

**SB**

**267**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/22/02

REPORTED OUT  
MAY 9 2002  
SENATE FINANCE

FURTHER:

DATE TURNED IN TO OFFICE: 05/09/02

Finance Committee considered

SENATE BILL NO. 267

*SB 267 ALASKA VETERANS' MEMORIAL ENDOWMENT FUND*

"An Act establishing the Alaska veterans' memorial endowment fund and providing for credits against certain taxes for contributions to that fund; relating to other tax credits for certain contributions; and providing for an effective date."

and recommends:

- be replaced with CS SB 267 (FIN)
- adopt previous CS ( )
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DMVA	12/7/01	125.0		#1
Revenue	11/06/01		✓	#2
DCED	10/7/01	*		#3

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Linda Green</i>	✓			
<i>Alvin Gustafson</i>	✓			
<i>James Hoffman</i>	✓			
<i>David ...</i>	✓			
<i>Sony ...</i>	✓			
<i>Drew D. ...</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

# 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					
<b>TOTAL OPERATING</b>	<b>125.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**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)						
<b>TOTAL</b>	<b>125.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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  
 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						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>	**	**	**	**	**	**
-------------------------------	----	----	----	----	----	----

**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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of 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 Persly, Deputy Commissioner  
Agency: Department of Revenue

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

# FISCAL NOTE

MAY 11 2 2002

**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						
<b>TOTAL OPERATING</b>	*	*	*	*	*	*

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>	*	*	*	*	*	*
-------------------------------	---	---	---	---	---	---

**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)						
<b>TOTAL</b>	*	*	*	*	*	*

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 Phone 907-465-5472  
 Division Community & Business Development Date/Time 10/3/01 4:21 PM  
 Approved by: Deborah B. Sedwick, Commissioner Date 10/3/2001  
 Agency Department of Community & Economic Development

(Revised 9/2001 OMB) *Handwritten initials*

22-GS2003VF  
Cook  
5/3/02

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

**BY THE SENATE 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 is amended by adding a new section to read:

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

9 (1) an amount equal to

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

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

12 (2) 50 percent of the taxpayer's tax liability under this title.

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

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

15 and

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

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

24 \* Sec. 3. AS 21.89.075(c) is amended to read:

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

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

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

31 (3) be claimed as a credit unless the contribution qualifies for the credit

1 under (d) of this section.

2 \* **Sec. 4.** AS 37.14 is amended by adding new sections to read:

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

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

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

7 (1) appropriations to the fund;

8 (2) donations to the fund; and

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

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

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

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

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

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

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

30 (2) grants for the development and construction of new veterans'  
31 memorials or monuments to the military if the adjutant general determines that the

1 purposes set out in (1) of this subsection have been met in a fiscal year;

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

4 (c) After consultation with appropriate veterans' organizations, the adjutant  
5 general of the Department of Military and Veterans' Affairs shall administer the grant  
6 program and award grants from the money appropriated from the fund. The adjutant  
7 general may adopt regulations under AS 44.62 (Administrative Procedure Act) to  
8 establish procedures and standards to administer the grant program and for the award  
9 of grants. The standards may include requirements for recipients to match grant  
10 awards, if appropriate.

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

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

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

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

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

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

22 \* **Sec. 6.** AS 43.20 is amended by adding a new section to read:

23 **Sec. 43.20.018. 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, a taxpayer is allowed as a credit against  
26 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;

31 (2) also be allowed as a deduction under 26 U.S.C. 170 against the tax

1 imposed by this chapter; and

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

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

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

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

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

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

17 \* Sec. 8. AS 43.55 is amended by adding a new section to read:

18 **Sec. 43.55.021. 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 producer of oil or gas is allowed as a  
21 credit against 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; and

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

30 (c) A taxpayer may not claim the tax credit allowed under this section if the  
31 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under

1 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the  
2 payment is under administrative or judicial appeal.

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

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

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

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

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

13 \* Sec. 10. AS 43.56 is amended by adding a new section to read:

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

18 (1) 50 percent of contributions of not more than \$100,000; and

19 (2) 75 percent of the next \$100,000 of contributions.

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

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

22 (2) when combined with credits taken during the taxpayer's tax year  
23 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,  
24 43.55.021, AS 43.56.018, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019,  
25 AS 43.77.045, or 43.77.046, exceed \$150,000.

