43.65.019,]
10 AS 43.75.018, [43.75.019,] or AS 43.77.045, [OR 43.77.046,] exceed \$150,000.

11 * **Sec. 3.** AS 21.89 is amended by adding a new section to read:

12 **Sec. 21.89.071. Insurance tax credit for gifts to Alaska veterans' memorial**
13 **endowment fund.** (a) A taxpayer is allowed a credit against the tax due under
14 AS 21.09.210 or AS 21.66.110 for cash contributions that are accepted for the Alaska
15 veterans' memorial endowment fund established in AS 37.14.700. The amount of the
16 credit is the lesser of

17 (1) an amount equal to

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

19 (B) 75 percent of the next \$100,000 of contributions; or

20 (2) 50 percent of the taxpayer's tax liability under this title.

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

22 (1) be claimed as a credit under more than one provision of this title;

23 and

24 (2) when combined with credits taken during the taxpayer's tax year
25 under AS 21.89.070, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021,
26 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019,
27 AS 43.77.045, or 43.77.046, exceed \$150,000.

28 (c) A taxpayer may not claim the tax credit allowed under this section if the
29 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
30 this title or AS 43. For purposes of this subsection, a taxpayer is not in arrears if the
31 payment is under administrative or judicial appeal.

1 * Sec. 4. AS 21.89.075(c) is amended to read:

2 (c) A contribution claimed by a taxpayer as a credit under this section may not

3 (1) be claimed as a credit under more than one provision of this title;

4 (2) when combined with credits taken during the taxpayer's tax year
5 under AS 21.89.070, 21.89.071, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021,
6 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]
7 AS 43.77.045, or 43.77.046, exceed \$150,000; or

8 (3) be claimed as a credit unless the contribution qualifies for the credit
9 under (d) of this section.

10 * Sec. 5. AS 21.89.075(c) is amended to read:

11 (c) A contribution claimed by a taxpayer as a credit under this section may not

12 (1) be claimed as a credit under more than one provision of this title;

13 (2) when combined with credits taken during the taxpayer's tax year
14 under AS 21.89.070, [21.89.071,] AS 43.20.014, [43.20.018,] AS 43.55.019,
15 [43.55.021,] AS 43.56.018, [43.56.019,] AS 43.65.018, [43.65.019,] AS 43.75.018,
16 [43.75.019,] or AS 43.77.045, [OR 43.77.046,] exceed \$150,000; or

17 (3) be claimed as a credit unless the contribution qualifies for the credit
18 under (d) of this section.

19 * Sec. 6. AS 37.14 is amended by adding new sections to read:

20 **Article 8. Alaska Veterans' Memorial Endowment Fund.**

21 **Sec. 37.14.700. Alaska veterans' memorial endowment fund established.**

22 (a) The Alaska veterans' memorial endowment fund is established as a separate
23 endowment trust fund of the state. The fund consists of

24 (1) appropriations to the fund;

25 (2) donations to the fund; and

26 (3) income earned on investments of fund assets.

27 (b) The commissioner of revenue shall manage the fund as an endowment,
28 with the goal that the purchasing power of the fund will not diminish over time
29 without regard to additional contributions that may be made to the fund. The
30 commissioner shall invest the assets of the fund in a manner likely to yield at least a
31 five percent real rate of return over time.

1 (c) Nothing in this section creates a dedicated fund.

2 **Sec. 37.14.720. Powers and duties of the commissioner of revenue.** In
3 carrying out the investment duties under AS 37.14.700 - 37.14.740, the commissioner
4 of revenue has the powers and duties set out in AS 37.10.071. The commissioner shall
5 provide reports to the adjutant general of the Department of Military and Veterans'
6 Affairs on the condition and investment performance of the fund.

7 **Sec. 37.14.730. Use of fund.** (a) As soon as practicable after July 1 of each
8 year, the commissioner of revenue shall determine the average month-end market
9 value of the fund for the immediately preceding three fiscal years. The commissioner
10 shall identify five percent of that amount as available for appropriation by the
11 legislature for uses described in (b) of this section.

12 (b) Appropriations of the amount identified in (a) of this section may be used
13 for the following purposes:

14 (1) grants for the maintenance, repair, replacement, and enhancement
15 of, or addition to, veterans' memorials or monuments to the military;

16 (2) grants for the development and construction of new veterans'
17 memorials or monuments to the military if the adjutant general determines that the
18 purposes set out in (1) of this subsection have been met in a fiscal year;

19 (3) reimbursement of the costs of establishment, management, and
20 administration of the fund.

