

SB

236

<target><bill>SB 236</bill><subject>SB
236</subject><comm>HFIN26</comm></target>

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 236(EDC)
(S) Publish Date: 2/18/10

Identifier (file name): SB236-REV-TAX-02-04-10 Dept. Affected: Revenue
Title: Tax Credits for Educational Contributions RDU: Taxation and Treasury
Sponsor: (EDC) Education Component: Tax Division
Requester: Co-Chairs (S)EDC Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
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	0.0
CAPITAL EXPENDITURES								
CHANGE IN REVENUES ()		0.0	0.0	***	***	***	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Tim Harper, Economist III/Johanna Bales, Deputy Director
Division: Tax Division
Approved by: Ginger Blaisdell, Director
Administrative Services Division

Phone (907) 269-1020
Date/Time 2-4-10; 12:55pm
Date 2-4-10; 1:16pm

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 236(EDC)

ANALYSIS CONTINUATION

Bill Language:

This bill increases the amount taxpayers who are currently eligible under AS 21.89.070, AS 21.89.075, AS 43.56.018, AS 43.20.014, AS 43.55.019, AS 43.65.018, AS 43.75.018, and AS 43.77.045 can take for education credits. Currently, taxpayers who meet the qualifications in the statutes are limited to \$150,000 in credits on the first \$200,000 in contributions. This bill would remove the cap on credits. All additional contributions in excess of \$200,000 would be eligible for a 50% tax credit.

The intent of this bill is to provide increased contributions to qualifying higher education institutions by removing the credit cap currently in place.

Revenues:

Revenues to the State of Alaska would decline if companies increase their contributions to qualifying higher education institutions. The amount of decline cannot be determined at this time, because it is impractical and impossible to speculate on taxpayer behavior in taking advantage of this credit.

For example: if corporations were to contribute \$100 million to a college, 50% of that donation would be a tax credit thereby reducing the state's general fund by \$50 million. As the bill is written currently, there is no limit on the contribution amount.

The maximum decline in revenues the SOA could expect is the loss of all Petroleum Production and Property Taxes, all Corporate Income Taxes, all Fisheries Business Taxes, all Fisheries Landing Taxes, all Mining License Taxes, and all Insurance Taxes. In FY 2009 these taxes totaled \$3,910,000,000. Forecasted revenues for these taxes in FY 2010 and FY 2011, are \$2,866,000,000 and \$3,281,000,000 respectively. This legislation would become effective for tax years beginning January 1, 2011. Therefore this credit would be allowed against tax liabilities due beginning in fiscal year 2012. In addition, the legislation provides that only contributions made prior to January 1, 2014 would be allowed as a credit. Therefore, the effects of this legislation would run through fiscal year 2014. Projected maximum revenue losses for fiscal years 2012 through 2014 are based on forecasted revenues for fiscal year 2011.

Expenditures:

The provisions of this bill can be implemented using existing resources.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 236(EDC)
(S) Publish Date: 2/18/10

Identifier (file name): SB236-REV-TAX-02-04-10 Dept. Affected: Revenue
Title: Tax Credits for Educational Contributions RDU: Taxation and Treasury
Sponsor: (EDC) Education Component: Tax Division
Requester: Co-Chairs (S)EDC Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
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	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0	0.0	***	***	***	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Tim Harper, Economist III/Johanna Bales, Deputy Director Phone (907) 269-1020
Division: Tax Division Date/Time 2-4-10; 12:55pm
Approved by: Ginger Blaisdell, Director Date 2-4-10; 1:16pm
Administrative Services Division

STATE OF ALASKA
2010 LEGISLATIVE SESSIONBILL NO. CSSB 236(EDC)**ANALYSIS CONTINUATION****Bill Language:**

This bill increases the amount taxpayers who are currently eligible under AS 21.89.070, AS 21.89.075, AS 43.56.018, AS 43.20.014, AS 43.55.019, AS 43.65.018, AS 43.75.018, and AS 43.77.045 can take for education credits. Currently, taxpayers who meet the qualifications in the statutes are limited to \$150,000 in credits on the first \$200,000 in contributions. This bill would remove the cap on credits. All additional contributions in excess of \$200,000 would be eligible for a 50% tax credit.

The intent of this bill is to provide increased contributions to qualifying higher education institutions by removing the credit cap currently in place.

Revenues:

Revenues to the State of Alaska would decline if companies increase their contributions to qualifying higher education institutions. The amount of decline cannot be determined at this time, because it is impractical and impossible to speculate on taxpayer behavior in taking advantage of this credit.

For example: if corporations were to contribute \$100 million to a college, 50% of that donation would be a tax credit thereby reducing the state's general fund by \$50 million. As the bill is written currently, there is no limit on the contribution amount.