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

30 (d) The department may, by regulation, establish procedures by which a  
31 taxpayer may allocate a pro rata share of a credit claimed under this section against

1 monthly tax payments made during the tax year.

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

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

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

5 (2) when combined with credits taken during the taxpayer's tax year  
6 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,  
7 43.55.021, AS 43.56.018, 43.56.019, 43.65.019, AS 43.75.018, 43.75.019, [OR]  
8 AS 43.77.045, or 43.77.046, exceed \$150,000.

9 \* Sec. 12. AS 43.65 is amended by adding a new section to read:

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

14 (1) 50 percent of contributions of not more than \$100,000; and

15 (2) 75 percent of the next \$100,000 of contributions.

16 (b) 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, AS 43.55.019,  
20 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, AS 43.75.018, 43.75.019,  
21 AS 43.77.045, or 43.77.046, exceed \$150,000.

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

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

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

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

29 (2) when combined with credits taken during the taxpayer's tax year  
30 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,  
31 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.019, [OR]

1 AS 43.77.045, or 43.77.046, exceed \$150,000.

2 \* Sec. 14. AS 43.75 is amended by adding a new section to read:

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

7 (1) 50 percent of contributions of not more than \$100,000; and

8 (2) 75 percent of the next \$100,000 of contributions.

9 (b) 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 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018,  
14 AS 43.77.045, or 43.77.046, exceed \$150,000.

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

19 \* Sec. 15. AS 43.77.045(c) is amended to read:

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

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

22 (2) when combined with credits taken during the taxpayer's tax year  
23 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,  
24 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, [OR] AS 43.75.018,  
25 43.75.019, or AS 43.77.046, exceed \$150,000.

26 \* Sec. 16. AS 43.77 is amended by adding a new section to read:

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

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

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

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

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

5 (2) when combined with credits taken during the taxpayer's tax year  
6 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,  
7 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018,  
8 43.75.019, or AS 43.77.045, exceed \$150,000.

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

13 \* Sec. 17. The uncodified law of the State of Alaska is amended by adding a new section to  
14 read:

15 TRANSITION: AMOUNT AVAILABLE FOR APPROPRIATION. (a)

16 Notwithstanding AS 37.14.730(a), enacted by sec. 4 of this Act, the commissioner of revenue  
17 shall identify five percent of the balance of the Alaska veterans' memorial endowment fund on  
18 July 1, 2002, as being the amount available for appropriation to support efforts authorized by  
19 this Act for fiscal year 2003.

20 (b) Notwithstanding the requirement in AS 37.14.730(a), enacted by sec. 4 of this  
21 Act, that the commissioner of revenue make a determination based on the market value of the  
22 fund for the immediately preceding three fiscal years, the commissioner of revenue shall  
23 make the determination under AS 37.14.730(a) based on the average ending balance in the  
24 fund

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

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

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

28 (c) In this section,

29 (1) "Alaska veterans' memorial endowment fund" means the fund established  
30 in AS 37.14.700, enacted by sec. 4 of this Act;

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

1

\* Sec. 18. This Act takes effect immediately under AS 01.10.070(c).

22-GS2003\C  
Cook  
5/3/02

**CS FOR SENATE BILL NO. 267(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-SECOND LEGISLATURE - SECOND SESSION**

**BY THE SENATE 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 exceed \$100,000 but do not exceed \$200,000 is 75 percent; relating to other  
5 tax credits for certain contributions; and providing for an effective date."

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

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

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

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

10 and

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

12 under AS 21.89.071, 21.89.075, AS 43.20.014, 43.20.019, AS 43.55.019, 43.55.021,

13 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]

1 AS 43.77.045, or 43.77.046, exceed \$150,000.

2 \* Sec. 2. AS 21.89 is amended by adding a new section to read:

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

8 (1) an amount equal to

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

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

11 (2) 50 percent of the taxpayer's tax liability under this title.

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

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

14 and

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

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

23 \* Sec. 3. AS 21.89.075(c) is amended to read:

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

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

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

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

1 \* **Sec. 4.** AS 37.14 is amended by adding new sections to read:

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

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

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

- 6 (1) appropriations to the fund;  
7 (2) donations to the fund; and  
8 (3) income earned on investments of fund assets.