21 (c) After consultation with appropriate veterans' organizations, the adjutant
22 general of the Department of Military and Veterans' Affairs shall administer the grant
23 program and award grants from the money appropriated from the fund. The adjutant
24 general may adopt regulations under AS 44.62 (Administrative Procedure Act) to
25 establish procedures and standards to administer the grant program and for the award
26 of grants. The standards may include requirements for recipients to match grant
27 awards, if appropriate.

28 **Sec. 37.14.740. Definition.** In AS 37.14.700 - 37.14.740, "fund" means the
29 Alaska veterans' memorial endowment fund established in AS 37.14.700.

30 * **Sec. 7.** AS 43.20.014(d) is amended to read:

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

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

2 (2) also be allowed as a deduction under 26 U.S.C. 170 against the tax
3 imposed by this chapter; and

4 (3) when combined with credits taken during the taxpayer's tax year
5 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.018, AS 43.55.019, 43.55.021,
6 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]
7 AS 43.77.045, or 43.77.046, exceed \$150,000.

8 * Sec. 8. AS 43.20.014(d) is amended to read:

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

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

11 (2) also be allowed as a deduction under 26 U.S.C. 170 against the tax
12 imposed by this chapter; and

13 (3) when combined with credits taken during the taxpayer's tax year
14 under AS 21.89.070, [21.89.071,] 21.89.075, [AS 43.20.018,] AS 43.55.019,
15 [43.55.021,] AS 43.56.018, [43.56.019,] AS 43.65.018, [43.65.019,] AS 43.75.018,
16 [43.75.019,] or AS 43.77.045, [OR 43.77.046,] exceed \$150,000.

17 * Sec. 9. AS 43.20 is amended by adding a new section to read:

18 **Sec. 43.20.018. Alaska veterans' memorial endowment fund contribution**
19 **credit.** (a) For cash contributions accepted for the Alaska veterans' memorial
20 endowment fund established in AS 37.14.700, a taxpayer is allowed as a credit against
21 the tax due under this chapter

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

23 (2) 75 percent of the next \$100,000 of contributions.

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

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

26 (2) also be allowed as a deduction under 26 U.S.C. 170 against the tax
27 imposed by this chapter; and

28 (3) when combined with credits taken during the taxpayer's tax year
29 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, AS 43.55.019, 43.55.021,
30 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019,
31 AS 43.77.045, or 43.77.046, exceed \$150,000.

1 (c) A taxpayer may not claim the tax credit allowed under this section if the
2 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
3 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the
4 payment is under administrative or judicial appeal.

5 * Sec. 10. AS 43.55.019(d) is amended to read:

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

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

8 (2) when combined with credits taken during the taxpayer's tax year
9 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.021,
10 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]
11 AS 43.77.045, or 43.77.046, exceed \$150,000.

12 * Sec. 11. AS 43.55.019(d) is amended to read:

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

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

15 (2) when combined with credits taken during the taxpayer's tax year
16 under AS 21.89.070, [21.89.071,] 21.89.075, AS 43.20.014, [43.20.018,
17 AS 43.55.021,] AS 43.56.018, [43.56.019,] AS 43.65.018, [43.65.019,] AS 43.75.018,
18 [43.75.019,] or AS 43.77.045, [OR 43.77.046,] exceed \$150,000.

19 * Sec. 12. AS 43.55 is amended by adding a new section to read:

20 **Sec. 43.55.021. Alaska veterans' memorial endowment fund contribution**
21 **credit.** (a) For cash contributions accepted for the Alaska veterans' memorial
22 endowment fund established in AS 37.14.700, a producer of oil or gas is allowed as a
23 credit against the tax due under this chapter

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

25 (2) 75 percent of the next \$100,000 of contributions.

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

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

28 (2) when combined with credits taken during the taxpayer's tax year
29 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
30 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019,
31 AS 43.77.045, or 43.77.046, exceed \$150,000.

1 (c) A taxpayer may not claim the tax credit allowed under this section if the
2 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
3 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the
4 payment is under administrative or judicial appeal.

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

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

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

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

11 (2) when combined with credits taken during the taxpayer's tax year
12 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
13 43.55.021, AS 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]
14 AS 43.77.045, or 43.77.046, exceed \$150,000.

15 * **Sec. 14.** AS 43.56.018(d) is amended to read:

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

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

18 (2) when combined with credits taken during the taxpayer's tax year
19 under AS 21.89.070, [21.89.071,] 21.89.075, AS 43.20.014, [43.20.018,]
20 AS 43.55.019, [43.55.021, AS 43.56.019,] AS 43.65.018, [43.65.019,] AS 43.75.018,
21 [43.75.019,] or AS 43.77.045, [OR 43.77.046,] exceed \$150,000.