The maximum decline in revenues the SOA could expect is the loss of all Petroleum Production and Property Taxes, all Corporate Income Taxes, all Fisheries Business Taxes, all Fisheries Landing Taxes, all Mining License Taxes, and all Insurance Taxes. In FY 2009 these taxes totaled \$3,910,000,000. Forecasted revenues for these taxes in FY 2010 and FY 2011, are \$2,866,000,000 and \$3,281,000,000 respectively. This legislation would become effective for tax years beginning January 1, 2011. Therefore this credit would be allowed against tax liabilities due beginning in fiscal year 2012. In addition, the legislation provides that only contributions made prior to January 1, 2014 would be allowed as a credit. Therefore, the effects of this legislation would run through fiscal year 2014. Projected maximum revenue losses for fiscal years 2012 through 2014 are based on forecasted revenues for fiscal year 2011.

Expenditures:

The provisions of this bill can be implemented using existing resources.

Adopted 4/17/10

26-LS1191N
Chenoweth/Bullock
4/17/10

HOUSE CS FOR CS FOR SENATE BILL NO. 236()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to tax credits for cash contributions by taxpayers that are accepted for**
2 **certain educational purposes and facilities; and providing for an effective date."**

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

4 *** Section 1.** AS 21.06.110 is amended to read:

5 **Sec. 21.06.110. Director's annual report.** As early in each calendar year as is
6 reasonably possible, the director shall prepare and deliver an annual report to the
7 commissioner, who shall notify the legislature that the report is available, showing,
8 with respect to the preceding calendar year,

9 (1) a list of the authorized insurers transacting insurance in this state,
10 with a summary of their financial statement as the director considers appropriate;

11 (2) the name of each insurer whose certificate of authority was
12 surrendered, suspended, or revoked during the year and the cause of surrender,
13 suspension, or revocation;

14 (3) the name of each insurer authorized to do business in this state

1 against which delinquency or similar proceedings were instituted and, if against an
2 insurer domiciled in this state, a concise statement of the facts with respect to each
3 proceeding and its present status;

4 (4) a statement in regard to examination of rating organizations,
5 advisory organizations, joint underwriters, and joint reinsurers as required by
6 AS 21.39.120;

7 (5) the receipt and expenses of the division for the year;

8 (6) recommendations of the director as to amendments or
9 supplementation of laws affecting insurance or the office of director;

10 (7) statistical information regarding health insurance, including the
11 number of individual and group policies sold or terminated in the state; this paragraph
12 does not authorize the director to require an insurer to release proprietary information;

13 (8) the annual percentage of health claims paid in the state that meets
14 the requirements of AS 21.36.128(a) and (d); [AND]

15 (9) the total amount of contributions reported and the total
16 amount of credit claimed under AS 21.89.070 and 21.89.075; and

17 (10) other pertinent information and matters the director considers
18 proper.

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

20 (a) A taxpayer is allowed a credit against the tax due under AS 21.09.210 or
21 AS 21.66.110 for cash contributions accepted

22 (1) for direct instruction, research, and educational support purposes,
23 including library and museum acquisitions, and contributions to endowment, by an
24 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
25 four-year college accredited by a regional accreditation association;

26 (2) for secondary school level vocational education courses, [AND]
27 programs, and facilities by a school district in the state; [AND]

28 (3) for vocational education courses, programs, and facilities by a
29 state-operated vocational technical education and training school; and

30 (4) for a facility by a nonprofit, public or private, Alaska two-year
31 or four-year college accredited by a regional accreditation association.

1 * **Sec. 3.** AS 21.89.070(a), as amended by sec. 2 of this Act, is amended to read:

2 (a) A taxpayer is allowed a credit against the tax due under AS 21.09.210 or
3 AS 21.66.110 for cash contributions accepted

4 (1) for direct instruction, research, and educational support purposes,
5 including library and museum acquisitions, and contributions to endowment, by an
6 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
7 four-year college accredited by a regional accreditation association;

8 (2) for secondary school level vocational education courses **and** [,]
9 programs [, AND FACILITIES] by a school district in the state; **and**

10 (3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS,
11 AND FACILITIES] by a state-operated vocational technical education and training
12 school [; AND

13 (4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE,
14 ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A
15 REGIONAL ACCREDITATION ASSOCIATION].

16 * **Sec. 4.** AS 21.89.070(b) is amended to read:

17 (b) The amount of the credit is [THE LESSER OF

18 (1)] an amount equal to

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

20 (2) [AND (B)] 100 percent of the next \$200,000 [\$100,000] of
21 contributions; **and**

22 (3) 50 percent of the amount of contributions that exceed \$300,000

23 [OR

24 (2) 50 PERCENT OF THE TAXPAYER'S TAX LIABILITY UNDER
25 THIS TITLE].