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

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

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

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

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

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

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

1 (3) reimbursement of the costs of establishment, management, and  
2 administration of the fund.

3 (c) After consultation with appropriate veterans' organizations, the adjutant  
4 general of the Department of Military and Veterans' Affairs shall administer the grant  
5 program and award grants from the money appropriated from the fund. The adjutant  
6 general may adopt regulations under AS 44.62 (Administrative Procedure Act) to  
7 establish procedures and standards to administer the grant program and for the award  
8 of grants. The standards may include requirements for recipients to match grant  
9 awards, if appropriate.

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

12 \* **Sec. 5.** AS 43.20.014(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;

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

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

21 \* **Sec. 6.** AS 43.20 is amended by adding a new section to read:

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

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

27 (2) 75 percent of the next \$100,000 of contributions.

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

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

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

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

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

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

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

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

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

16 \* Sec. 8. AS 43.55 is amended by adding a new section to read:

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

21 (1) 50 percent of contributions of not more than \$100,000; and

22 (2) 75 percent of the next \$100,000 of contributions.

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

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

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

29 (c) A taxpayer may not claim the tax credit allowed under this section if the  
30 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under  
31 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the

1 payment is under administrative or judicial appeal.

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

5 \* Sec. 9. AS 43.56.018(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 43.55.019,  
10 43.55.021, AS 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. 10. AS 43.56 is amended by adding a new section to read:

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

17 (1) 50 percent of contributions of not more than \$100,000; and

18 (2) 75 percent of the next \$100,000 of contributions.

19 (b) 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, AS 43.55.019,  
23 43.55.021, AS 43.56.018, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019,  
24 AS 43.77.045, or 43.77.046, exceed \$150,000.

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

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

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

2 (d) 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, 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. 12.** AS 43.65 is amended by adding a new section to read:

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

13 (1) 50 percent of contributions of not more than \$100,000; and

14 (2) 75 percent of the next \$100,000 of contributions.

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

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

17 (2) when combined with credits taken during the taxpayer's tax year  
18 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,  
19 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, AS 43.75.018, 43.75.019,  
20 AS 43.77.045, or 43.77.046, exceed \$150,000.

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

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

26 (d) 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 43.55.021, AS 43.56.018, 43.56.019, AS 43 65.018, 43.65.019, AS 43.75.019, [OR]  
31 AS 43.77.045, or 43.77.046, exceed \$150,000.

1 \* **Sec. 14.** AS 43.75 is amended by adding a new section to read:

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

6 (1) 50 percent of contributions of not more than \$100,000; and

7 (2) 75 percent of the next \$100,000 of contributions.

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

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

10 (2) when combined with credits taken during the taxpayer's tax year  
11 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,  
12 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018,  
13 AS 43.77.045, or 43.77.046, exceed \$150,000.

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

18 \* **Sec. 15.** 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, AS 43.55.019,  
23 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, [OR] AS 43.75.018,  
24 43.75.019, or AS 43.77.046, exceed \$150,000.

25 \* **Sec. 16.** 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  
10 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the  
11 payment is under administrative or judicial appeal.

12 \* Sec. 17. The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 TRANSITION: AMOUNT AVAILABLE FOR APPROPRIATION. (a)  
15 Notwithstanding AS 37.14.730(a), enacted by sec. 4 of this Act, the commissioner of revenue  
16 shall identify five percent of the balance of the Alaska veterans' memorial endowment fund on  
17 July 1, 2002, as being the amount available for appropriation to support efforts authorized by  
18 this Act for fiscal year 2003.

19 (b) Notwithstanding the requirement in AS 37.14.730(a), enacted by sec. 4 of this  
20 Act, that the commissioner of revenue make a determination based on the market value of the  
21 fund for the immediately preceding three fiscal years, the commissioner of revenue shall  
22 make the determination under AS 37.14.730(a) based on the average ending balance in the  
23 fund

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

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

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

27 (c) In this section,

28 (1) "Alaska veterans' memorial endowment fund" means the fund established  
29 in AS 37.14.700, enacted by sec. 4 of this Act;

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

31 \* Sec. 18. This Act takes effect immediately under AS 01.10.070(c).