22 * **Sec. 15.** AS 43.56 is amended by adding a new section to read:

23 **Sec. 43.56.019. Alaska veterans' memorial endowment fund contribution**
24 **credit.** (a) For cash contributions accepted for the Alaska veterans' memorial
25 endowment fund established in AS 37.14.700, the owner of property taxable under this
26 chapter is allowed as a credit against the tax due under this chapter

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

28 (2) 75 percent of the next \$100,000 of contributions.

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

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

31 (2) when combined with credits taken during the taxpayer's tax year

1 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
2 43.55.021, AS 43.56.018, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019,
3 AS 43.77.045, or 43.77.046, exceed \$150,000.

4 (c) A taxpayer may not claim the tax credit allowed under this section if the
5 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
6 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the
7 payment is under administrative or judicial appeal.

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

11 * Sec. 16. AS 43.65.018(d) is amended to read:

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

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

14 (2) when combined with credits taken during the taxpayer's tax year
15 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
16 43.55.021, AS 43.56.018, 43.56.019, 43.65.019, AS 43.75.018, 43.75.019, [OR]
17 AS 43.77.045, or 43.77.046, exceed \$150,000.

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

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

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

21 (2) when combined with credits taken during the taxpayer's tax year
22 under AS 21.89.070, [21.89.071,] 21.89.075, AS 43.20.014, [43.20.018,]
23 AS 43.55.019, [43.55.021,] AS 43.56.018, [43.56.019, 43.65.019,] AS 43.75.018,
24 [43.75.019,] or AS 43.77.045, [OR 43.77.046,] exceed \$150,000.

25 * Sec. 18. AS 43.65 is amended by adding a new section to read:

26 **Sec. 43.65.019. Alaska veterans' memorial endowment fund contribution**
27 **credit.** (a) For cash contributions accepted for the Alaska veterans' memorial
28 endowment fund established in AS 37.14.700, a person engaged in the business of
29 mining in the state is allowed as a credit against the tax due under this chapter

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

31 (2) 75 percent of the next \$100,000 of contributions.

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

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

3 (2) when combined with credits taken during the taxpayer's tax year
4 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
5 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, AS 43.75.018, 43.75.019,
6 AS 43.77.045, or 43.77.046, exceed \$150,000.

7 (c) A taxpayer may not claim the tax credit allowed under this section if the
8 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
9 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the
10 payment is under administrative or judicial appeal.

11 * Sec. 19. AS 43.75.018(d) is amended to read:

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

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

14 (2) when combined with credits taken during the taxpayer's tax year
15 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
16 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.019, [OR]
17 AS 43.77.045, or 43.77.046, exceed \$150,000.

18 * Sec. 20. AS 43.75.018(d) is amended to read:

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

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

21 (2) when combined with credits taken during the taxpayer's tax year
22 under AS 21.89.070, [21.89.071,] 21.89.075, AS 43.20.014, [43.20.018,]
23 AS 43.55.019, [43.55.021,] AS 43.56.018, [43.56.019,] AS 43.65.018, [43.65.019,
24 AS 43.75.019,] or AS 43.77.045, [OR 43.77.046,] exceed \$150,000.

25 * Sec. 21. AS 43.75 is amended by adding a new section to read:

26 **Sec. 43.75.019. Alaska veterans' memorial endowment fund contribution**
27 **credit.** (a) For cash contributions accepted for the Alaska veterans' memorial
28 endowment fund established in AS 37.14.700, a person engaged in a fisheries business
29 is allowed as a credit against the tax due under this chapter

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

31 (2) 75 percent of the next \$100,000 of contributions.

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

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

3 (2) when combined with credits taken during the taxpayer's tax year
4 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
5 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018,
6 AS 43.77.045, or 43.77.046, exceed \$150,000.

7 (c) A taxpayer may not claim the tax credit allowed under this section if the
8 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under
9 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the
10 payment is under administrative or judicial appeal.

11 * Sec. 22. AS 43.77.045(c) is amended to read:

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

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

14 (2) when combined with credits taken during the taxpayer's tax year
15 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
16 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, [OR] AS 43.75.018,
17 43.75.019, or AS 43.77.046, exceed \$150,000.

18 * Sec. 23. AS 43.77.045(c) is amended to read:

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

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

21 (2) when combined with credits taken during the taxpayer's tax year
22 under AS 21.89.070, [21.89.071,] 21.89.075, AS 43.20.014, [43.20.018,]
23 AS 43.55.019, [43.55.021,] AS 43.56.018, [43.56.019,] AS 43.65.018, [43.65.019.] or
24 AS 43.75.018, [43.75.019, OR AS 43.77.046,] exceed \$150,000.

25 * Sec. 24. AS 43.77 is amended by adding a new section to read:

26 **Sec. 43.77.046. Alaska veterans' memorial endowment fund contribution**
27 **credit.** (a) In addition to the credit allowed under AS 43.77.040, for cash
28 contributions accepted for the Alaska veterans' memorial endowment fund established
29 in AS 37.14.700, a person engaged in a floating fisheries business is allowed as a
30 credit against the tax due under this chapter

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

1 (2) 75 percent of the next \$100,000 of contributions.

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

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

4 (2) when combined with credits taken during the taxpayer's tax year
5 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,
6 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018,
7 43.75.019, or AS 43.77.045, exceed \$150,000.

8 (c) A taxpayer may not claim the tax credit allowed under this section if the
9 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under this title
10 or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the payment is under
11 administrative or judicial appeal.

12 * **Sec. 25.** AS 21.89.071; AS 43.20.018; AS 43.55.021; AS 43.56.019; AS 43.65.019;
13 AS 43.75.019; and AS 43.77.046 are repealed.

14 * **Sec. 26.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 **TRANSITION: AMOUNT AVAILABLE FOR APPROPRIATION.** (a)
17 Notwithstanding AS 37.14.730(a), enacted by sec. 6 of this Act, the commissioner of revenue
18 shall identify five percent of the balance of the Alaska veterans' memorial endowment fund on
19 July 1, 2002, as being the amount available for appropriation to support efforts authorized by
20 this Act for fiscal year 2003.

21 (b) Notwithstanding the requirement in AS 37.14.730(a), enacted by sec. 6 of this
22 Act, that the commissioner of revenue make a determination based on the market value of the
23 fund for the immediately preceding three fiscal years, the commissioner of revenue shall
24 make the determination under AS 37.14.730(a) based on the average ending balance in the
25 fund

26 (1) from July 31, 2002, to June 30, 2003, for fiscal year 2004;

27 (2) from July 31, 2002, to June 30, 2004, for fiscal year 2005;

28 (3) from July 31, 2002, to June 30, 2005, for fiscal year 2006.

29 (c) In this section,

30 (1) "Alaska veterans' memorial endowment fund" means the fund established
31 in AS 37.14.700, enacted by sec. 6 of this Act;

1 (2) "fund" means the Alaska veterans' memorial endowment fund.

2 * Sec. 27. Sections 1, 3, 4, 6, 7, 9, 10, 12, 13, 15, 16, 18, 19, 21, 22, 24, and 26 of this Act
3 take effect immediately under AS 01.10.070(c).

4 * Sec. 28. Sections 2, 5, 8, 11, 14, 17, 20, 23, and 25 of this Act take effect July 1, 2003.

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January 29, 2002

The Honorable Rick Halford
President of the Senate
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear President Halford:

There are scores of memorials to veterans and monuments to the military throughout the state, owned by various entities. These memorials and monuments should be in excellent condition at all times to convey proper respect and to honor our former and present members of the military who served our nation and state and yet, these tributes to our military are in varying stages of upkeep.

This bill I am transmitting establishes the Alaska Veterans' Memorial Endowment Fund to help fund efforts to maintain our current memorials and provide a possible source of funding for new memorials. It is part of a package of legislation I am introducing this year, and introduced last year, to offer proper acknowledgment and appreciation of our veterans.

The bill proposes to finance the fund partly through contributions that will be eligible for certain state corporate tax credits. Primary use of the funds will be for maintaining veterans' memorials. Once this purpose is substantially satisfied in a fiscal year, the fund may be used to establish new memorials and to finance similar projects to recognize efforts of the military.

The Veterans Memorial Endowment Fund would be administered by the commissioner of revenue with a portion of the fund earnings available for appropriation for maintenance and establishment of memorials. A contributing taxpayer would receive a credit that could be applied against certain Alaska taxes, such as insurance premium taxes, income taxes, oil and gas exploration and production taxes, pipeline transportation property taxes, mining license taxes, and fisheries taxes. Tax credits would be limited in the same manner as they are for existing tax credit programs.

1

The Honorable Rick Halford


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Many Alaskans agree the state and its citizens should exhibit due respect to our veterans and military by maintaining these memorials and monuments. Dozens of Alaska corporations, businesses, and individuals have readily pledged contributions to this worthwhile endeavor, with the expectation of a matching state appropriation. The state is not obliged to maintain all memorials and monuments, yet it is appropriate for the state to share in the cost by providing modest matching grants. Therefore, I am proposing with this bill a one-time state contribution to the fund of \$125,000.

I urge you to take favorable action on this measure and my entire package of veterans' legislation.

Sincerely,


Tony Knowles
Governor