26 * **Sec. 5.** AS 21.89.070(b), as amended by sec. 4 of this Act, is amended to read:

27 (b) The amount of the credit is the lesser of

28 (1) an amount equal to

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

31 (B) [(2)] 100 percent of the next \$100,000 [\$200,000] of

1 contributions; or

2 (2) 50 percent of the taxpayer's tax liability under this title [AND

3 (3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT
4 EXCEED \$300,000].

5 * Sec. 6. AS 21.89.070(d) is amended to read:

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

7 (1) be the basis for a credit claimed [AS A CREDIT] under more
8 than one provision of this title; and

9 (2) when combined with contributions that are the basis for credits
10 taken during the taxpayer's tax year under AS 21.89.075, AS 43.20.014,
11 AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in
12 the total amount of credits exceeding \$5,000,000; if the taxpayer is a member of
13 an affiliated group, then the total amount of credits may not exceed \$5,000,000
14 for the affiliated group; in this paragraph, "affiliated group" has the meaning
15 given in AS 43.20.073 [EXCEED \$150,000].

16 * Sec. 7. AS 21.89.070(d), as amended by sec. 6 of this Act, is amended to read:

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

18 (1) be the basis for a credit claimed under more than one provision of
19 this title; and

20 (2) when combined with contributions that are the basis for credits
21 taken during the taxpayer's tax year under AS 21.89.075, AS 43.20.014,
22 AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in
23 the total amount of credits exceeding \$150,000 [\$5,000,000; IF THE TAXPAYER IS
24 A MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF
25 CREDITS MAY NOT EXCEED \$5,000,000 FOR THE AFFILIATED GROUP; IN
26 THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN
27 AS 43.20.073].

28 * Sec. 8. AS 21.89.070 is amended by adding a new subsection to read:

29 (f) The credit under this section may not reduce a person's tax liability under
30 AS 21.09.210 or AS 21.66.110 to below zero for any tax year. An unused credit or
31 portion of a credit not used under this section for a tax year may not be sold, traded,

1 transferred, or applied in a subsequent tax year.

2 * Sec. 9. AS 21.89.075(c) is amended to read:

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

4 (1) be the basis for a credit claimed [AS A CREDIT] under more
5 than one provision of this title;

6 (2) when combined with contributions that are the basis for credits
7 taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014,
8 AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in
9 the total amount of credits exceeding \$5,000,000; if the taxpayer is a member of
10 an affiliated group, then the total amount of credits may not exceed \$5,000,000
11 for the affiliated group; in this paragraph, "affiliated group" has the meaning
12 given in AS 43.20.073 [EXCEED \$150,000]; or

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

15 * Sec. 10. AS 21.89.075(c), as amended by sec. 9 of this Act, is amended to read:

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

17 (1) be the basis for a credit claimed under more than one provision of
18 this title;

19 (2) when combined with contributions that are the basis for credits
20 taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014,
21 AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in
22 the total amount of credits exceeding \$150,000 [~~\$5,000,000; IF THE TAXPAYER IS~~
23 ~~A MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF~~
24 ~~CREDITS MAY NOT EXCEED \$5,000,000 FOR THE AFFILIATED GROUP; IN~~
25 ~~THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN~~
26 ~~AS 43.20.073]; or~~

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

29 * Sec. 11. AS 21.89.075 is amended by adding a new subsection to read:

30 (f) The credit under this section may not reduce a person's tax liability under
31 AS 21.09.210 to below zero for any tax year. An unused credit or portion of a credit

1 not used under this section for a calendar year may not be sold, traded, transferred, or
2 applied in a subsequent calendar year.

3 * **Sec. 12.** AS 43.05.010 is amended to read:

4 **Sec. 43.05.010. Duties of commissioner.** The commissioner of revenue shall

5 (1) exercise general supervision and direct the activities of the
6 Department of Revenue;

7 (2) supervise the fiscal affairs and responsibilities of the department;

8 (3) prescribe uniform rules for investigations and hearings;

9 (4) keep a record of all departmental proceedings, record and file all
10 bonds, and assume custody of returns, reports, papers, and documents of the
11 department;

12 (5) adopt a seal and affix it to each order, process, or certificate issued
13 by the commissioner;

14 (6) keep a record of each order, process, and certificate issued by the
15 commissioner, and keep the record open to public inspection at all reasonable times;

16 (7) hold hearings and investigations necessary for the administration of
17 state tax and revenue laws;