SENATE FINANCE COMMITTEE  
5/2/2002 COMMITTEE ACTION

Bill Number	SB 207		
Amendment	#2		
Motion	subpt		
<u>Motion by</u>	E. Donley		
<u>Objection by</u>	—		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Ward			
Senator Wilken			
Senator Austerman			
Senator Green			
Senator Hoffman			
Senator Leman			
Senator Olson			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<b>MOTION</b>	<b>PASS</b>		

Sen. Kelly  
~~tech. amend~~

Sections relating: "next \$100,000" in  
 contributions - reduce to \$75,000  
 → 75% from 100% ↙

Pg	4	line	24
	5		19
	6		15
	7		11
	8		4 & 29

SENATE FINANCE COMMITTEE  
5/2/2002 COMMITTEE ACTION

Bill Number	SB 207		
Amendment	#3		
Motion	adpt		
<u>Motion by</u>	Donley		
<u>Objection by</u>	_____		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Wilken			
Senator Austerman			
Senator Green			
Senator Hoffman			
Senator Leman			
Senator Olson			
Senator Ward			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	PASS		

title amend to reflect  
 Amendment # 2 & include language  
 addressing = 50% & 75%



# Alaska State Senate

## Senate Finance Committee

Official Business

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### FAX COVER SHEET

DATE: 2 May 2002 TIME: 6:00pm

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 3

FROM: MINDY ROWLAND  
SENATE FINANCE COMMITTEE SECRETARY  
PHONE: 465-4935  
FAX: 465-2187

NOTES: Final Please!

SB 267 22-652003 \ A

plus two accompanying conceptual amendments

Call if any questions

6:10 - Tom 3 re A.2 Thx  
6:15 - Tom called - to Mindy  
100% also found on page 2

22-GS2003\c  
Cook  
5/3/02

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

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

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

A BILL

FOR AN ACT ENTITLED

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

Amend #3

doesn't include:

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA: \$0-100,000 is 50%

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

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

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

and

(2) when combined with credits taken during the taxpayer's tax year under AS 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]

1 AS 43.77.045, or 43.77.046, exceed \$150,000.

2 \* Sec. 2. AS 21.89 is amended by adding a new section to read:

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

8 (1) an amount equal to

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

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

11 (2) 50 percent of the taxpayer's tax liability under this title.

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

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

14 and

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

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

23 \* Sec. 3. AS 21.89.075(c) is amended to read:

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

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

26 (2) when combined with credits taken during the taxpayer's tax year  
27 under AS 21.89.070, 21.89.071, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021,

28 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]  
29 AS 43.77.045, or 43.77.046, exceed \$150,000; or

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

Amend #2

1 \* **Sec. 4.** AS 37.14 is amended by adding new sections to read:

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

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

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

- 6 (1) appropriations to the fund;  
7 (2) donations to the fund; and  
8 (3) income earned on investments of fund assets.

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

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

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

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

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

- 27 (1) grants for the maintenance, repair, replacement, and enhancement  
28 of, or addition to, veterans' memorials or monuments to the military;  
29 (2) grants for the development and construction of new veterans'  
30 memorials or monuments to the military if the adjutant general determines that the  
31 purposes set out in (1) of this subsection have been met in a fiscal year;

1 (3) reimbursement of the costs of establishment, management, and  
2 administration of the fund.

3 (c) After consultation with appropriate veterans' organizations, the adjutant  
4 general of the Department of Military and Veterans' Affairs shall administer the grant  
5 program and award grants from the money appropriated from the fund. The adjutant  
6 general may adopt regulations under AS 44.62 (Administrative Procedure Act) to  
7 establish procedures and standards to administer the grant program and for the award  
8 of grants. The standards may include requirements for recipients to match grant  
9 awards, if appropriate.

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

12 \* **Sec. 5.** AS 43.20.014(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;

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

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

21 \* **Sec. 6.** AS 43.20 is amended by adding a new section to read:

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

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

27 (2) 75 percent of the next \$100,000 of contributions. #2

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

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

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

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

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

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

10 (d) A contribution claimed as a credit under this section may not  
 11 (1) be claimed as a credit under another provision of this title; and  
 12 (2) when combined with credits taken during the taxpayer's tax year  
 13 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.021,  
 14 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR]  
 15 AS 43.77.045, or 43.77.046, exceed \$150,000.

16 \* Sec. 8. AS 43.55 is amended by adding a new section to read:

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

- 21 (1) 50 percent of contributions of not more than \$100,000; and
- 22 (2) 75 percent of the next \$100,000 of contributions.

23 (b) A contribution claimed as a credit under this section may not  
 24 (1) be claimed as a credit under another provision of this title; and  
 25 (2) when combined with credits taken during the taxpayer's tax year  
 26 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,  
 27 AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019,  
 28 AS 43.77.045, or 43.77.046, exceed \$150,000.

29 (c) A taxpayer may not claim the tax credit allowed under this section if the  
 30 taxpayer is in arrears in the payment of contributions under AS 23.20 or a tax under  
 31 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the

#2

L

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

payment is under administrative or judicial appeal.

(d) 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. 9. 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, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021, AS 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, [OR] AS 43.77.045, or 43.77.046, exceed \$150,000.

\* Sec. 10. AS 43.56 is amended by adding a new section to read:

**Sec. 43.56.019. Alaska veterans' memorial endowment fund contribution credit.** (a) For cash contributions accepted for the Alaska veterans' memorial endowment fund established in AS 37.14.700, 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) 75 percent of the next \$100,000 of contributions.

(b) 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, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019, 43.55.021, AS 43.56.018, AS 43.65.018, 43.65.019, AS 43.75.018, 43.75.019, AS 43.77.045, or 43.77.046, exceed \$150,000.

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

(d) 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.

#2

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

2 (d) 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, 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. 12.** AS 43.65 is amended by adding a new section to read:

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

- 13 (1) 50 percent of contributions of not more than \$100,000; and  
 14 (2) 75 percent of the next \$100,000 of contributions.

15 (b) A contribution claimed as a credit under this section may not  
 16 (1) be claimed as a credit under another provision of this title; and  
 17 (2) when combined with credits taken during the taxpayer's tax year  
 18 under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,  
 19 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, AS 43.75.018, 43.75.019,  
 20 AS 43.77.045, or 43.77.046, exceed \$150,000.

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

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

26 (d) 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 43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.019, [OR]  
 31 AS 43.77.045, or 43.77.046, exceed \$150,000.

#2

1 \* Sec. 14. AS 43.75 is amended by adding a new section to read:

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

6                   (1) 50 percent of contributions of not more than \$100,000; and

7                   (2) 75 percent of the next \$100,000 of contributions. #2

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

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

10                   (2) when combined with credits taken during the taxpayer's tax year  
11           under AS 21.89.070, 21.89.071, 21.89.075, AS 43.20.014, 43.20.018, AS 43.55.019,  
12           43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, AS 43.75.018,  
13           AS 43.77.045, or 43.77.046, exceed \$150,000.

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

18 \* Sec. 15. 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, AS 43.55.019,  
23           43.55.021, AS 43.56.018, 43.56.019, AS 43.65.018, 43.65.019, [OR] AS 43.75.018,  
24           43.75.019, or AS 43.77.046, exceed \$150,000.

25 \* Sec. 16. 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  
10 this title or AS 21. For purposes of this subsection, a taxpayer is not in arrears if the  
11 payment is under administrative or judicial appeal.

12 \* Sec. 17. The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 TRANSITION: AMOUNT AVAILABLE FOR APPROPRIATION. (a)

15 Notwithstanding AS 37.14.730(a), enacted by sec. 4 of this Act, the commissioner of revenue  
16 shall identify five percent of the balance of the Alaska veterans' memorial endowment fund on  
17 July 1, 2002, as being the amount available for appropriation to support efforts authorized by  
18 this Act for fiscal year 2003.

19 (b) Notwithstanding the requirement in AS 37.14.730(a), enacted by sec. 4 of this  
20 Act, that the commissioner of revenue make a determination based on the market value of the  
21 fund for the immediately preceding three fiscal years, the commissioner of revenue shall  
22 make the determination under AS 37.14.730(a) based on the average ending balance in the  
23 fund

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

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

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

27 (c) In this section,

28 (1) "Alaska veterans' memorial endowment fund" means the fund established  
29 in AS 37.14.700, enacted by sec. 4 of this Act;

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

31 \* Sec. 18. This Act takes effect immediately under AS 01.10.070(c).