18 (8) except as provided in AS 43.05.405 - 43.05.499 and in
19 AS 44.64.030, hear and determine appeals of a matter within the jurisdiction of the
20 Department of Revenue and enter orders on the appeals that are final unless reversed
21 or modified by the courts;

22 (9) issue subpoenas to require the attendance of witnesses and the
23 production of necessary books, papers, documents, correspondence, and other things;

24 (10) order the taking of depositions before a person competent to
25 administer oaths;

26 (11) administer oaths and take acknowledgments;

27 (12) request the attorney general for rulings on the interpretation of the
28 tax and revenue laws administered by the department;

29 (13) call upon the attorney general to institute actions for recovery of
30 unpaid taxes, fees, excises, additions to tax, penalties, and interest;

31 (14) issue warrants for the collection of unpaid tax penalties and

1 interest and take all steps necessary and proper to enforce full and complete
2 compliance with the tax, license, excise, and other revenue laws of the state;

3 (15) report to the legislature before February 15 of each year the
4 total amount of contributions reported and the total amount of credit claimed
5 during the previous calendar year under AS 43.20.014, AS 43.55.019,
6 AS 43.56.018, AS 43.65.018, AS 43.75.018, and AS 43.77.045 [REPEALED].

7 * Sec. 13. AS 43.20.014(a) is amended to read:

8 (a) A taxpayer is allowed a credit against the tax due under this chapter for
9 cash contributions accepted

10 (1) for direct instruction, research, and educational support purposes,
11 including library and museum acquisitions, and contributions to endowment, by an
12 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
13 four-year college accredited by a regional accreditation association;

14 (2) for secondary school level vocational education courses, [AND]
15 programs, and facilities by a school district in the state; [AND]

16 (3) for vocational education courses, programs, and facilities by a
17 state-operated vocational technical education and training school; and

18 (4) for a facility by a nonprofit, public or private, Alaska two-year
19 or four-year college accredited by a regional accreditation association.

20 * Sec. 14. AS 43.20.014(a), as amended by sec. 13 of this Act, is amended to read:

21 (a) A taxpayer is allowed a credit against the tax due under this chapter for
22 cash contributions accepted

23 (1) for direct instruction, research, and educational support purposes,
24 including library and museum acquisitions, and contributions to endowment, by an
25 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
26 four-year college accredited by a regional accreditation association;

27 (2) for secondary school level vocational education courses and [,]
28 programs [, AND FACILITIES] by a school district in the state; and

29 (3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS,
30 AND FACILITIES] by a state-operated vocational technical education and training
31 school [; AND

1 (4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE,
2 ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A
3 REGIONAL ACCREDITATION ASSOCIATION].

4 * Sec. 15. AS 43.20.014(b) is amended to read:

5 (b) The amount of the credit is

- 6 (1) 50 percent of contributions of not more than \$100,000; [AND]
7 (2) 100 percent of the next \$200,000 [\$100,000] of contributions; and
8 (3) 50 percent of the amount of contributions that exceed \$300,000.

9 * Sec. 16. AS 43.20.014(b), as amended by sec. 15 of this Act, is amended to read:

10 (b) The amount of the credit is

- 11 (1) 50 percent of contributions of not more than \$100,000; and
12 (2) 100 percent of the next \$100,000 [\$200,000] of contributions [;

13 AND

14 (3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT
15 EXCEED \$300,000].

16 * Sec. 17. AS 43.20.014(d) is amended to read:

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

18 (1) be the basis for a credit claimed [AS A CREDIT] under another
19 provision of this title;

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

22 (3) when combined with contributions that are the basis for credits
23 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.55.019,
24 AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
25 amount of credits exceeding \$5,000,000; if the taxpayer is a member of an
26 affiliated group, then the total amount of credits may not exceed \$5,000,000 for
27 the affiliated group; in this paragraph, "affiliated group" has the meaning given
28 in AS 43.20.073 [EXCEED \$150,000].

29 * Sec. 18. AS 43.20.014(d), as amended by sec. 17 of this Act, is amended to read:

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

- 31 (1) be the basis for a credit claimed under another provision of this

1 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 contributions that are the basis for credits
5 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.55.019,
6 AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
7 amount of credits exceeding \$150,000 [\$5,000,000; IF THE TAXPAYER IS A
8 MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF
9 CREDITS MAY NOT EXCEED \$5,000,000 FOR THE AFFILIATED GROUP; IN
10 THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN
11 AS 43.20.073].

12 * Sec. 19. AS 43.20.014 is amended by adding a new subsection to read:

13 (f) The credit under this section may not reduce a person's tax liability under
14 this chapter to below zero for any tax year. An unused credit or portion of a credit not
15 used under this section for a tax year may not be sold, traded, transferred, or applied in
16 a subsequent tax year.

17 * Sec. 20. AS 43.55.019(a) is amended to read:

18 (a) A producer of oil or gas is allowed a credit against the tax due under this
19 chapter for cash contributions accepted

20 (1) for direct instruction, research, and educational support purposes,
21 including library and museum acquisitions, and contributions to endowment, by an
22 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
23 four-year college accredited by a regional accreditation association;

24 (2) for secondary school level vocational education courses, [AND]
25 programs, and facilities by a school district in the state; [AND]

26 (3) for vocational education courses, programs, and facilities by a
27 state-operated vocational technical education and training school; and

28 (4) for a facility by a nonprofit, public or private, Alaska two-year
29 or four-year college accredited by a regional accreditation association.

30 * Sec. 21. AS 43.55.019(a), as amended by sec. 20 of this Act, is amended to read:

31 (a) A producer of oil or gas is allowed a credit against the tax due under this

1 chapter for cash contributions accepted

2 (1) for direct instruction, research, and educational support purposes,
3 including library and museum acquisitions, and contributions to endowment, by an
4 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
5 four-year college accredited by a regional accreditation association;

6 (2) for secondary school level vocational education courses and [,]
7 programs [, AND FACILITIES] by a school district in the state; and

8 (3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS,
9 AND FACILITIES] by a state-operated vocational technical education and training
10 school [; AND

11 (4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE,
12 ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A
13 REGIONAL ACCREDITATION ASSOCIATION].

14 * Sec. 22. AS 43.55.019(b) is amended to read:

15 (b) The amount of the credit is

16 (1) 50 percent of contributions of not more than \$100,000; [AND]

17 (2) 100 percent of the next \$200,000 [\$100,000] of contributions; and

18 (3) 50 percent of the amount of contributions that exceed \$300,000.

19 * Sec. 23. AS 43.55.019(b), as amended by sec. 22 of this Act, is amended to read:

20 (b) The amount of the credit is

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

22 (2) 100 percent of the next \$100,000 [\$200,000] of contributions [;

23 AND

24 (3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT
25 EXCEED \$300,000].

26 * Sec. 24. AS 43.55.019(d) is amended to read:

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

28 (1) be the basis for a credit claimed [AS A CREDIT] under another
29 provision of this title; and

30 (2) when combined with contributions that are the basis for credits
31 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014,

1 AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
2 amount of credits exceeding \$5,000,000; if the taxpayer is a member of an
3 affiliated group, then the total amount of credits may not exceed \$5,000,000 for
4 the affiliated group; in this paragraph, "affiliated group" has the meaning given
5 in AS 43.20.073 [EXCEED \$150,000].

6 * Sec. 25. AS 43.55.019(d), as amended by sec. 24 of this Act, is amended to read:

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

8 (1) be the basis for a credit claimed under another provision of this
9 title; and

10 (2) when combined with contributions that are the basis for credits
11 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014,
12 AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
13 amount of credits exceeding \$150,000 [\$5,000,000; IF THE TAXPAYER IS A
14 MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF
15 CREDITS MAY NOT EXCEED \$5,000,000 FOR THE AFFILIATED GROUP; IN
16 THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN
17 AS 43.20.073].

18 * Sec. 26. AS 43.55.019 is amended by adding a new subsection to read:

19 (f) The credit under this section may not reduce a person's tax liability under
20 this chapter to below zero for any tax year. An unused credit or portion of a credit not
21 used under this section for a tax year may not be sold, traded, transferred, or applied in
22 a subsequent tax year.

23 * Sec. 27. AS 43.56.018(a) is amended to read:

24 (a) The owner of property taxable under this chapter is allowed a credit
25 against the tax due under this chapter for cash contributions accepted

26 (1) for direct instruction, research, and educational support purposes,
27 including library and museum acquisitions, and contributions to endowment, by an
28 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
29 four-year college accredited by a regional accreditation association;

30 (2) for secondary school level vocational education courses, [AND]
31 programs, and facilities by a school district in the state; [AND]

1 (3) for vocational education courses, programs, and facilities by a
 2 state-operated vocational technical education and training school; and
 3 (4) for a facility by a nonprofit, public or private, Alaska two-year
 4 or four-year college accredited by a regional accreditation association.

5 * Sec. 28. AS 43.56.018(a), as amended by sec. 27 of this Act, is amended to read:

6 (a) The owner of property taxable under this chapter is allowed a credit
 7 against the tax due under this chapter for cash contributions accepted

8 (1) for direct instruction, research, and educational support purposes,
 9 including library and museum acquisitions, and contributions to endowment, by an
 10 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
 11 four-year college accredited by a regional accreditation association;

12 (2) for secondary school level vocational education courses and [,]
 13 programs [, AND FACILITIES] by a school district in the state; and

14 (3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS,
 15 AND FACILITIES] by a state-operated vocational technical education and training
 16 school [; AND

17 (4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE,
 18 ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A
 19 REGIONAL ACCREDITATION ASSOCIATION].

20 * Sec. 29. AS 43.56.018(b) is amended to read:

21 (b) The amount of the credit is

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

23 (2) 100 percent of the next \$200,000 [\$100,000] of contributions; and

24 (3) 50 percent of the amount of contributions that exceed \$300,000.

25 * Sec. 30. AS 43.56.018(b), as amended by sec. 29 of this Act, is amended to read:

26 (b) The amount of the credit is

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

28 (2) 100 percent of the next \$100,000 [\$200,000] of contributions [;

29 AND

30 (3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT
 31 EXCEED \$300,000].

1 * Sec. 31. AS 43.56.018(d) is amended to read:

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

3 (1) be the basis for a credit claimed [AS A CREDIT] under another
4 provision of this title; and

5 (2) when combined with contributions that are the basis for credits
6 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014,
7 AS 43.55.019, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
8 amount of credits exceeding \$5,000,000; if the taxpayer is a member of an
9 affiliated group, then the total amount of credits may not exceed \$5,000,000 for
10 the affiliated group; in this paragraph, "affiliated group" has the meaning given
11 in AS 43.20.073 [EXCEED \$150,000].

12 * Sec. 32. AS 43.56.018(d), as amended by sec. 31 of this Act, is amended to read:

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

14 (1) be the basis for a credit claimed under another provision of this
15 title; and

16 (2) when combined with contributions that are the basis for credits
17 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014,
18 AS 43.55.019, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total
19 amount of credits exceeding \$150,000 [\$5,000,000; IF THE TAXPAYER IS A
20 MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF
21 CREDITS MAY NOT EXCEED \$5,000,000 FOR THE AFFILIATED GROUP; IN
22 THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN
23 AS 43.20.073].

24 * Sec. 33. AS 43.56.018 is amended by adding a new subsection to read:

25 (f) The credit under this section may not reduce a person's tax liability under
26 this chapter to below zero for any tax year. An unused credit or portion of a credit not
27 used under this section for a tax year may not be sold, traded, transferred, or applied in
28 a subsequent tax year.

29 * Sec. 34. AS 43.65.018(a) is amended to read:

30 (a) A person engaged in the business of mining in the state is allowed a credit
31 against the tax due under this chapter for cash contributions accepted

1 (1) for direct instruction, research, and educational support purposes,
2 including library and museum acquisitions, and contributions to endowment, by an
3 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
4 four-year college accredited by a regional accreditation association;

5 (2) for secondary school level vocational education courses, [AND]
6 programs, and facilities by a school district in the state; [AND]

7 (3) for vocational education courses, programs, and facilities by a
8 state-operated vocational technical education and training school; and

9 (4) for a facility by a nonprofit, public or private, Alaska two-year
10 or four-year college accredited by a regional accreditation association.

11 * Sec. 35. AS 43.65.018(a), as amended by sec. 34 of this Act, is amended to read:

12 (a) A person engaged in the business of mining in the state is allowed a credit
13 against the tax due under this chapter for cash contributions accepted

14 (1) for direct instruction, research, and educational support purposes,
15 including library and museum acquisitions, and contributions to endowment, by an
16 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
17 four-year college accredited by a regional accreditation association;

18 (2) for secondary school level vocational education courses and [,]
19 programs [, AND FACILITIES] by a school district in the state; and

20 (3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS,
21 AND FACILITIES] by a state-operated vocational technical education and training
22 school [; AND

23 (4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE,
24 ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A
25 REGIONAL ACCREDITATION ASSOCIATION].

26 * Sec. 36. AS 43.65.018(b) is amended to read:

27 (b) The amount of the credit is

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

29 (2) 100 percent of the next \$200,000 [\$100,000] of contributions; and

30 (3) 50 percent of the amount of contributions that exceed \$300,000.

31 * Sec. 37. AS 43.65.018(b), as amended by sec. 36 of this Act, is amended to read:

1 (b) The amount of the credit is

2 (1) 50 percent of contributions of not more than \$100,000; **and**

3 (2) 100 percent of the next **\$100,000** [\$200,000] of contributions [;

4 AND

5 (3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT
6 EXCEED \$300,000].

7 * Sec. 38. AS 43.65.018(d) is amended to read:

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

9 (1) be **the basis for a credit** claimed [AS A CREDIT] under another
10 provision of this title; and

11 (2) when combined with **contributions that are the basis for** credits
12 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014,
13 AS 43.55.019, AS 43.56.018, AS 43.75.018, or AS 43.77.045, **result in the total**
14 **amount of the credits exceeding \$5,000,000; if the taxpayer is a member of an**
15 **affiliated group, then the total amount of credits may not exceed \$5,000,000 for**
16 **the affiliated group; in this paragraph, "affiliated group" has the meaning given**
17 **in AS 43.20.073** [EXCEED \$150,000].

18 * Sec. 39. AS 43.65.018(d), as amended by sec. 38 of this Act, is amended to read:

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

20 (1) be the basis for a credit claimed under another provision of this
21 title; and

22 (2) when combined with contributions that are the basis for credits
23 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014,
24 AS 43.55.019, AS 43.56.018, AS 43.75.018, or AS 43.77.045, result in the total
25 amount of the credits exceeding **\$150,000** [\$5,000,000; IF THE TAXPAYER IS A
26 MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF
27 CREDITS MAY NOT EXCEED \$5,000,000 FOR THE AFFILIATED GROUP; IN
28 THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN
29 AS 43.20.073].

30 * Sec. 40. AS 43.65.018 is amended by adding a new subsection to read:

31 (f) The credit under this section may not reduce a person's tax liability under

1 this chapter to below zero for any tax year. An unused credit or portion of a credit not
2 used under this section for a tax year may not be sold, traded, transferred, or applied in
3 a subsequent tax year.

4 * Sec. 41. AS 43.75.018(a) is amended to read:

5 (a) A person engaged in a fisheries business is allowed a credit against the tax
6 due under this chapter for cash contributions accepted

7 (1) for direct instruction, research, and educational support purposes,
8 including library and museum acquisitions, and contributions to endowment, by an
9 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
10 four-year college accredited by a regional accreditation association;

11 (2) for secondary school level vocational education courses, [AND]
12 programs, and facilities by a school district in the state; [AND]

13 (3) for vocational education courses, programs, and facilities by a
14 state-operated vocational technical education and training school; and

15 (4) for a facility by a nonprofit, public or private, Alaska two-year
16 or four-year college accredited by a regional accreditation association.

17 * Sec. 42. AS 43.75.018(a), as amended by sec. 41 of this Act, is amended to read:

18 (a) A person engaged in a fisheries business is allowed a credit against the tax
19 due under this chapter for cash contributions accepted

20 (1) for direct instruction, research, and educational support purposes,
21 including library and museum acquisitions, and contributions to endowment, by an
22 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
23 four-year college accredited by a regional accreditation association;

24 (2) for secondary school level vocational education courses and [,]
25 programs [, AND FACILITIES] by a school district in the state; and

26 (3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS,
27 AND FACILITIES] by a state-operated vocational technical education and training
28 school [; AND

29 (4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE,
30 ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A
31 REGIONAL ACCREDITATION ASSOCIATION].

1 * Sec. 43. AS 43.75.018(b) is amended to read:

2 (b) The amount of the credit is

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

4 (2) 100 percent of the next \$200,000 [\$100,000] of contributions; **and**

5 **(3) 50 percent of the amount of contributions that exceed \$300,000.**

6 * Sec. 44. AS 43.75.018(b), as amended by sec. 43 of this Act, is amended to read:

7 (b) The amount of the credit is

8 (1) 50 percent of contributions of not more than \$100,000; **and**

9 (2) 100 percent of the next \$100,000 [\$200,000] of contributions [;

10 AND

11 (3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT
12 EXCEED \$300,000].

13 * Sec. 45. AS 43.75.018(d) is amended to read:

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

15 (1) be the basis for a credit claimed [AS A CREDIT] under another
16 provision of this title; and

17 (2) when combined with contributions that are the basis for credits
18 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014,
19 AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.77.045, result in the total
20 amount of the credits exceeding \$5,000,000; if the taxpayer is a member of an
21 affiliated group, then the total amount of credits may not exceed \$5,000,000 for
22 the affiliated group; in this paragraph, "affiliated group" has the meaning given
23 in AS 43.20.073 [EXCEED \$150,000].

24 * Sec. 46. AS 43.75.018(d), as amended by sec. 45 of this Act, is amended to read:

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

26 (1) be the basis for a credit claimed under another provision of this
27 title; and

28 (2) when combined with contributions that are the basis for credits
29 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014,
30 AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.77.045, result in the total
31 amount of the credits exceeding \$150,000 [\$5,000,000; IF THE TAXPAYER IS A

1 MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF
2 CREDITS MAY NOT EXCEED \$5,000,000 FOR THE AFFILIATED GROUP; IN
3 THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN
4 AS 43.20.073].

5 * Sec. 47. AS 43.75.018 is amended by adding a new subsection to read:

6 (f) The credit under this section may not reduce a person's tax liability under
7 this chapter to below zero for any tax year. An unused credit or portion of a credit not
8 used under this section for a tax year may not be sold, traded, transferred, or applied in
9 a subsequent tax year.

10 * Sec. 48. AS 43.77.045(a) is amended to read:

11 (a) In addition to the credit allowed under AS 43.77.040, a person engaged in
12 a floating fisheries business is allowed a credit against the tax due under this chapter
13 for cash contributions accepted

14 (1) for direct instruction, research, and educational support purposes,
15 including library and museum acquisitions, and contributions to endowment, by an
16 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
17 four-year college accredited by a regional accreditation association;

18 (2) for secondary school level vocational education courses, [AND]
19 programs, and facilities by a school district in the state; [AND]

20 (3) for vocational education courses, programs, and facilities by a
21 state-operated vocational technical education and training school; and

22 (4) for a facility by a nonprofit, public or private, Alaska two-year
23 or four-year college accredited by a regional accreditation association.

24 * Sec. 49. AS 43.77.045(a), as amended by sec. 48 of this Act, is amended to read:

25 (a) In addition to the credit allowed under AS 43.77.040, a person engaged in
26 a floating fisheries business is allowed a credit against the tax due under this chapter
27 for cash contributions accepted

28 (1) for direct instruction, research, and educational support purposes,
29 including library and museum acquisitions, and contributions to endowment, by an
30 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
31 four-year college accredited by a regional accreditation association;

1 (2) for secondary school level vocational education courses and [,]
2 programs [, AND FACILITIES] by a school district in the state; and

3 (3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS,
4 AND FACILITIES] by a state-operated vocational technical education and training
5 school [; AND

6 (4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE,
7 ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A
8 REGIONAL ACCREDITATION ASSOCIATION].

9 * Sec. 50. AS 43.77.045(b) is amended to read:

10 (b) The amount of the credit is

11 (1) 50 percent of contributions of not more than \$100,000; [AND]

12 (2) 100 percent of the next \$200,000 [\$100,000] of contributions; and

13 (3) 50 percent of the amount of contributions that exceed \$300,000.

14 * Sec. 51. AS 43.77.045(b), as amended by sec. 50 of this Act, is amended to read:

15 (b) The amount of the credit is

16 (1) 50 percent of contributions of not more than \$100,000; and

17 (2) 100 percent of the next \$100,000 [\$200,000] of contributions [;

18 AND

19 (3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT
20 EXCEED \$300,000].

21 * Sec. 52. AS 43.77.045(d) is amended to read:

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

23 (1) be the basis for a credit claimed [AS A CREDIT] under another
24 provision of this title; and

25 (2) when combined with contributions that are the basis for credits
26 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014,
27 AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018, result in the total
28 amount of the credits exceeding \$5,000,000; if the taxpayer is a member of an
29 affiliated group, then the total amount of credits may not exceed \$5,000,000 for
30 the affiliated group; in this paragraph, "affiliated group" has the meaning given
31 in AS 43.20.073 [EXCEED \$150,000].

1 * **Sec. 53.** AS 43.77.045(d), as amended by sec. 52 of this Act, is amended to read:

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

3 (1) be the basis for a credit claimed under another provision of this
4 title; and

5 (2) when combined with contributions that are the basis for credits
6 taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014,
7 AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018, result in the total
8 amount of the credits exceeding \$150,000 [\$5,000,000; IF THE TAXPAYER IS A
9 MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF
10 CREDITS MAY NOT EXCEED \$5,000,000 FOR THE AFFILIATED GROUP; IN
11 THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN
12 AS 43.20.073].

13 * **Sec. 54.** AS 43.77.045 is amended by adding a new subsection to read:

14 (f) The credit under this section may not reduce a person's tax liability under
15 this chapter to below zero for any tax year. An unused credit or portion of a credit not
16 used under this section for a tax year may not be sold, traded, transferred, or applied in
17 a subsequent tax year.

18 * **Sec. 55.** AS 21.06.110(9); AS 21.89.070(f), 21.89.075(f); AS 43.05.010(15);
19 AS 43.20.014(f); AS 43.55.019(f); AS 43.56.018(f); AS 43.65.018(f); AS 43.75.018(f); and
20 AS 43.77.045(f) are repealed.

21 * **Sec. 56.** Sections 1, 2, 4, 6, 8, 9, 11 - 13, 15, 17, 19, 20, 22, 24, 26, 27, 29, 31, 33, 34, 36,
22 38, 40, 41, 43, 45, 47, 48, 50, 52, and 54 of this Act take effect January 1, 2011.

23 * **Sec. 57.** Except as provided in sec. 56 of this Act, this Act takes effect January 1, 2014.