SENATE FINANCE  
COMMITTEE  
Amendment Number: #1  
Bill Number: SB 267  
Sponsor: LEMAN Date: 5/1/02  
Logged In By: Robin

FAILED

22-GS2003\A.1  
Cook  
5/1/02

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR LEMAN

TO: SB 267

1 Page 1, line 1, following "Act":

2 Insert "relating to a tax credit program for postsecondary colleges or  
3 universities;"

4

5 Page 1, following line 4:

6 Insert a new bill section to read:

7 **\*\* Section 1.** AS 21.89.070(a) is amended to read:

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

16 (1) an amount equal to

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

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

19 (2) 50 percent of the taxpayer's tax liability under this title."

20

21 Page 1, line 5:

22 Delete **\*\* Section 1"**

23 Insert **\*\*Sec. 2"**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

Renumber the following bill sections accordingly.

Page 4, following line 8:

Insert a new bill section to read:

"\* Sec. 6. 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 an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or 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."

Renumber the following bill sections accordingly.

Page 5, following line 5:

Insert a new bill section to read:

"\* Sec. 9. 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 an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or 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."

Renumber the following bill sections accordingly.

1 Page 6, following line 1:

2 Insert a new bill section to read:

3 **\*\* Sec. 12.** AS 43.56.018(a) is amended to read:

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

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

11 (2) 100 percent of the next \$100,000 of contributions."  
12

13 Renumber the following bill sections accordingly.  
14

15 Page 6, following line 28:

16 Insert a new bill section to read:

17 **\*\* Sec. 15.** AS 43.65.018(a) is amended to read:

18 (a) 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 national or  
22 regional accreditation association, a person engaged in the business of mining in the  
23 state is allowed as a credit against the tax due under this chapter

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

25 (2) 100 percent of the next \$100,000 of contributions."  
26

27 Renumber the following bill sections accordingly.  
28

29 Page 7, following line 21:

30 Insert a new bill section to read:

31 **\*\* Sec. 18.** AS 43.75.018(a) is amended to read:

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

- 7 (1) 50 percent of contributions of not more than \$100,000; and  
8 (2) 100 percent of the next \$100,000 of contributions."  
9

10 Renumber the following bill sections accordingly.

11  
12 Page 8, following line 14:

13 Insert a new bill section to read:

14 **\* Sec. 21.** AS 43.77.045(a) is amended to read:

15 (a) In addition to the credit allowed under AS 43.77.040, for cash  
16 contributions accepted for direct instruction, research, and educational support  
17 purposes, including library and museum acquisitions and contributions to endowment,  
18 by an Alaska university foundation or by a nonprofit, public or private, Alaska two-  
19 year or four-year college accredited by a national or regional accreditation  
20 association, a person engaged in a floating fisheries business is allowed as a credit  
21 against the tax due under this chapter:

- 22 (1) 50 percent of contributions of not more than \$100,000; and  
23 (2) 100 percent of the next \$100,000 of contributions."  
24

25 Renumber the following bill sections accordingly.

26  
27 Page 9, line 12:

28 Delete "sec. 4"

29 Insert "sec. 5"  
30

31 Page 9, line 16:

1 Delete "sec. 4"

2 Insert "sec. 5"

3

4 Page 9, line 26:

5 Delete "sec. 4"

6 Insert "sec. 5"

SENATE FINANCE COMMITTEE  
SR 12002 COMMITTEE ACTION

Bill Number	SB 207		
Amendment	#1		
Motion	adpt		
<u>Motion by</u>	Leman		
<u>Objection by</u>	Kelly		
Removed	✓		
<u>Second Objection by</u>	Wilken		
<u>Committee Member</u>	Y	Vote	N
Senator Olson	✓		
Senator Ward	✓		
Senator Wilken			✓
Senator Austerman			✓
Senator Green	✓		
Senator Hoffman			✓
Senator Leman	✓		
Co-Chair Donley			✓
Co-Chair Kelly			✓
<u>Tally</u>			
Yea	4		
Nay	5		
Absent			
<u>MOTION</u>	FAIL		

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF MILITARY & VETERANS AFFAIRS  
OFFICE OF THE COMMISSIONER

P.O. BOX 5800  
FT. RICHARDSON, AK 99505-5800  
PH: (907) 428-6003

## SPONSOR STATEMENT SB267 ALASKA VETERANS' ENDOWMENT FUND

SB 267 sets up an endowment fund to support the maintenance of existing and construction of new memorials to Alaskan veterans and the military. Today Alaska has over 70 memorials to our veterans. These tributes range from small plaques to memorials like Byers Lake. Funds to maintain these existing memorials are few.

The bill before the Committee would allow the Department of Revenue to accept donations from the private sector or legislative appropriations, invest the funds to earn a real rate of return of at least 5%, and identify amounts available for appropriation each year.

The Department of Military and Veterans Affairs, with the assistance of appropriate veterans' organizations would grant the appropriated funds to organizations that would maintain the monuments or memorials. If funds were available, new memorials or monuments could be constructed. Regulations would be promulgated to describe this process.

In addition, the bill allows a tax credit to taxpayers that choose to donate money to the endowment fund. Credits would be limited to 50% of the first \$100,000 and 100% of the second \$100,000. The tax credit mirrors the structure of the existing education tax credit. A taxpayers total credit under both of these credits would be limited to \$150,000.

By providing a mechanism to take care of the existing veterans' memorials in Alaska and to building additional in the future, this bill recognizes the contribution that veterans and the military have made to our state.

**Sectional Analysis**  
**SB267 Establishing Alaska Veterans memorial endowment fund**

**Sections 1-3 and 5-16** add language to existing statutes to allow a taxpayer a credit against certain state taxes for donations to the Veterans memorial endowment fund. The credit is limited to 50% of the first \$100,000 and 100% of the second \$100,000. The tax credit mirrors the structure of the existing education tax credit, and a taxpayer's total education tax credits and Veterans memorial endowment fund tax credits against all taxes are capped at \$150,000.

Sections 1, 3, 5, 7, 9, 11, 13, and 15 are parallel sections amending existing tax credit statutes to provide that the aggregate credit against any of the eligible taxes for contributions under the existing education tax credit provisions and under the proposed Veterans memorial endowment fund tax credit provisions continues to be limited to \$150,000.

Sections 2, 6, 8, 10, 12, 14, and 16 are parallel sections amending certain Alaska tax statutes to allow the tax credit for donations to the Veterans memorial endowment fund. Eligible taxes include: Insurance premium tax (AS 21.09.210); Title insurance premium tax (AS 21.66.110); Alaska net income tax (AS 43.20); Oil and Gas Production Taxes (AS 43.55); Oil and Gas Exploration, Production and Pipeline Transportation Property Taxes (AS 43.56); Mining License Tax (AS 43.65); Fisheries Business Taxes (AS 43.75); Fishery Resource Landing Tax (43.77).

**Section 4** establishes the Veterans' Memorial Endowment Fund as an endowment trust fund of the state; assigns management of the fund to the Commissioner of Revenue; delineates the Commissioner's responsibilities and how the amount available for appropriation will be determined.

The section also stipulates the appropriate uses of the fund and how the Department of Military and Veterans Affairs will administer and award grants from the money appropriated from the fund.

**Section 17** describes the transitional method to be used to determine the amount available for appropriation for the next three years.

**Section 18** is the effective date.



TONY KNOWLES  
GOVERNOR  
[governor@gov.state.ak.us](mailto:governor@gov.state.ak.us)

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

P.O. Box 110001  
Juneau, Alaska 99811-0001  
(907) 465-3500  
Fax (907) 465-3532  
[www.gov.state.ak.us](http://www.gov.state.ak.us)

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.

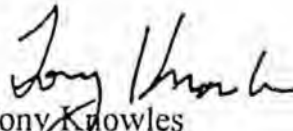
The Honorable Rick Halford

Page 2

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

SB 267-ALASKA VETERANS' MEM.ENDOWMENT' FUND  
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: PAT CAROTHERS Subject/Bill No: ~~267~~ -267  
Co./Dept./Title: Chair. AVAC Phone: 586-9862  
Address: POB 32926 JUN 90803 Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Cathy Berry Subject/Bill No: 54-267  
Co./Dept./Title: \_\_\_\_\_ Phone: 463 2662  
Address: 9070 N Douglas Hwy Juneau Zip: 99801  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: John Jenks / Neil Slotnick Subject/Bill No: 267  
Co./Dept./Title: Chief Investment Officer DOR Phone: 465 4799  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions