

**ALASKA LEGISLATURE**

**1362**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996**

reference in paragraph (d)(2).

The second 1994 amendment, effective July 1, 1994, deleted the former first sentence in subsection (c), relating to the annual departmental report on the credits taken under this section.

Editors Notes -

Section 9, ch. 21, SLA 1994 makes the 1994 amendment to (d) of this section retroactive to January 1, 1994.

Sec. 43.56.018

OIL OR GAS PROPERTY EDUCATION CREDIT.

(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 regional accreditation association, 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) 100 percent of the next \$100,000 of contributions.

(b) *Repealed, Sec. 12 ch 71 SLA 1991.*

(c) Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used.

(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, AS 43.20.014, AS 43.55.019, AS 43.65.018, or AS 43.75.018, exceed \$150,000.

(e) 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.

History -

(Sec. 5 ch 58 SLA 1987; am Sec. 50 ch 21 SLA 1991; am Sec. 6, 7, 12 ch 71 SLA 1991; am Sec. 6 ch 21 SLA 1994; am Sec. 19 ch 126 SLA 1994)

Revisors Notes -

In 1991, to harmonize the amendments made by chs. 21 and 71, SLA 1991, the words "by an Alaska" were inserted before "university foundation" in (a) of this section.

Cross References -

For statement of legislative purpose in connection with the enactment of this section, see Sec. 1, ch. 58, SLA 1987 in the Temporary and Special Acts.

Amendment Notes -

The first 1991 amendment, effective June 11, 1991, in subsection (a), added "or university foundation." to the end of the first sentence.

The second 1991 amendment, effective January 1, 1992, rewrote subsection (a), repealed subsection (b), and added subsections (d) and (e).

The first 1994 amendment, effective May 6, 1994, inserted a section reference in paragraph (d)(2).

The second 1994 amendment, effective July 1, 1994, deleted the former first sentence in subsection (c), relating to the annual departmental

report on the credits taken under this section.

Editors Notes -

Section 9, ch. 21, SLA 1994 makes the 1994 amendment to (d) of this section retroactive to January 1, 1994.

Sec. 43.6<sup>1</sup>.018

**MINING BUSINESS EDUCATION CREDIT.**

(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 regional accreditation association, a person engaged in the business of mining in the state 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.

(b) *Repealed, Sec. 12 ch 71 SLA 1991 .*

(c) Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used.

(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, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.75.018, exceed \$150,000.

**History -**

(Sec. 6 ch 58 SLA 1987; am Sec. 51 ch 21 SLA 1991; am Sec. 8, 9, 12 ch 71 SLA 1991; am Sec. 7 ch 21 SLA 1994; am Sec. 20 ch 126 SLA 1994)

**Revisors Notes -**

In 1991, to harmonize the amendments made by chs. 21 and 71, SLA 1991, the words "by an Alaska" were inserted before "university foundation" in (a) of this section.

**Cross References -**

For statement of legislative purpose in connection with the enactment of this section, see Sec. 1, ch. 58, SLA 1987 in the Temporary and Special Acts.

**Amendment Notes -**

The first 1991 amendment, effective June 11, 1991, in subsection (a), added "or university foundation" to the end of the first sentence.

The second 1991 amendment, effective January 1, 1992, rewrote subsection (a), repealed subsection (b), and added subsection (d).

The first 1994 amendment, effective May 6, 1994, inserted a section reference in paragraph (d)(2).

The second 1994 amendment, effective July 1, 1994, deleted the former first sentence in subsection (c), relating to the annual departmental report on the credits taken under this section.

**Editors Notes -**

Section 9, ch. 21, SLA 1994 makes the 1994 amendment to (d) of this section retroactive to January 1, 1994.

Sec. 43.75.013

FISHERIES BUSINESS EDUCATION CREDIT.

(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 regional accreditation association, a person engaged in a fisheries business 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.

(b) *Repealed, Sec. 12 ch 71 SLA 1991 .*

(c) Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used.

(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, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.65.018, exceed \$150,000.

History -

(Sec. 7 ch 58 SLA 1987; am Sec. 53 ch 21 SLA 1991; am Sec. 10 - 12 ch 71 SLA 1991; am Sec. 8 ch 21 SLA 1994; am Sec. 21 ch 126 SLA 1994)

Revisors Notes -

In 1991, to harmonize the amendments made by chs. 21 and 71, SLA 1991, the words "by an Alaska" were inserted before "university foundation" in (a) of this section.

Cross References -

For statement of legislative purpose in connection with the enactment of this section, see Sec. 1, ch. 58, SLA 1987 in the Temporary and Special Acts.

Amendment Notes -

The first 1991 amendment, effective June 11, 1991, in subsection (a), added "or university foundation" to the end of the first sentence.

The second 1991 amendment, effective January 1, 1992, rewrote subsection (a), repealed subsection (b), and added subsection (d).

The first 1994 amendment, effective May 6, 1994, inserted a section reference in paragraph (d)(2).

The second 1994 amendment, effective July 1, 1994, deleted the former first sentence in subsection (c), relating to the annual departmental report on the credits taken under this section.

Editors Notes -

Section 9, ch. 21, SLA 1994 makes the 1994 amendment to (d) of this

section retroactive to January 1, 1994.

**HB**

**269**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

ED OUT OF  
STC: 4/24/96

DATE: 5/6/95

FURTHER:

DATE TURNED INTO OFFICE: 4/25/96

Finance Committee considered CS FOR HOUSE BILL NO. 269(FIN)

Credits against certain taxes for contributions to certain public educational radio and television networks and stations and to endowments for public educational radio and television networks and stations; efd.

and recommends:

- be replaced with S CS CS HB 269 (Fin)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Steve Kiser</i>	✓	<i>Wesley Jones</i>	✓		
<i>Roll E. Kelly</i>	✓	<i>Bob Hargis</i>		✓	
<i>Paul E. Blanton</i>	✓				
Co-Chair:		Co-Chair:			
Co-Chair:		Co-Chair: <i>Rick Halford</i>	✓		

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
Revenue / <i>Income and Excise Audit</i>	<i>4/24/96</i>	Ø	

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

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Tax Credit: Gifts to Public Broadcasting BRU: Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: Rep Ivan  
 Requestor: (S) FIN COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( GF )	0.0	(650) - (1,300)	(650) - (1,300)	(650) - (1,300)	(650) - (1,300)	(650) - (1,300)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<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>

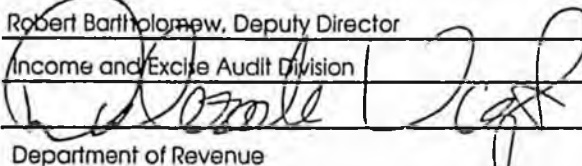
Estimate of annual current year (FY96) cost \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Robert Bartholomew, Deputy Director  
 Division: Income and Excise Audit Division  
 Approved by Commissioner:   
 Agency: Department of Revenue

Phone: 465-2320  
 Date: 4/24/96  
 Date: 4/24/96

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# *Alaska Department of Revenue*

SCSHB 269(FIN)

April 24, 1996

Page 2 of 2

## **Bill Analysis**

This bill extends tax credits for contributions to a public broadcasting trust fund. The tax credit program sunsets after five years (12/31/01). There are four tax types administered by the department which could be impacted by this credit:

Corporation Net Income (AS 43.20)

Oil and Gas Production (AS 43.55)

Oil and Gas Property (AS 43.56)

Mining License (AS 43.65)

**Credit Limit:** The maximum credit would be \$150,000 per taxpayer annually. Taxpayers would be allowed a credit for 50% of qualified contributions upto an annual maximum of \$300,000.

## **Operating Costs**

Department of Revenue does not anticipate any additional costs for administering the tax credit program under this bill. The Department would update its return forms to reflect credit provisions for contributions to public broadcasting trust fund.

## **Revenue**

According to data compiled from most recent reports submitted to Department of Administration's Public Broadcasting Commission, corporation contributions to public broadcasting during the fiscal year ended June 30, 1994 were approximately \$1,297,100. Contributions were individually less than \$100,000. Contributions would be subject to 50% credit, total credits related to public broadcasting would have been \$648,500. In calculating the potential revenue impact the assumption was made that with the extra incentive of receiving a 50% tax credit for contributions that the annual amount received (from both existing and new donors) could double. This would result in potential contributions to the trust of \$2,600,000 and tax credits of \$1,300,000. Thus the revenue loss could range from \$650,000 to \$1,300,000.

This bill would apply to tax years beginning after December 31, 1996. Since taxpayers file returns annually, the first returns for which a credit could be claimed (calendar year 1997) will not be due until spring of 1998. Accordingly, any revenue reduction from this bill would not be realized until FY 98. Calendar year 2001 will be due in spring of 2002 or FY 02.

4/24/96 moved by Sen. Phillips adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

9-LS0937J  
Chenoweth  
4/23/96

Sen. Rieger moved  
Sen. S. up objections  
Halford, Zharoff,  
Rieger, Phillips, Donley  
yea v/o 4/24/96

SENATE CS FOR CS FOR HOUSE BILL NO. 269( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES IVAN, Bunde, Foster, Williams, James

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska public broadcasting trust fund as a trust fund  
2 of the state, and providing for its administration; relating to credits against  
3 certain taxes for contributions to the Alaska public broadcasting trust fund,  
4 increasing the amounts that may be claimed as credits against certain state  
5 taxes, and precluding claims of the contributions as both credits and deductions  
6 against the taxes; and terminating the credits authorized by this Act at the end  
7 of five years; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. PURPOSE. Sections 1 - 3 and 5 - 12 of this Act extend the credits authorized  
10 by ch. 58, SLA 1987, ch. 71, SLA 1991, and ch. 21, SLA 1994, against each of the following  
11 state taxes for contributions made to the Alaska public broadcasting trust fund established in  
12 AS 37.14:

13 (1) the insurance premium tax (AS 21.09.210) and the tax on title insurance

1 premiums (AS 21.66.110);

2 (2) Alaska Net Income Tax (AS 43.20);

3 (3) Oil and Gas Properties Production Tax (AS 43.55);

4 (4) Oil and Gas Exploration, Production, and Pipeline Transportation Property  
5 Tax (AS 43.56);

6 (5) Mining License Tax (AS 43.65).

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

8 (a) Subject to (c) of this section, a [A] taxpayer is allowed as a credit against  
9 the tax due under AS 21.09.210 or AS 21.66.110 the taxpayer's [FOR] cash  
10 contributions

11 (1) for direct instruction, research, and educational support purposes,  
12 including library and museum acquisitions, and contributions to endowment, that are  
13 accepted by a nonprofit, public or private, Alaska two-year or four-year college or  
14 university accredited by a regional accreditation association or that are accepted by an  
15 Alaska university foundation that supports a university or college that could receive a  
16 contribution for which a taxpayer may obtain a credit under this section; the [ THE]  
17 amount of the credit is the lesser of

18 (A) [(1)] an amount equal to

19 (i) [(A)] 50 percent of contributions of not more than  
20 \$100,000; and

21 (ii) [(B)] 100 percent of the next \$100,000 of  
22 contributions; or

23 (B) [(2)] 50 percent of the taxpayer's tax liability under this title;

24 (2) made after the effective date of this Act and through  
25 December 31, 2001, to the Alaska public broadcasting trust fund established under  
26 AS 37.14.550; the amount of the credit is equal to 50 percent of annual  
27 contributions of not more than \$300,000.

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

29 (c) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
30 under this section

31 (1) may not be claimed as a credit under more than one provision of this  
32 title; [AND]

1                   (2) may not be allowed as a deduction against a tax imposed by this  
2 title or as a deduction against a tax imposed by AS 43; and

3                   (3) may not, when combined with credits taken during the taxpayer's tax  
4 year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018,

5                   (A) through December 31, 2001, exceed \$300,000; and

6                   (B) after December 31, 2001, exceed \$150,000.

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

8                   ARTICLE 7. ALASKA PUBLIC BROADCASTING TRUST FUND.

9                   Sec. 37.14.550. ALASKA PUBLIC BROADCASTING TRUST FUND  
10 ESTABLISHED. (a) The Alaska public broadcasting trust fund is established as a  
11 separate endowment trust fund of the state.

12                   (b) The principal of the fund consists of

13                   (1) legislative appropriations to the fund; and

14                   (2) gifts, bequests, and contributions of cash or other assets to the fund.

15                   (c) The net income of the fund shall be determined by the commissioner of  
16 revenue in accordance with investment accounting principles and in a manner that  
17 preserves the distinction between principal and income.

18                   Sec. 37.14.560. POWERS AND DUTIES OF THE COMMISSIONER OF  
19 REVENUE. The commissioner of revenue is the treasurer of the fund and has the power  
20 and duty to:

21                   (1) act as official custodian of the cash and investments belonging to the  
22 fund by securing adequate and safe custodial facilities;

23                   (2) receive all items of cash and investments belonging to the fund;

24                   (3) collect the principal and income from investments owned or acquired  
25 by the fund and deposit the amounts in separate principal and income accounts for the  
26 fund;

27                   (4) invest and reinvest the assets of the fund as provided in this section  
28 and as provided for the investment of funds under AS 14.25.180(c) and AS 37.14.170;

29                   (5) exercise the powers of an owner with respect to the assets of the  
30 fund;

31                   (6) maintain accounting records of the fund in accordance with  
32 investment accounting principles and with distinction between the principal and income

1 accounts of the fund;

2 (7) engage an independent firm of certified public accountants to annually  
3 audit the financial condition of the fund's investments and investment transactions;

4 (8) enter into and enforce contracts or agreements considered necessary  
5 for the investment purposes of the fund;

6 (9) report to the commission the condition and investment performance  
7 of the fund;

8 (10) do all acts, whether or not expressly authorized, that the  
9 commissioner of revenue considers necessary or proper in administering the assets of the  
10 fund.

11 Sec. 37.14.570. ADMINISTRATION OF THE FUND. The fund shall be  
12 administered by the Alaska Public Broadcasting Commission.

13 Sec. 37.14.580. POWERS AND DUTIES OF THE COMMISSION. When  
14 acting as administrator of the fund, the commission shall

15 (1) hold regular and special meetings it considers necessary; the  
16 commission may hold meetings by teleconference;

17 (2) award grants from the net income of the fund under AS 44.21.256 -  
18 44.21.290;

19 (3) solicit contributions, gifts, and bequests to the fund; and

20 (4) keep audiotape recordings of each meeting of the commission to be  
21 made available on request.

22 Sec. 37.14.590. USE OF FUND. (a) The principal of the fund and any capital  
23 gains or losses realized on the principal shall be retained perpetually in the fund for  
24 investment as specified in AS 37.14.560, and may not be used for the awarding of  
25 grants.

26 (b) The net income of the fund may be appropriated for the following purposes:

27 (1) awarding grants;

28 (2) soliciting contributions, gifts, and bequests for the fund; and

29 (3) offsetting the effect of inflation on the fund's principal during the  
30 fiscal year; and

31 (4) reimbursing the Department of Revenue for the costs of establishing  
32 the fund.

1 (c) Realized net income that has not been appropriated, or that has been  
2 appropriated but not expended, shall be invested until appropriated and expended.

3 Sec. 37.14.599. DEFINITIONS. In AS 37.14.550 - 37.14.599,

4 (1) "commission" means the Alaska Public Broadcasting Commission  
5 established under AS 44.21.256;

6 (2) "fund" means the Alaska public broadcasting trust fund established  
7 under AS 37.14.550.

8 \* Sec. 5. AS 43.20.014(a) is amended to read:

9 (a) Subject to (d) of this section, a taxpayer is allowed as a credit against the  
10 tax due under this chapter the taxpayer's contributions as follows:

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

16 (A) [A TAXPAYER IS ALLOWED AS A CREDIT AGAINST  
17 THE TAX DUE UNDER THIS CHAPTER (1)] 50 percent of contributions of  
18 not more than \$100,000; and

19 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
20 (2) for contributions made after the effective date of this Act and  
21 through December 31, 2001, to the Alaska public broadcasting trust fund  
22 established under AS 37.14.550, 50 percent of annual contributions of not more than  
23 \$300,000.

24 \* Sec. 6. AS 43.20.014(d) is amended to read:

25 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
26 under this section

27 (1) may not be claimed as a credit under another provision of this title;

28 (2) may not also be allowed as a deduction [UNDER 26 U.S.C. 170]  
29 against the tax imposed by this chapter or as a deduction against another tax imposed  
30 by this title; and

31 (3) may not, when combined with credits taken during the taxpayer's tax  
32 year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018,

1 (A) through December 31, 2001, exceed \$300,000; and

2 (B) after December 31, 2001, exceed \$150,000.

3 \* Sec. 7. AS 43.55.019(a) is amended to read:

4 (a) Subject to (d) of this section, a producer of oil or gas is allowed as a  
5 credit against the tax due under this chapter the producer's contributions as  
6 follows:

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

12 (A) [A PRODUCER OF OIL OR GAS IS ALLOWED AS A  
13 CREDIT AGAINST THE TAX DUE UNDER THIS CHAPTER (1)] 50 percent  
14 of contributions of not more than \$100,000; and

15 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
16 (2) for contributions made after the effective date of this Act and  
17 through December 31, 2001, to the Alaska public broadcasting trust fund  
18 established under AS 37.14.550, 50 percent of annual contributions of not more than  
19 \$300,000.

20 \* Sec. 8. AS 43.55.019(d) is amended to read:

21 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
22 under this section may not

23 (1) be claimed as a credit under another provision of this title; [AND]

24 (2) be allowed as a deduction against the tax imposed by this chapter  
25 or as a deduction against another tax imposed by this title; and

26 (3) when combined with credits taken during the taxpayer's tax year  
27 under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, or AS 43.75.018,

28 (A) through December 31, 2001, exceed \$300,000; and

29 (B) after December 31, 2001, exceed \$150,000.

30 \* Sec. 9. AS 43.56.018(a) is amended to read:

31 (a) Subject to (d) of this section, the owner of property taxable under this  
32 chapter is allowed as a credit against the tax due under this chapter the owner's

1 contribution as follows:

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

7 (A) [THE OWNER OF PROPERTY TAXABLE UNDER THIS  
8 CHAPTER IS ALLOWED AS A CREDIT AGAINST THE TAX DUE UNDER  
9 THIS CHAPTER (1)] 50 percent of contributions of not more than \$100,000;  
10 and

11 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
12 (2) for contributions made after the effective date of this Act and  
13 through December 31, 2001, to the Alaska public broadcasting trust fund  
14 established under AS 37.14.550, 50 percent of annual contributions of not more than  
15 \$300,000.

16 \* Sec. 10. AS 43.56.018(d) is amended to read:

17 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
18 under this section may not

19 (1) be claimed as a credit under another provision of this title; [AND]

20 (2) be allowed as a deduction against the tax imposed by this chapter  
21 or as a deduction against another tax imposed by this title; and

22 (3) when combined with credits taken during the taxpayer's tax year  
23 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, or AS 43.75.018,

24 (A) through December 31, 2001, exceed \$300,000; and

25 (B) after December 31, 2001, exceed \$150,000.

26 \* Sec. 11. AS 43.65.018(a) is amended to read:

27 (a) Subject to (d) of this section, a person engaged in the business of mining  
28 in the state is allowed as a credit against the tax due under this chapter the  
29 contributions made by the person as follows:

30 (1) ~~for~~ [FOR] cash contributions accepted for direct instruction, research,  
31 and educational support purposes, including library and museum acquisitions, and  
32 contributions to endowment, by an Alaska university foundation or by a nonprofit, public

1 or private, Alaska two-year or four-year college accredited by a regional accreditation  
2 association,

3 (A) [A PERSON ENGAGED IN THE BUSINESS OF MINING  
4 IN THE STATE IS ALLOWED AS A CREDIT AGAINST THE TAX DUE  
5 UNDER THIS CHAPTER (1)] 50 percent of contributions of not more than  
6 \$100,000; and

7 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
8 (2) for contributions made after the effective date of this Act and  
9 through December 31, 2001, to the Alaska public broadcasting trust fund  
10 established under AS 37.14.550, 50 percent of annual contributions of not more than  
11 \$300,000.

12 \* Sec. 12. AS 43.65.018(d) is amended to read:

13 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
14 under this section may not

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

16 (2) be allowed as a deduction against the tax imposed by this chapter  
17 or as a deduction against another tax imposed by this title; and

18 (3) when combined with credits taken during the taxpayer's tax year  
19 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.75.018,

20 (A) through December 31, 2001, exceed \$300,000; and

21 (B) after December 31, 2001, exceed \$150,000.

22 \* Sec. 13. AS 44.21.266 is amended to read:

23 Sec. 44.21.266. DUTIES OF THE COMMISSION. The commission shall

24 (1) have responsibility for administration of the Alaska public  
25 broadcasting trust fund under AS 37.14.580, apply for federal and private funds for  
26 public broadcasting purposes, [AND] receive all federal, state, or private funds, property,  
27 or assistance that may be appropriated, granted, or otherwise made available to the  
28 commission for public broadcasting purposes, and use and disburse funds and property  
29 for purposes consistent with the terms of AS 44.21.256 - 44.21.290, subject to reasonable  
30 limitations imposed by the grantor;

31 (2) provide consultative services in all aspects of public broadcasting to  
32 all public or private agencies in the state that request them;

1 (3) serve as a library and clearinghouse for public broadcasting  
2 information;

3 (4) through grants to qualified entities, develop an integrated public  
4 broadcasting network for the state;

5 (5) through grants to qualified entities, develop and distribute public  
6 broadcasting programming in the state;

7 (6) prepare and submit to the governor and the legislature, in compliance  
8 with the state information systems plan adopted by the Telecommunications Information  
9 Council in the Office of the Governor, a long-term plan for the development of public  
10 broadcasting stations and systems in the state, and biennially update the plan; and

11 (7) perform all other functions necessary to ensure the orderly and  
12 coordinated development of public broadcasting in the state.

13 \* Sec. 14. Sections 1 - 3 and 5 - 12 of this Act apply to tax years beginning after the  
14 December 31 that precedes the effective date of this Act.

15 \* Sec. 15. This Act takes effect January 1, 1997.

Amend

7/24/96 moved Sen. Sharp  
w/o objection  
adopted  
sharp

Sec. 5 line 10 pg 5 before  
"contributions" add cash

Sec 7 line 5 pg 6  
after "producers" add cash

Sec 9 ~~line 1~~ line 1, pg 7  
before "contributions" add cash

Sec 11 line 29, pg 7  
before "contributions" add cash

10:30am

# A FAX

Alaska State Legislature

Date: 4-24-96

To: Legal Services - Attn: Peggy

Fax #: 2029 Phone #: 2450

From: Kathy - Senate Finance

Phone #: 2618

Re: Please incorporate the attached amendment within SCS CS HB 269 (work draft 9-LS09371J 4-23-96 Chenoweth) to produce a final SCS CS NB 269 (Fin) and deliver the bill to Rm. 520 in the capitol bldg.

Following this page, please find 1 pages(s). If this does not reach you in full, please inform us ASAP.



THANK YOU

Kathy

9-LS1196C  
Chenoweth  
4/18/96

SENATE CONCURRENT RESOLUTION NO.  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY *Finance Comm. Hee*

Introduced:  
Referred:

A RESOLUTION

1 Suspending Uniform Rules 24(c), 35, 41(b), and 42(e) of the Alaska State  
2 Legislature concerning House Bill No. 269, relating to credits against certain state  
3 taxes.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 That under Rule 54 of the Uniform Rules of the Alaska State Legislature, the  
6 provisions of Rules 24(c), 35, 41(b), and 42(e) of the Uniform Rules, regarding changes to the  
7 title of a bill, are suspended in consideration of House Bill No. 269, relating to credits against  
8 certain state taxes.

4/24/96

Harry-

Attached is final  
SCS CSMB 269 (Final)  
approved by Sen.  
Sharp's office.

Does it look okay  
to you?

Kathy  
2018

4/24/96

Cam -

Attached is the final  
SCS CSMB 269 (Fix)  
incorporating Sen.  
Sharp's amendment.

Please review and  
advise whether it is  
acceptable.



Thanks,  
Kathy  
2618

SENATE CS FOR CS FOR HOUSE BILL NO. 269(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES IVAN, Bunde, Foster, Williams, James

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska public broadcasting trust fund as a trust fund  
 2 of the state, and providing for its administration; relating to credits against  
 3 certain taxes for contributions to the Alaska public broadcasting trust fund,  
 4 increasing th amounts that may be claimed as credits against certain state  
 5 taxes, and precluding claims of the contributions as both credits and deductions  
 6 against the taxes; and terminating the credits authorized by this Act at the end  
 7 of five years; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. PURPOSE. Sections 1 - 3 and 5 - 12 of this Act extend the credits authorized  
 10 by ch. 58, SLA 1987, ch. 71, SLA 1991, and ch. 21, SLA 1994, against each of the following  
 11 state taxes for contributions made to the Alaska public broadcasting trust fund established in  
 12 AS 37.14:

13 (1) the insurance premium tax (AS 21.09.210) and the tax on title insurance

1 premiums (AS 21.66.110);

2 (2) Alaska Net Income Tax (AS 43.20);

3 (3) Oil and Gas Properties Production Tax (AS 43.55);

4 (4) Oil and Gas Exploration, Production, and Pipeline Transportation Property  
5 Tax (AS 43.56);

6 (5) Mining License Tax (AS 43.65).

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

8 (a) Subject to (c) of this section, a [A] taxpayer is allowed as a credit against  
9 the tax due under AS 21.09.210 or AS 21.66.110 the taxpayer's [FOR] cash  
10 contributions

11 (1) for direct instruction, research, and educational support purposes,  
12 including library and museum acquisitions, and contributions to endowment, that are  
13 accepted by a nonprofit, public or private, Alaska two-year or four-year college or  
14 university accredited by a regional accreditation association or that are accepted 'y an  
15 Alaska university foundation that supports a university or college that could receive a  
16 contribution for which a taxpayer may obtain a credit under this section; the [. THE]  
17 amount of the credit is the lesser of

18 (A) [(1)] an amount equal to

19 (i) [(A)] 50 percent of contributions of not more than  
20 \$100,000; and

21 (ii) [(B)] 100 percent of the next \$100,000 of  
22 contributions; or

23 (B) [(2)] 50 percent of the taxpayer's tax liability under this title;

24 (2) made after the effective date of this Act and through  
25 December 31, 2001. to the Alaska public broadcasting trust fund established under  
26 AS 37.14.550; the amount of the credit is equal to 50 percent of annual  
27 contributions of not more than \$300,000.

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

29 (c) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
30 under this section

31 (1) may not be claimed as a credit under more than one provision of this  
32 title; [AND]

1                                   (2) may not be allowed as a deduction against a tax imposed by this  
2 title or as a deduction against a tax imposed by AS 43; and

3                                   (3) may not, when combined with credits taken during the taxpayer's tax  
4 year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018,

5                                   (A) through December 31, 2001, exceed \$300,000; and

6                                   (B) after December 31, 2001, exceed \$150,000.

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

8                                   ARTICLE 7. ALASKA PUBLIC BROADCASTING TRUST FUND.

9                                   Sec. 37.14.550. ALASKA PUBLIC BROADCASTING TRUST FUND  
10 ESTABLISHED. (a) The Alaska public broadcasting trust fund is established as a  
11 separate endowment trust fund of the state.

12                                   (b) The principal of the fund consists of

13   (1) legislative appropriations to the fund; and

14   (2) gifts, bequests, and contributions of cash or other assets to the fund.

15                                   (c) The net income of the fund shall be determined by the commissioner of  
16 revenue in accordance with investment accounting principles and in a manner that  
17 preserves the distinction between principal and income.

18                                   Sec. 37.14.560. POWERS AND DUTIES OF THE COMMISSIONER OF  
19 REVENUE. The commissioner of revenue is the treasurer of the fund and has the power  
20 and duty to:

21   (1) act as official custodian of the cash and investments belonging to the  
22 fund by securing adequate and safe custodial facilities;

23   (2) receive all items of cash and investments belonging to the fund;

24   (3) collect the principal and income from investments owned or acquired  
25 by the fund and deposit the amounts in separate principal and income accounts for the  
26 fund;

27   (4) invest and reinvest the assets of the fund as provided in this section  
28 and as provided for the investment of funds under AS 14.25.180(c) and AS 37.14.170;

29   (5) exercise the powers of an owner with respect to the assets of the  
30 fund;

31   (6) maintain accounting records of the fund in accordance with  
32 investment accounting principles and with distinction between the principal and income

1 accounts of the fund;

2 (7) engage an independent firm of certified public accountants to annually  
3 audit the financial condition of the fund's investments and investment transactions;

4 (8) enter into and enforce contracts or agreements considered necessary  
5 for the investment purposes of the fund;

6 (9) report to the commission the condition and investment performance  
7 of the fund;

8 (10) do all acts, whether or not expressly authorized, that the  
9 commissioner of revenue considers necessary or proper in administering the assets of the  
10 fund.

11 Sec. 37.14.570 ADMINISTRATION OF THE FUND. The fund shall be  
12 administered by the Alaska Public Broadcasting Commission.

13 Sec. 37.14.580. POWERS AND DUTIES OF THE COMMISSION. When  
14 acting as administrator of the fund, the commission shall

15 (1) hold regular and special meetings it considers necessary; the  
16 commission may hold meetings by teleconference;

17 (2) award grants from the net income of the fund under AS 44.21.256 -  
18 44.21.290;

19 (3) solicit contributions, gifts, and bequests to the fund; and

20 (4) keep audiotape recordings of each meeting of the commission to be  
21 made available on request.

22 Sec. 37.14.590. USE OF FUND. (a) The principal of the fund and any capital  
23 gains or losses realized on the principal shall be retained perpetually in the fund for  
24 investment as specified in AS 37.14.560, and may not be used for the awarding of  
25 grants.

26 (b) The net income of the fund may be appropriated for the following purposes:

27 (1) awarding grants;

28 (2) soliciting contributions, gifts, and bequests for the fund; and

29 (3) offsetting the effect of inflation on the fund's principal during the  
30 fiscal year; and

31 (4) reimbursing the Department of Revenue for the costs of establishing  
32 the fund.

Amend

7/24/96 moved Sen. Sharp  
w/o objection  
adopted

Sharp

Sec. 5 line 10 pg 5 before  
"contributions" add cash

Sec 7 line 5 pg 6  
after "producer's" add cash

Sec 9 ~~line 1~~ line 1, pg 7  
before "contribution" add cash

Sec 11 line 29, pg 7  
before "contributions" add cash

1 (c) Realized net income that has not been appropriated, or that has been  
2 appropriated but not expended, shall be invested until appropriated and expended.

3 Sec. 37.14.599. DEFINITIONS. In AS 37.14.550 - 37.14.599,

4 (1) "commission" means the Alaska Public Broadcasting Commission  
5 established under AS 44.21.256;

6 (2) "fund" means the Alaska public broadcasting trust fund established  
7 under AS 37.14.550.

8 \* Sec. 5. AS 43.20.014(a) is amended to read:

9 (a) Subject to (d) of this section, a taxpayer is allowed as a credit against the  
10 tax due under this chapter the taxpayer's ~~cash~~ contributions as follows:

11 (1) for [FOR] cash contributions accepted for direct instruction, research,  
12 and educational support purposes, including art, and museum acquisitions, and  
13 contributions to endowment, by an Alaska university foundation or by a nonprofit, public  
14 or private, Alaska two-year or four-year college accredited by a regional accreditation  
15 association,

16 (A) [A TAXPAYER IS ALLOWED AS A CREDIT AGAINST  
17 THE TAX DUE UNDER THIS CHAPTER (1)] 50 percent of contributions of  
18 not more than \$100,000; and

19 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
20 (2) ~~CASH~~ for contributions made after the effective date of this Act and  
21 through December 31, 2001, to the Alaska public broadcasting trust fund  
22 established under AS 37.14.550, 50 percent of annual contributions of not more than  
23 \$300,000.

24 \* Sec. 6. AS 43.20.014(d) is amended to read:

25 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
26 under this section

27 (1) may not be claimed as a credit under another provision of this title;

28 (2) may not also be allowed as a deduction [UNDER 26 U.S.C. 170]  
29 against the tax imposed by this chapter or as a deduction against another tax imposed  
30 by this title; and

31 (3) may not, when combined with credits taken during the taxpayer's tax  
32 year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018,

1 (A) through December 31, 2001, exceed \$300,000; and

2 (B) after December 31, 2001, exceed \$150,000.

3 \* Sec. 7. AS 43.55.019(a) is amended to read:

4 (a) Subject to (d) of this section, a producer of oil or gas is allowed as a  
5 credit against the tax due under this chapter the producer's <sup>CASH</sup> contributions as  
6 follows:

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

12 (A) [A PRODUCER OF OIL OR GAS IS ALLOWED AS A  
13 CREDIT AGAINST THE TAX DUE UNDER THIS CHAPTER (1)] 50 percent  
14 of contributions of not more than \$100,000; and

15 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
16 <sup>CASH</sup> (2) for contributions made after the effective date of this Act and  
17 through December 31, 2001, to the Alaska public broadcasting trust fund  
18 established under AS 37.14.550, 50 percent of annual contributions of not more than  
19 \$300,000.

20 \* Sec. 8. AS 43.55.019(d) is amended to read:

21 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
22 under this section may not

23 (1) be claimed as a credit under another provision of this title; [AND]

24 (2) be allowed as a deduction against the tax imposed by this chapter  
25 or as a deduction against another tax imposed by this title; and

26 (3) when combined with credits taken during the taxpayer's tax year  
27 under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, or AS 43.75.018,

28 (A) through December 31, 2001, exceed \$300,000; and

29 (B) after December 31, 2001, exceed \$150,000.

30 \* Sec. 9. AS 43.56.018(a) is amended to read:

31 (a) Subject to (d) of this section, the owner of property taxable under this  
32 chapter is allowed as a credit against the tax due under this chapter the owner's

1 cash contributions as follows:

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

7 (A) [THE OWNER OF PROPERTY TAXABLE UNDER THIS  
8 CHAPTER IS ALLOWED AS A CREDIT AGAINST THE TAX DUE UNDER  
9 THIS CHAPTER (1)] 50 percent of contributions of not more than \$100,000;  
10 and

11 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
12 (2) ~~CASH~~ for contributions made after the effective date of this Act and  
13 through December 31, 2001, to the Alaska public broadcasting trust fund  
14 established under AS 37.14.550, 50 percent of annual contributions of not more than  
15 \$300,000.

16 \* Sec. 10. AS 43.56.018(d) is amended to read:

17 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
18 under this section may not

19 (1) be claimed as a credit under another provision of this title; [AND]

20 (2) be allowed as a deduction against the tax imposed by this chapter  
21 or as a deduction against another tax imposed by this title; and

22 (3) when combined with credits taken during the taxpayer's tax year  
23 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, or AS 43.75.018,

24 (A) through December 31, 2001, exceed \$300,000; and

25 (B) after December 31, 2001, exceed \$150,000.

26 \* Sec. 11. AS 43.65.018(a) is amended to read:

27 (a) Subject to (d) of this section, a person engaged in the business of mining  
28 in the state is allowed as a credit against the tax due under this chapter the cash  
29 contributions made by the person as follows:

30 (1) for [FOR] cash contributions accepted for direct instruction, research,  
31 and educational support purposes, including library and museum acquisitions, and  
32 contributions to endowment, by an Alaska university foundation or by a nonprofit, public

1 or private, Alaska two-year or four-year college accredited by a regional accreditation  
2 association,

3 (A) [A PERSON ENGAGED IN THE BUSINESS OF MINING  
4 IN THE STATE IS ALLOWED AS A CREDIT AGAINST THE TAX DUE  
5 UNDER THIS CHAPTER (1)] 50 percent of contributions of not more than  
6 \$100,000; and

7 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
8 ~~(2) for contributions made after the effective date of this Act and~~  
9 through December 31, 2001, to the Alaska public broadcasting trust fund  
10 established under AS 37.14.550, 50 percent of annual contributions of not more than  
11 \$300,000.

12 \* Sec. 12. AS 43.65.018(d) is amended to read:

13 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
14 under this section may not

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

16 (2) be allowed as a deduction against the tax imposed by this chapter  
17 or as a deduction against another tax imposed by this title; and

18 (3) when combined with credits taken during the taxpayer's tax year  
19 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.75.018,

20 (A) through December 31, 2001, exceed \$300,000; and

21 (B) after December 31, 2001, exceed \$150,000.

22 \* Sec. 13. AS 44.21.266 is amended to read:

23 Sec. 44.21.266. DUTIES OF THE COMMISSION. The commission shall

24 (1) have responsibility for administration of the Alaska public  
25 broadcasting trust fund under AS 37.14.580, apply for federal and private funds for  
26 public broadcasting purposes, [AND] receive all federal, state, or private funds, property,  
27 or assistance that may be appropriated, granted, or otherwise made available to the  
28 commission for public broadcasting purposes, and use and disburse funds and property  
29 for purposes consistent with the terms of AS 44.21.256 - 44.21.290, subject to reasonable  
30 limitations imposed by the grantor;

31 (2) provide consultative services in all aspects of public broadcasting to  
32 all public or private agencies in the state that request them;

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(3) serve as a library and clearinghouse for public broadcasting information;

(4) through grants to qualified entities, develop an integrated public broadcasting network for the state;

(5) through grants to qualified entities, develop and distribute public broadcasting programming in the state;

(6) prepare and submit to the governor and the legislature, in compliance with the state information systems plan adopted by the Telecommunications Information Council in the Office of the Governor, a long-term plan for the development of public broadcasting stations and systems in the state, and biennially update the plan; and

(7) perform all other functions necessary to ensure the orderly and coordinated development of public broadcasting in the state.

\* Sec. 14. Sections 1 - 3 and 5 - 12 of this Act apply to tax years beginning after the December 31 that precedes the effective date of this Act.

\* Sec. 15. This Act takes effect January 1, 1997.

Amendment

By Rieger

Page 3, line 26, after "fund;" insert

"(4) adopt a policy for reinvestment of a portion of total return of the fund which is for the purpose of protecting the fund against the effects of inflation;"

Page 3, line 27, after "section" insert

"including any transfers from the income account to the principal account made pursuant to (4) of this section"

Page 4, line 21 after "request" insert: "and

"(5) recommend a policy regarding protection of the fund against inflation."

Page 4, Lines 22-23 delete "and any capital  
gains or losses realized on the principal"

Page 3, line 13, after "fund" insert ";

(2) reinvestments to principal made pursuant  
to 37.14.560 "

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Tax Credit: Gifts to Public Broadcasting BRU: Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: Rep Ivan  
 Requestor: (S) FIN COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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>

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

CHANGE IN REVENUES ( GF )	0.0	(650) - (1,300)	(650) - (1,300)	(650) - (1,300)	(650) - (1,300)	(650) - (1,300)
---------------------------	-----	-----------------	-----------------	-----------------	-----------------	-----------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<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 (FY96) cost \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Robert Bartholomew, Deputy Director Phone: 465-2320  
 Division: Income and Excise Audit Division Date: 4/24/96  
 Approved by Commissioner: [Signature] Date: 4/24/96  
 Agency: Department of Revenue

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## *Alaska Department of Revenue*

SCSHB 269(FIN)

April 24, 1996

Page 2 of 2

### **Bill Analysis**

This bill extends tax credits for contributions to a public broadcasting trust fund. The tax credit program sunsets after five years (12/31/01). There are four tax types administered by the department which could be impacted by this credit:

Corporation Net Income (AS 43.20)

Oil and Gas Production (AS 43.55)

Oil and Gas Property (AS 43.56)

Mining License (AS 43.65)

**Credit Limit:** The maximum credit would be \$150,000 per taxpayer annually. Taxpayers would be allowed a credit for 50% of qualified contributions upto an annual maximum of \$300,000.

### **Operating Costs**

Department of Revenue does not anticipate any additional costs for administering the tax credit program under this bill. The Department would update its return forms to reflect credit provisions for contributions to public broadcasting trust fund.

### **Revenue**

According to data compiled from most recent reports submitted to Department of Administration's Public Broadcasting Commission, corporation contributions to public broadcasting during the fiscal year ended June 30, 1994 were approximately \$1,297,100. Contributions were individually less than \$100,000. Contributions would be subject to 50% credit, total credits related to public broadcasting would have been \$648,500. In calculating the potential revenue impact the assumption was made that with the extra incentive of receiving a 50% tax credit for contributions that the annual amount received (from both existing and new donors) could double. This would result in potential contributions to the trust of \$2,600,000 and tax credits of \$1,300,000. Thus the revenue loss could range from \$650,000 to \$1,300,000.

This bill would apply to tax years beginning after December 31, 1996. Since taxpayers file returns annually, the first returns for which a credit could be claimed (calendar year 1997) will not be due until spring of 1998. Accordingly, any revenue reduction from this bill would not be realized until FY 98. Calendar year 2001 will be due in spring of 2002 or FY 02.

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Tax Credit: Gifts to Public Broadcasting BRU: Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: Rep Ivan, et al  
 Requestor: (\$) FIN COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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 ( GF )</b>	<b>0.0</b>	<b>(2,617.2)</b>	<b>(2,617.2)</b>	<b>(2,617.2)</b>	<b>(2,617.2)</b>	<b>(2,617.2)</b>

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<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 (FY96) cost \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: \_\_\_\_\_  
 Division: Income and Excise Audit Division  
 Approved by Commissioner: \_\_\_\_\_  
 Agency: Department of Revenue

Phone: 465-2320  
 Date: 2/12/96  
 Date: 2/12/96

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## Alaska Department of Revenue

SCSHB 269( )  
WORK DRAFT 9-LS0937\Z  
February 12, 1996  
Page 2 of 4

### Bill Analysis

This bill expands current education credit statutes, which provide for a tax credit for contributions made to an Alaska university or college, as follows:

- **Expanded Base:** Taxpayers would be allowed to claim a credit for contributions to an Alaska public radio or television network in addition to a university or college.
- **Increased Credit:** The maximum credit would increase by \$170,000, from the current \$150,000 maximum to \$320,000. Taxpayers would be allowed a credit for 50% of the first \$100,000 and 90% of the next \$300,000 of qualified contributions.
- **Sunset Date:** After December 31, 2001, the amount of credit reverts back to the current credits for education contributions only and \$150,000 maximum.

SCSHB 269(FIN) does not necessarily foster an incentive for businesses to make contributions to public radio and television networks because the bill does not segregate requirements for public radio and television network contributions from Alaska education contributions. Rather, public radio and television credit language is incorporated into existing sections for Alaska education credits and therefore, it would be at a taxpayer's discretion to pick and choose between Alaska education or public radio and television contributions. Under this bill, it is possible for a taxpayer to claim the maximum credit from contributions to only an Alaska university or college.

**Section 1.** This section would extend credits against state taxes for contributions made to Alaska public educational radio and television networks and stations and endowments established to benefit those stations. The credit extension would apply to the following tax types: insurance premium, corporation net income, oil and gas property, oil and gas production, and mining license. The extension does not apply to the only other tax type (fisheries business) for which education credits are authorized.

**Section 2.** This section amends insurance tax statutes (AS 21.89) to authorize credits for contributions to public educational television and radio networks or stations and contributions to endowments for those networks and stations. This section increases the current \$150,000 maximum credit to \$320,000, limited to 50% of the insurance premium tax liability. This section also provides language that would revert the credit back to current provisions (education contributions only and \$150,000 maximum credit), limited to 50% of the insurance tax liability, after December 31, 2001.

**Section 3.** This section provides that contributions may not be claimed as a deduction against a tax imposed by AS 43. Also, the credit may not exceed the maximum credit allowed when combined with credits taken under AS 43.

**Section 4.** This section amends corporation net income tax statutes (AS 43.20) to authorize credits for contributions to public educational television and radio networks or stations and contributions to endowments for those networks and stations. This section increases the current \$150,000 maximum credit to \$320,000. This section also provides language that would revert the credit back to current provisions (education contributions only and \$150,000 maximum credit) after December 31, 2001.

*Alaska Department of Revenue*

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Page 3 of 4

**Section 5.** This section provides that contributions may not be claimed as a deduction against a tax imposed by AS 43. Also, the credit may not exceed the maximum credit allowed when combined with credits taken under AS 21 and AS 43.

**Section 6.** This section amends oil and gas production tax statutes (AS 43.55) to authorize credits for contributions to public educational television and radio networks or stations and contributions to endowments for those networks and stations. This section increases the current \$150,000 maximum credit to \$320,000. This section also provides language that would revert the credit back to current provisions (education contributions only and \$150,000 maximum credit) after December 31, 2001.

**Section 7.** This section provides that contributions may not be claimed as a deduction against a tax imposed by AS 43. Also, the credit may not exceed the maximum credit allowed when combined with credits taken under AS 21 and AS 43.

**Section 8.** This section amends oil and gas property tax statutes (AS 43.56) to authorize credits for contributions to public educational television and radio networks or stations and contributions to endowments for those networks and stations. This section increases the current \$150,000 maximum credit to \$320,000. This section also provides language that would revert the credit back to current provisions (education contributions only and \$150,000 maximum credit) after December 31, 2001.

**Section 9.** This section provides that contributions may not be claimed as a deduction against a tax imposed by AS 43. Also, the credit may not exceed the maximum credit allowed when combined with credits taken under AS 21 and AS 43.

**Section 10.** This section amends mining license tax statutes (AS 43.65) to authorize credits for contributions to public educational television and radio networks or stations and contributions to endowments for those networks and stations. This section increases the current \$150,000 maximum credit to \$320,000. This section also provides language that would revert the credit back to current provisions (education contributions only and \$150,000 maximum credit) after December 31, 2001.

**Section 11.** This section provides that contributions may not be claimed as a deduction against a tax imposed by AS 43. Also, the credit may not exceed the maximum credit allowed when combined with credits taken under AS 21 and AS 43.

**Section 12.** This section provides that the bill apply to tax years beginning after the December 31 that precedes the effective date of this Act.

**Section 13.** This Act would take effect January 1, 1997.

## *Alaska Department of Revenue*

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Page 4 of 4

### **Operating Costs**

Department of Revenue does not anticipate any additional costs for administering the tax credit program under this bill. The Department would update its return forms to reflect credit provisions for contributions to public radio and television networks.

### **Revenue**

Total education credits claimed during FY 95 against tax programs covered under this Act were \$1,742,200. Credits claimed under each program follows:

Insurance Premium (AS 21.09 and 21.66)	\$ 285,900
Corporation Net Income (AS 43.20)	1,306,300
Oil and Gas Production (AS 43.55)	0
Oil and Gas Property (AS 43.56)	0
Mining License (AS 43.65)	<u>150,000</u>
Total	<u>\$1,742,200</u>

Assuming that there would be a direct correlation between credits claimed in FY 95 and the 113% rate of increase in the maximum credit allowed under this bill (from \$150,000 to \$320,000) and assuming that taxpayers above contribute to education only, the state would expect credits for education to increase by 113% or \$1,968,700.

According to data compiled from most recent reports submitted to Department of Administration's Public Broadcasting Commission, corporation contributions to public radio and television including the Alaska Public Radio Network (APRN) during the fiscal year ended June 30, 1994 were approximately \$1,297,100. Contributions were individually less than \$100,000. Assuming that individual corporation contributions to public radio and television remain the same as for FY 94 and that \$1,297,100 in contributions would be subject to 50% credit, total credits related to public radio and television would be \$648,500. This assumes that corporations making contributions to public radio and television are not the same as for those making contributions to education.

Given the assumptions above, the combined revenue impact of this bill would be a reduction in General Fund revenue of \$2,617,200 (\$1,968,700 + \$648,500).

This bill would apply to tax years beginning after December 31, 1996. Since taxpayers file returns annually, the first returns for which a credit could be claimed (calendar year 1997) will not be due until spring of 1998. Accordingly, any revenue reduction from this bill would not be realized until FY 98. Calendar year 2001 will be due in spring of 2002 or FY 02.

9-LS0937J  
Chenoweth  
4/23/96

SENATE CS FOR CS FOR HOUSE BILL NO. 269( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES IVAN, Bunde, Foster, Williams, James

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska public broadcasting trust fund as a trust fund  
2 of the state, and providing for its administration; relating to credits against  
3 certain taxes for contributions to the Alaska public broadcasting trust fund,  
4 increasing the amounts that may be claimed as credits against certain state  
5 taxes, and precluding claims of the contributions as both credits and deductions  
6 against the taxes; and terminating the credits authorized by this Act at the end  
7 of five years; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. PURPOSE. Sections 1 - 3 and 5 - 12 of this Act extend the credits authorized  
10 by ch. 58, SLA 1987, ch. 71, SLA 1991, and ch. 21, SLA 1994, against each of the following  
11 state taxes for contributions made to the Alaska public broadcasting trust fund established in  
12 AS 37.14:

13 (1) the insurance premium tax (AS 21.09.210) and the tax on title insurance

1 premiums (AS 21.66.110);

2 (2) Alaska Net Income Tax (AS 43.20);

3 (3) Oil and Gas Properties Production Tax (AS 43.55);

4 (4) Oil and Gas Exploration, Production, and Pipeline Transportation Property  
5 Tax (AS 43.56);

6 (5) Mining License Tax (AS 43.65).

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

8 (a) Subject to (c) of this section, a [A] taxpayer is allowed as a credit against  
9 the tax due under AS 21.09.210 or AS 21.66.110 the taxpayer's [FOR] cash  
10 contributions

11 (1) for direct instruction, research, and educational support purposes,  
12 including library and museum acquisitions, and contributions to endowment, that are  
13 accepted by a nonprofit, public or private, Alaska two-year or four-year college or  
14 university accredited by a regional accreditation association or that are accepted by an  
15 Alaska university foundation that supports a university or college that could receive a  
16 contribution for which a taxpayer may obtain a credit under this section; the [. THE]  
17 amount of the credit is the lesser of

18 (A) [(1)] an amount equal to

19 (i) [(A)] 50 percent of contributions of not more than  
20 \$100,000; and

21 (ii) [(B)] 100 percent of the next \$100,000 of  
22 contributions; or

23 (B) [(2)] 50 percent of the taxpayer's tax liability under this title;

24 (2) made after the effective date of this Act and through  
25 December 31, 2001, to the Alaska public broadcasting trust fund established under  
26 AS 37.14.550; the amount of the credit is equal to 50 percent of annual  
27 contributions of not more than \$300,000.

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

29 (c) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
30 under this section

31 (1) may not be claimed as a credit under more than one provision of this  
32 title; [AND]

1                   (2) may not be allowed as a deduction against a tax imposed by this  
2 title or as a deduction against a tax imposed by AS 43; and

3                   (3) may not, when combined with credits taken during the taxpayer's tax  
4 year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018,

5                   (A) through December 31, 2001, exceed \$300,000; and

6                   (B) after December 31, 2001, exceed \$150,000.

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

8                   ARTICLE 7. ALASKA PUBLIC BROADCASTING TRUST FUND.

9                   Sec. 37.14.550. ALASKA PUBLIC BROADCASTING TRUST FUND  
10 ESTABLISHED. (a) The Alaska public broadcasting trust fund is established as a  
11 separate endowment trust fund of the state.

12                   (b) The principal of the fund consists of

13                               (1) legislative appropriations to the fund; and

14                               (2) gifts, bequests, and contributions of cash or other assets to the fund.

15                   (c) The net income of the fund shall be determined by the commissioner of  
16 revenue in accordance with investment accounting principles and in a manner that  
17 preserves the distinction between principal and income.

18                   Sec. 37.14.560. POWERS AND DUTIES OF THE COMMISSIONER OF  
19 REVENUE. The commissioner of revenue is the treasurer of the fund and has the power  
20 and duty to:

21                               (1) act as official custodian of the cash and investments belonging to the  
22 fund by securing adequate and safe custodial facilities;

23                               (2) receive all items of cash and investments belonging to the fund;

24                               (3) collect the principal and income from investments owned or acquired  
25 by the fund and deposit the amounts in separate principal and income accounts for the  
26 fund;

27                               (4) invest and reinvest the assets of the fund as provided in this section  
28 and as provided for the investment of funds under AS 14.25.180(c) and AS 37.14.170;

29                               (5) exercise the powers of an owner with respect to the assets of the  
30 fund;

31                               (6) maintain accounting records of the fund in accordance with  
32 investment accounting principles and with distinction between the principal and income

1 accounts of the fund;

2 (7) engage an independent firm of certified public accountants to annually  
3 audit the financial condition of the fund's investments and investment transactions;

4 (8) enter into and enforce contracts or agreements considered necessary  
5 for the investment purposes of the fund;

6 (9) report to the commission the condition and investment performance  
7 of the fund;

8 (10) do all acts, whether or not expressly authorized, that the  
9 commissioner of revenue considers necessary or proper in administering the assets of the  
10 fund.

11 Sec. 37.14.570. ADMINISTRATION OF THE FUND. The fund shall be  
12 administered by the Alaska Public Broadcasting Commission.

13 Sec. 37.14.580. POWERS AND DUTIES OF THE COMMISSION. When  
14 acting as administrator of the fund, the commission shall

15 (1) hold regular and special meetings it considers necessary; the  
16 commission may hold meetings by teleconference;

17 (2) award grants from the net income of the fund under AS 44.21.256 -  
18 44.21.290;

19 (3) solicit contributions, gifts, and bequests to the fund; and

20 (4) keep audiotape recordings of each meeting of the commission to be  
21 made available on request.

22 Sec. 37.14.590. USE OF FUND. (a) The principal of the fund and any capital  
23 gains or losses realized on the principal shall be retained perpetually in the fund for  
24 investment as specified in AS 37.14.560, and may not be used for the awarding of  
25 grants.

26 (b) The net income of the fund may be appropriated for the following purposes:

27 (1) awarding grants;

28 (2) soliciting contributions, gifts, and bequests for the fund; and

29 (3) offsetting the effect of inflation on the fund's principal during the  
30 fiscal year; and

31 (4) reimbursing the Department of Revenue for the costs of establishing  
32 the fund.

1 (c) Realized net income that has not been appropriated, or that has been  
2 appropriated but not expended, shall be invested until appropriated and expended.

3 Sec. 37.14.599. DEFINITIONS. In AS 37.14.550 - 37.14.599,

4 (1) "commission" means the Alaska Public Broadcasting Commission  
5 established under AS 44.21.256;

6 (2) "fund" means the Alaska public broadcasting trust fund established  
7 under AS 37.14.550.

8 \* Sec. 5. AS 43.20.014(a) is amended to read:

9 (a) Subject to (d) of this section, a taxpayer is allowed as a credit against the  
10 tax due under this chapter the taxpayer's contributions as follows:

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

16 (A) [A TAXPAYER IS ALLOWED AS A CREDIT AGAINST  
17 THE TAX DUE UNDER THIS CHAPTER (1)] 50 percent of contributions of  
18 not more than \$100,000; and

19 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
20 (2) for contributions made after the effective date of this Act and  
21 through December 31, 2001, to the Alaska public broadcasting trust fund  
22 established under AS 37.14.550, 50 percent of annual contributions of not more than  
23 \$300,000.

24 \* Sec. 6. AS 43.20.014(d) is amended to read:

25 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
26 under this section

27 (1) may not be claimed as a credit under another provision of this title;

28 (2) may not also be allowed as a deduction [UNDER 26 U.S.C. 170]  
29 against the tax imposed by this chapter or as a deduction against another tax imposed  
30 by this title; and

31 (3) may not, when combined with credits taken during the taxpayer's tax  
32 year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018,

1 (A) through December 31, 2001, exceed \$300,000; and

2 (B) after December 31, 2001, exceed \$150,000.

3 \* Sec. 7. AS 43.55.019(a) is amended to read:

4 (a) Subject to (d) of this section, a producer of oil or gas is allowed as a  
5 credit against the tax due under this chapter the producer's contributions as  
6 follows:

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

12 (A) [A PRODUCER OF OIL OR GAS IS ALLOWED AS A  
13 CREDIT AGAINST THE TAX DUE UNDER THIS CHAPTER (1)] 50 percent  
14 of contributions of not more than \$100,000; and

15 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
16 (2) for contributions made after the effective date of this Act and  
17 through December 31, 2001, to the Alaska public broadcasting trust fund  
18 established under AS 37.14.550, 50 percent of annual contributions of not more than  
19 \$300,000

20 \* Sec. 8. AS 43.55.019(d) is amended to read:

21 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
22 under this section may not

23 (1) be claimed as a credit under another provision of this title; [AND]

24 (2) be allowed as a deduction against the tax imposed by this chapter  
25 or as a deduction against another tax imposed by this title; and

26 (3) when combined with credits taken during the taxpayer's tax year  
27 under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, or AS 43.75.018,

28 (A) through December 31, 2001, exceed \$300,000; and

29 (B) after December 31, 2001, exceed \$150,000.

30 \* Sec. 9. AS 43.56.018(a) is amended to read:

31 (a) Subject to (d) of this section, the owner of property taxable under this  
32 chapter is allowed as a credit against the tax due under this chapter the owner's

1 contribution as follows:

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

7 (A) [THE OWNER OF PROPERTY TAXABLE UNDER THIS  
8 CHAPTER IS ALLOWED AS A CREDIT AGAINST THE TAX DUE UNDER  
9 THIS CHAPTER (1)] 50 percent of contributions of not more than \$100,000;  
10 and

11 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
12 (2) for contributions made after the effective date of this Act and  
13 through December 31, 2001, to the Alaska public broadcasting trust fund  
14 established under AS 37.14.550, 50 percent of annual contributions of not more than  
15 \$300,000.

16 \* Sec. 10. AS 43.56.018(d) is amended to read:

17 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
18 under this section may not

19 (1) be claimed as a credit under another provision of this title; [AND]

20 (2) be allowed as a deduction against the tax imposed by this chapter  
21 or as a deduction against another tax imposed by this title; and

22 (3) when combined with credits taken during the taxpayer's tax year  
23 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, or AS 43.75.018,

24 (A) through December 31, 2001, exceed \$300,000; and

25 (B) after December 31, 2001, exceed \$150,000.

26 \* Sec. 11. AS 43.65.018(a) is amended to read:

27 (a) Subject to (d) of this section, a person engaged in the business of mining  
28 in the state is allowed as a credit against the tax due under this chapter the  
29 contributions made by the person as follows:

30 (1) for [FOR] cash contributions accepted for direct instruction, research,  
31 and educational support purposes, including library and museum acquisitions, and  
32 contributions to endowment, by an Alaska university foundation or by a nonprofit, public

1 or private, Alaska two-year or four-year college accredited by a regional accreditation  
2 association,

3 (A) [A PERSON ENGAGED IN THE BUSINESS OF MINING  
4 IN THE STATE IS ALLOWED AS A CREDIT AGAINST THE TAX DUE  
5 UNDER THIS CHAPTER (1)] 50 percent of contributions of not more than  
6 \$100,000; and

7 (B) [(2)] 100 percent of the next \$100,000 of contributions; and  
8 (2) for contributions made after the effective date of this Act and  
9 through December 31, 2001, to the Alaska public broadcasting trust fund  
10 established under AS 37.14.550, 50 percent of annual contributions of not more than  
11 \$300,000.

12 \* Sec. 12. AS 43.65.018(d) is amended to read:

13 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
14 under this section may not

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

16 (2) be allowed as a deduction against the tax imposed by this chapter  
17 or as a deduction against another tax imposed by this title; and

18 (3) when combined with credits taken during the taxpayer's tax year  
19 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.75.018,

20 (A) through December 31, 2001, exceed \$300,000; and

21 (B) after December 31, 2001, exceed \$150,000.

22 \* Sec. 13. AS 44.21.266 is amended to read:

23 Sec. 44.21.266. DUTIES OF THE COMMISSION. The commission shall

24 (1) have responsibility for administration of the Alaska public  
25 broadcasting trust fund under AS 37.14.580, apply for federal and private funds for  
26 public broadcasting purposes, [AND] receive all federal, state, or private funds, property,  
27 or assistance that may be appropriated, granted, or otherwise made available to the  
28 commission for public broadcasting purposes, and use and disburse funds and property  
29 for purposes consistent with the terms of AS 44.21.256 - 44.21.290, subject to reasonable  
30 limitations imposed by the grantor;

31 (2) provide consultative services in all aspects of public broadcasting to  
32 all public or private agencies in the state that request them;

- 1                   (3) serve as a library and clearinghouse for public broadcasting
- 2                   information;
- 3                   (4) through grants to qualified entities, develop an integrated public
- 4                   broadcasting network for the state;
- 5                   (5) through grants to qualified entities, develop and distribute public
- 6                   broadcasting programming in the state;
- 7                   (6) prepare and submit to the governor and the legislature, in compliance
- 8                   with the state information systems plan adopted by the Telecommunications Information
- 9                   Council in the Office of the Governor, a long-term plan for the development of public
- 10                  broadcasting stations and systems in the state, and biennially update the plan; and
- 11                  (7) perform all other functions necessary to ensure the orderly and
- 12                  coordinated development of public broadcasting in the state.

13       \* Sec. 14. Sections 1 - 3 and 5 - 12 of this Act apply to tax years beginning after the  
 14       December 31 that precedes the effective date of this Act.

15       \* Sec. 15. This Act takes effect January 1, 1997.

9-LS0937Z  
Chenoweth  
2/7/96

SENATE CS FOR CS FOR HOUSE BILL NO. 269( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES IVAN, Bunde, Foster, Williams, James

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to credits against certain taxes for contributions to certain public  
2 educational radio and television networks and stations and to endowments for  
3 public educational radio and television networks and stations, increasing the  
4 amounts that may be claimed as credits against certain state taxes, and precluding  
5 claims of the contributions as both credits and deductions against the taxes; and  
6 terminating the public educational radio and television credits authorized by this  
7 Act at the end of five years; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. PURPOSE. This Act extends the credits authorized by ch. 58, SLA 1987,  
10 ch. 71, SLA 1991, and ch. 21, SLA 1994, against each of the following state taxes for  
11 contributions made to instate public educational radio and television networks and stations and  
12 to endowments established to benefit those public educational radio and television stations:

13 (1) the insurance premium tax (AS 21.09.210) and the tax on title insurance

1 premiums (AS 21.66.110);

2 (2) Alaska Net Income Tax (AS 43.20);

3 (3) Oil and Gas Properties Production Tax (AS 43.55);

4 (4) Oil and Gas Exploration, Production, and Pipeline Transportation Property  
5 Tax (AS 43.56);

6 (5) Mining License Tax (AS 43.65).

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

8 (a) Subject to (c) of this section.

9 (1) after the effective date of this Act and through December 31,  
10 2001, a [A] taxpayer is allowed as a credit against the tax due under AS 21.09.210 or  
11 AS 21.66.110 the taxpayer's [FOR] cash contributions for direct instruction, research,  
12 and educational support purposes, including library and museum acquisitions, and  
13 contributions to endowment, that are accepted by a nonprofit, public or private, Alaska  
14 two-year or four-year college or university accredited by a regional accreditation  
15 association or that are accepted by an Alaska university foundation that supports a  
16 university or college that could receive a contribution for which a taxpayer may obtain  
17 a credit under this section, and the taxpayer's cash contributions accepted by a  
18 nonprofit, noncommercial public Alaska educational radio or television network or  
19 station and contributions to endowments established to benefit those networks and  
20 stations. The amount of the credit is the lesser of

21 (A) [(1)] an amount equal to

22 (i) [(A)] 50 percent of contributions of not more than  
23 \$100,000; and

24 (ii) 90 [(B) 100] percent of the next \$300,000  
25 [\$100,000] of contributions; or

26 (B) [(2)] 50 percent of the taxpayer's tax liability under this  
27 title; and

28 (2) after December 31, 2001, a taxpayer is allowed as a credit  
29 against the tax due under AS 21.09.210 or AS 21.66.110 the taxpayer's cash  
30 contributions for direct instruction, research, and educational support purposes,  
31 including library and museum acquisitions, and contributions to endowment, that  
32 are accepted by a nonprofit, public or private, Alaska two-year or four-year

1 college or university accredited by a regional accreditation association or that are  
2 accepted by an Alaska university foundation that supports a university or college  
3 that could receive a contribution for which a taxpayer may obtain a credit under  
4 this section. The amount of the credit is the lesser of

5 (A) an amount equal to

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

8 (ii) 100 percent of the next \$100,000 of contributions;

9 or

10 (B) 50 percent of the taxpayer's tax liability under this title.

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

12 (c) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
13 under this section

14 (1) may not be claimed as a credit under more than one provision of  
15 this title; [AND]

16 (2) may not be allowed as a deduction against a tax imposed by this  
17 title or as a deduction against a tax imposed by AS 43; and

18 (3) may not, when combined with credits taken during the taxpayer's  
19 tax year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or  
20 AS 43.75.018,

21 (A) through December 31, 2001, exceed \$320,000; and

22 (B) after December 31, 2001, exceed \$150,000.

23 \* Sec. 4. AS 43.20.014(a) is amended to read:

24 (a) Subject to (d) of this section,

25 (1) after the effective date of this Act and through December 31,  
26 2001, for [FOR] cash contributions accepted for direct instruction, research, and  
27 educational support purposes, including library and museum acquisitions, and  
28 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
29 public or private, Alaska two-year or four-year college accredited by a regional  
30 accreditation association, and for contributions accepted by a nonprofit,  
31 noncommercial public Alaska educational radio or television network or station

1 and contributions to endowments established to benefit those stations, a taxpayer  
2 is allowed as a credit against the tax due under this chapter

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

4 and

5 (B) 90 [(2) 100] percent of the next \$300,000 [\$100,000] of  
6 contributions; and

7 (2) after December 31, 2001, for cash contributions accepted for  
8 direct instruction, research, and educational support purposes, including library  
9 and museum acquisitions, and contributions to endowment, by an Alaska  
10 university foundation or by a nonprofit, public or private, Alaska two-year or  
11 four-year college accredited by a regional accreditation association, a taxpayer is  
12 allowed as a credit against the tax due under this chapter

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

14 and

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

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

17 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
18 under this section

19 (1) may not be claimed as a credit under another provision of this title;

20 (2) may not also be allowed as a deduction [UNDER 26 U.S.C. 170]  
21 against the tax imposed by this chapter or as a deduction against another tax  
22 imposed by this title; and

23 (3) may not, when combined with credits taken during the taxpayer's  
24 tax year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, or  
25 AS 43.75.018,

26 (A) through December 31, 2001, exceed \$320,000; and

27 (B) after December 31, 2001, exceed \$150,000.

28 \* Sec. 6. AS 43.55.019(a) is amended to read:

29 (a) Subject to (d) of this section,

30 (1) after the effective date of this Act and through December 31,  
31 2001, for [FOR] cash contributions accepted for direct instruction, research, and

1 educational support purposes, including library and museum acquisitions, and  
 2 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
 3 public or private, Alaska two-year or four-year college accredited by a regional  
 4 accreditation association, and for contributions accepted by a nonprofit.  
 5 noncommercial public Alaska educational radio or television network or station  
 6 and contributions to endowments established to benefit those stations. a producer  
 7 of oil or gas is allowed as a credit against the tax due under this chapter

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

9 and

10 (B) 90 [(2) 100] percent of the next \$300,000 [\$100,000] of  
 11 contributions; and

12 (2) after December 31, 2001, for cash contributions accepted for  
 13 direct instruction, research, and educational support purposes, including library  
 14 and museum acquisitions, and contributions to endowment, by an Alaska  
 15 university foundation or by a nonprofit, public or private, Alaska two-year or  
 16 four-year college accredited by a regional accreditation association, a producer  
 17 of oil or gas is allowed as a credit against the tax due under this chapter

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

19 and

20 (B) 100 percent of the next \$100,000 of contributions.

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

22 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
 23 under this section may not

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

25 (2) be allowed as a deduction against the tax imposed by this  
 26 chapter or as a deduction against another tax imposed by this title; and

27 (3) when combined with credits taken during the taxpayer's tax year  
 28 under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, or AS 43.75.018,

29 (A) through December 31, 2001, exceed \$320,000; and

30 (B) after December 31, 2001, exceed \$150,000.

31 \* Sec. 8. AS 43.56.018(a) is amended to read:

1 (a) Subject to (d) of this section.

2 (1) after the effective date of this Act and through December 31,  
 3 2001, for [FOR] cash contributions accepted for direct instruction, research, and  
 4 educational support purposes, including library and museum acquisitions, and  
 5 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
 6 public or private, Alaska two-year or four-year college accredited by a regional  
 7 accreditation association, and for contributions accepted by a nonprofit,  
 8 noncommercial public Alaska educational radio or television network or station  
 9 and contributions to endowments established to benefit those stations. the owner  
 10 of property taxable under this chapter is allowed as a credit against the tax due under  
 11 this chapter

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

13 and

14 (B) 90 [(2) 100] percent of the next \$300,000 [\$100,000] of  
 15 contributions; and

16 (2) after December 31, 2001, for cash contributions accepted for  
 17 direct instruction, research, and educational support purposes, including library  
 18 and museum acquisitions, and contributions to endowment, by an Alaska  
 19 university foundation or by a nonprofit, public or private, Alaska two-year or  
 20 four-year college accredited by a regional accreditation association, the owner of  
 21 property taxable under this chapter is allowed as a credit against the tax due  
 22 under this chapter

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

24 and

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

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

27 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
 28 under this section may not

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

30 (2) be allowed as a deduction against the tax imposed by this  
 31 chapter or as a deduction against another tax imposed by this title; and



- 1           (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
2 under this section may not  
3           (1) be claimed as a credit under another provision of this title;  
4           (2) be allowed as a deduction against the tax imposed by this  
5 chapter or as a deduction against another tax imposed by this title; and  
6           (3) when combined with credits taken during the taxpayer's tax year  
7 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, or AS 43.75.018,  
8           (A) through December 31, 2001, exceed \$320,000; and  
9           (B) after December 31, 2001, exceed \$150,000.
- 10 \* Sec. 12. This Act applies to tax years beginning after the December 31 that precedes the  
11 effective date of this Act.
- 12 \* Sec. 13. This Act takes effect January 1, 1997.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

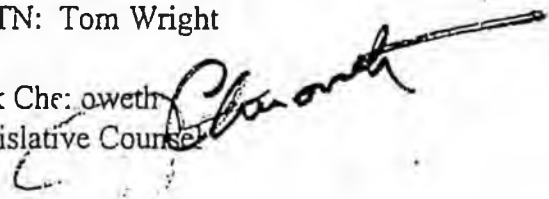
## MEMORANDUM

February 7, 1996

**SUBJECT:** Draft SCS CSHB 269 ( ) (Work Order No. 9-LS0937VZ)

**TO:** Representative Ivan Ivan  
ATTN: Tom Wright

**FROM:** Jack Cheweth  
Legislative Counsel



I am obliged to remind you of Uniform Rules 24(c) and 41(b) to the effect that amendment to a bill introduced in the other house is not in order if the amendment requires a change of the bill title other than a clerical or technical change.

In the accompanying draft Senate Committee Substitute, deletion of bill sections 12 - 16 of the House-passed version necessitates a title amendment, and the change in title is for other than clerical or technical reasons.

A concurrent resolution allowing the bill's title change is in order.

JBC:lmb  
96-034.lmb

Enclosure

# Alaska State House of Representatives House District 39

Session  
Alaska State Capital  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4942



Interim  
P.O. Box 137  
Akiak, Alaska 99552  
Phone: (907) 765-7526

**Representative Ivan M. Ivan**

## CHANGES IN CS FOR HOUSE BILL 269 (DRAFT 9-LS0937\Z)

The changes that are made in the blank committee substitute for HB 269 (Draft 9-LS0937\Z) are as follows:

- (1) **Title.** Deleted "amending the manner of computing refunds to local governments of the fisheries business tax and the fishery resource tax; establishing credits against the fishery resource landing tax." This title change reflects the removal of those sections addressing the fisheries taxes from the CS.
- (2) **Sections 2, 4, 6, 8, 10.** The changes made in these sections reduce the amount of the tax credit for the next \$300,000 in contributions from 100% to 90%. Also included in these sections is a change in the sunset date from December 31, 2000, to December 31, 2001.
- (3) **Sections 3, 5, 7, 9, 11.** The changes in these sections reflect the amended portion of the sections where the contribution for the next \$300,000 has been reduced from 100% to 90%. The credits may not exceed \$320,000 through December 31, 2001. The amount in the version passed by the House totaled \$350,000.
- (4) **Sections 12 through 16.** These sections, establishing credits for fisheries taxes, were deleted. The section that allowed tax credits for shared revenues in the fish taxes by both the state and municipalities was deleted also.
- (5) **Effective date.** The effective date in section 13 was changed from January 1, 1996, to January 1, 1997.

# Alaska State House of Representatives

## House District 39



Session  
Alaska State Capital  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4942

Interim  
P.O. Box 137  
Akiak, Alaska 99552  
Phone: (907) 765-7526

**Representative Ivan M. Ivan**

### SECTIONAL ANALYSIS for SCS for HOUSE BILL 269 (Finance)

Section 1: Purpose statement. Describes which state taxes credits may be applied against for contributions to instate public educational radio and television networks and stations and to endowments to benefit public educational radio and television stations and endowments established to benefit public broadcast stations.

Section 2: Extends tax credits for public broadcasting from the insurance premium tax and the tax on title insurance premiums. Increases the maximum credits under the insurance premium tax and the tax on title insurance premiums to \$400,000 or 50% of the taxpayer's tax liability. This is a new credit. This section also sunsets the public broadcast provisions on December 31, 2001, and reduces the contribution to \$200,000 after that date to universities, libraries and museums.

Section 3: Explains that contributions claimed as a credit under AS 21.89.070 may not exceed \$320,000 through December 31, 2001, may not exceed \$150,000 after that date and may not be claimed as a credit under more than one provision of this title. Also explains that a credit may not be allowed as a deduction against the tax imposed by this title or as a deduction against a tax imposed by AS 43.

Section 4: Extends tax credits for public broadcasting from the Alaska Net Income Tax program (AS 43.20). Increases the contributions to \$400,000 for all programs eligible to receive these contributions. This section also sunsets the public broadcast provisions on December 31, 2001, and reduces the contribution to \$200,000 after that date to universities, libraries and museums.

Section 5: Explains that contributions claimed as a credit under AS 43.20.014 may not exceed \$320,000, may not be claimed as a deduction against the tax imposed under this chapter and may not be claimed as a credit under more than one provision of this title. The credits through December 31, 2001, may not exceed \$320,000 and after that date, may not exceed \$150,000.

Page Two  
Sectional Analysis  
SCS for HB 269 (FIN)

Section 6: Extends tax credits for public broadcasting from the Oil and Gas Properties Production Tax program (AS 43.55). Increases the contributions to \$400,000 for all programs eligible to receive these contributions. This section also sunsets the public broadcast provisions on December 31, 2001, and reduces the contribution to \$200,000 after that date to universities, libraries and museums.

Section 7: Explains that contributions claimed as a credit under AS 43.55.019 may not exceed \$320,000, may not be allowed as a deduction against the tax imposed by this chapter or as a deduction against another tax imposed by this title and may not be claimed as a credit under more than one provision of this title. The credits through December 31, 2001, may not exceed \$320,000 and after that date, may not exceed \$150,000.

Section 8: Extends tax credits for public broadcasting from the Oil and Gas Exploration, Production and Pipeline Transportation Property Tax program (AS 43.56). Increases the contributions to \$400,000 for all programs eligible to receive these contributions. This section also sunsets the public broadcast provisions on December 31, 2001, and reduces the contribution to \$200,000 after that date to universities, libraries and museums.

Section 9: Explains that contributions claimed as a credit under AS 43.56.018 may not exceed \$320,000, may not be allowed as a deduction against the tax imposed by this chapter or as a deduction against another tax imposed by this title and may not be claimed as a credit under more than one provision of this title. The credits through December 31, 2001, may not exceed \$320,000 and after that date, may not exceed \$150,000.

Section 10: Extends tax credits for public broadcasting from the Mining License Tax program (AS 43.65). Increases the contributions to \$400,000 for all programs eligible to receive these contributions. This section also sunsets the public broadcast provisions on December 31, 2001, and reduces the contribution to \$200,000 after that date to universities, libraries and museums.

Section 11: Explains that contributions claimed as a credit under AS 43.65.018 may not exceed \$320,000, may not be allowed as a deduction against the tax imposed by this chapter or as a deduction against another tax imposed by this title and may not be claimed as a credit under more than one provision of this title. The credits through December 31, 2001, may not exceed \$320,000 and after that date, may not exceed \$150,000.

Page Three  
Sectional Analysis  
SCS for HB 269 (FIN)

Section 17: Clarifies tax year application.

Section 18: Effective date of January 1, 1997.

ALASKA DEPARTMENT OF REVENUE  
 INCOME AND EXCISE TAX DIVISION  
 February 24, 1996

H3 269 Analysis of Various Tax Credit Scenarios

TAX CREDIT	Contribution Amount	Amount of Tax Credit Granted			
		Current Law	50% Credit	75% Credit	100% Credit
<b>FY95 Actuals</b>					
Education Program	\$2,940,000	\$1,379,100			
Public Broadcasting	\$0	\$0			
<b>Total</b>	<b>\$2,940,000</b>	<b>\$1,379,100</b>			
<b>H3259 Scenarios</b>					
<b>Scenario A</b>					
Education Program	\$2,350,000		\$1,175,000	\$1,762,000	\$1,975,000
Public Broadcasting	\$1,300,000		\$650,000	\$812,500	\$975,000
<b>Total</b>	<b>\$3,650,000</b>		<b>\$1,825,000</b>	<b>\$2,574,500</b>	<b>\$2,950,000</b>
<b>Scenario B</b>					
Education	\$0		\$0	\$0	\$0
Public Broadcasting	\$2,600,000		\$1,300,000	\$1,625,000	\$1,950,000
<b>Total</b>	<b>\$2,600,000</b>		<b>\$1,300,000</b>	<b>\$1,625,000</b>	<b>\$1,950,000</b>

Footnotes Attached.

DEPARTMENT OF REVENUE  
INCOME AND EXCISE AUDIT DIVISION  
February 24, 1996

Footnotes for HB 269 Tax Credit Scenarios:

Current Law

Current law allows for contributions to educational institutions to generate tax credits for 50% of the first \$100,000 and 100% of the next \$100,000. Total eligible contributions are \$200,000 and total credit \$150,000.

Scenario A

Allows the first \$100,000 of contributions at a 50% credit and the next \$300,000 (tier 2) at the applicable % listed for each column. Balances are based on the assumption that businesses that have taken the education credit in the past would make new contributions up to the increased contribution ceiling of \$400,000. Of these businesses it would have all contributions (\$1,600,000) at the tier 2 level and remaining \$750,000 at the initial contribution level of 50% credit. The Public Broadcasting credit would be based on using the FY95 actual contributions assuming that one half would be given at the tier 2 level. For simplicity the same level of contribution is used for all the various credit levels, while the actual incentive for businesses to contribute at various levels may vary.

Scenario B

Allows for no increase in the education credit and assumes HB 269 would apply to Public Broadcasting only. This scenario allows the first \$100,000 of contributions to have a 50% credit and the next \$300,000 (tier 2) at the applicable percentage listed. This scenario assumes contributions to Public Broadcasting would double due to the increased incentive of the tax credit.

SENATE FINANCE  
COMMITTEE

Amendment Number: 1  
Bill Number: CSHB 269(FIN)  
Sponsor: Sharp Date: 5/13/95  
Logged In By: JAP

5-16-95  
Sen. Sharp  
Moved.  
9-LS0937M.2 ✓  
Chenoweth  
5/13/95  
Hold for  
further  
work.

A M E N D M E N T

OFFERED IN THE SENATE  
TO: CSHB 269(FIN)

BY SENATOR LEMAN

1 Page 2, line 20, through page 9, line 31:

2 Delete all material and insert:

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

4 (a) Subject to (c) of this section, a [A] taxpayer is allowed as a credit  
5 against the tax due under AS 21.09.210 or AS 21.66.110 the taxpayer's [FOR] cash  
6 contributions

7 (1) for direct instruction, research, and educational support purposes,  
8 including library and museum acquisitions, and contributions to endowment, that are  
9 accepted by a nonprofit, public or private, Alaska two-year or four-year college or  
10 university accredited by a regional accreditation association or that are accepted by  
11 an Alaska university foundation that supports a university or college that could receive  
12 a contribution for which a taxpayer may obtain a credit under this section: the [  
13 THE] amount of the credit is the lesser of

14 (A) [(1)] an amount equal to

15 (i) [(A)] 50 percent of contributions of not more than  
16 \$100,000; and

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

19 (B) [(2)] 50 percent of the taxpayer's tax liability under this  
20 title;

21 (2) made after the effective date of this Act and through  
22 December 31, 2000, and accepted by a nonprofit, noncommercial, public Alaska  
23 educational radio or television network or station: the amount of the credit is the  
24 lesser of

25 (A) an amount equal to 50 percent of contributions of not

1 more than \$100,000; or

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

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

4 (c) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
5 under this section

6 (1) may not be claimed as a credit under more than one provision of  
7 this title; [AND]

8 (2) may not be allowed as a deduction against a tax imposed by  
9 this title or as a deduction against a tax imposed by AS 43; and

10 (3) may not, when combined with credits taken during the taxpayer's  
11 tax year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]  
12 AS 43.75.018, or AS 43.77.045.

13 (A) through December 31, 2000, exceed \$200,000; and

14 (B) after December 31, 2000, exceed \$150,000.

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

16 (a) Subject to (d) of this section, a taxpayer is allowed as a credit against  
17 the tax due under this chapter the taxpayer's contributions as follows:

18 (1) for [FOR] cash contributions accepted for direct instruction,  
19 research, and educational support purposes, including library and museum acquisitions,  
20 and 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 regional  
22 accreditation association,

23 (A) [A TAXPAYER IS ALLOWED AS A CREDIT AGAINST  
24 THE TAX DUE UNDER THIS CHAPTER (1)] 50 percent of contributions  
25 of not more than \$100,000; and

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

27 and

28 (2) for contributions made after the effective date of this Act and  
29 through December 31, 2000, and accepted by a nonprofit, noncommercial, public  
30 Alaska educational radio or television network or station, 50 percent of  
31 contributions of not more than \$100,000.

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

1 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
2 credit under this section

3 (1) may not be claimed as a credit under another provision of this title;

4 (2) may not also be allowed as a deduction [UNDER 26 U.S.C. 170]  
5 against the tax imposed by this chapter or as a deduction against another tax  
6 imposed by this title; and

7 (3) may not, when combined with credits taken during the taxpayer's  
8 tax year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]  
9 AS 43.75.018, or AS 43.77.045.

10 (A) through December 31, 2000, exceed \$200,000; and

11 (B) after December 31, 2000, exceed \$150,000.

12 \* Sec. 6. AS 43.55.019(a) is amended to read:

13 (a) Subject to (d) of this section, a producer of oil or gas is allowed as a  
14 credit against the tax due under this chapter the producer's contributions as  
15 follows:

16 (1) for [FOR] cash contributions accepted for direct instruction,  
17 research, and educational support purposes, including library and museum acquisitions,  
18 and contributions to endowment, by an Alaska university foundation or by a nonprofit,  
19 public or private, Alaska two-year or four-year college accredited by a regional  
20 accreditation association,

21 (A) [A PRODUCER OF OIL OR GAS IS ALLOWED AS A  
22 CREDIT AGAINST THE TAX DUE UNDER THIS CHAPTER (1)] 50  
23 percent of contributions of not more than \$100,000; and

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

25 and

26 (2) for contributions made after the effective date of this Act and  
27 through December 31, 2000, and accepted by a nonprofit, noncommercial, public  
28 Alaska educational radio or television network or station. 50 percent of  
29 contributions of not more than \$100,000.

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

31 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
32 credit under this section may not

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

2 (2) be allowed as a deduction against the tax imposed by this  
 3 chapter or as a deduction against another tax imposed by this title; and

4 (3) when combined with credits taken during the taxpayer's tax year  
 5 under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, [OR] AS 43.75.018,  
 6 or AS 43.77.045.

7 (A) through December 31, 2000, exceed \$200,000; and

8 (B) after December 31, 2000, exceed \$150,000.

9 \* Sec. 8. AS 43.56.018(a) is amended to read:

10 (a) Subject to (d) of this section, the owner of property taxable under this  
 11 chapter is allowed as a credit against the tax due under this chapter the owner's  
 12 contribution as follows:

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

18 (A) [THE OWNER OF PROPERTY TAXABLE UNDER THIS  
 19 CHAPTER IS ALLOWED AS A CREDIT AGAINST THE TAX DUE  
 20 UNDER THIS CHAPTER (1)] 50 percent of contributions *or* not more than  
 21 \$100,000; and

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

24 (2) for contributions made after the effective date of this Act and  
 25 through December 31, 2000, and accepted by a nonprofit, noncommercial, public  
 26 Alaska educational radio or television network or station, 50 percent of  
 27 contributions of not more than \$100,000.

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

29 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
 30 credit under this section may not

31 (1) be claimed as a credit under another provision of this title; [AND]

32 (2) be allowed as a deduction against the tax imposed by this

1 chapter or as a deduction against another tax imposed by this title; and

2 (3) when combined with credits taken during the taxpayer's tax year  
3 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, [OR] AS 43.75.018,  
4 or AS 43.77.045.

5 (A) through December 31, 2000, exceed \$200,000; and

6 (B) after December 31, 2000, exceed \$150,000.

7 \* Sec. 10. AS 43.65.018(a) is amended to read:

8 (a) Subject to (d) of this section, a person engaged in the business of  
9 mining in the state is allowed as a credit against the tax due under this chapter  
10 the contributions made by the person as follows:

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

16 (A) [A PERSON ENGAGED IN THE BUSINESS OF  
17 MINING IN THE STATE IS ALLOWED AS A CREDIT AGAINST THE  
18 TAX DUE UNDER THIS CHAPTER (1)] 50 percent of contributions of not  
19 more than \$100,000; and

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

21 and

22 (2) for contributions made after the effective date of this Act and  
23 through December 31, 2000, and accepted by a nonprofit, noncommercial, public  
24 Alaska educational radio or television network or station. 50 percent of  
25 contributions of not more than \$100,000.

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

27 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
28 credit under this section may not

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

30 (2) be allowed as a deduction against the tax imposed by this  
31 chapter or as a deduction against another tax imposed by this title; and

32 (3) when combined with credits taken during the taxpayer's tax year

1 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR] AS 43.75.018,  
2 or AS 43.77.045.

3 (A) through December 31, 2000, exceed \$200,000; and

4 (B) after December 31, 2000, exceed \$150,000.

5 \* Sec. 12. AS 43.75.018(a) is amended to read:

6 (a) Subject to (d) of this section, a person engaged in a fisheries business  
7 is allowed as a credit against the tax due under this chapter the contributions  
8 made by the person as follows:

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

14 (A) [A PERSON ENGAGED IN A FISHERIES BUSINESS  
15 IS ALLOWED AS A CREDIT AGAINST THE TAX DUE UNDER THIS  
16 CHAPTER (1)] 50 percent of contributions of not more than \$100,000; and

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

18 and

19 (2) for contributions made after the effective date of this Act and  
20 through December 31, 2000, and accepted by a nonprofit, noncommercial, public  
21 Alaska educational radio or television network or station, 50 percent of  
22 contributions of not more than \$100,000.

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

24 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a  
25 credit under this section may not

26 (1) be claimed as a credit under another provision of this title; [AND]

27 (2) be allowed as a deduction against the tax imposed by this  
28 chapter or as a deduction against another tax imposed by this title; and

29 (3) when combined with credits taken during the taxpayer's tax year  
30 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR] AS 43.65.018,  
31 or AS 43.77.045,

32 (A) through December 31, 2000, exceed \$200,000; and



1

(B) after December 31, 2000, exceed \$150,000."

5-16-95  
Filed 3-3

WORK DRAFT

WORK DRAFT

WORK DRAFT

SENATE FINANCE  
COMMITTEE  
Amendment Number: CS-1  
Bill Number: HR 269  
Sponsor: Phillips Date: 5/16/95  
Logged In By: JJA

9-LS09370 ✓  
Chenoweth  
5/15/95

SENATE CS FOR CS FOR HOUSE BILL NO. 269( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES IVAN. Bunde, Foster, Williams, James

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to credits against certain taxes for contributions to certain public  
2 educational radio and television networks and stations and to endowments for  
3 public educational radio and television networks and stations, increasing the  
4 amounts that may be claimed as credits against certain state taxes, and precluding  
5 claims of the contributions as both credits and deductions against the taxes;  
6 amending the manner of computing refunds to local governments of the fisheries  
7 business tax and the fishery resource landing tax; establishing credits against the  
8 fishery resource landing tax; and terminating the public educational radio and  
9 television credits authorized by this Act at the end of five years; and providing  
10 for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 \* Section 1. PURPOSE. (a) This Act extends the credits authorized by ch. 58, SLA 1987,

1 ch. 71, SLA 1991, and ch. 21, SLA 1994, against each of the following state taxes for  
2 contributions made to instate public educational radio and television networks and stations and  
3 to endowments established to benefit those public educational radio and television stations:

4 (1) the insurance premium tax (AS 21.09.210) and the tax on title insurance  
5 premiums (AS 21.66.110);

6 (2) Alaska Net Income Tax (AS 43.20);

7 (3) Oil and Gas Properties Production Tax (AS 43.55);

8 (4) Oil and Gas Exploration, Production, and Pipeline Transportation Property  
9 Tax (AS 43.56);

10 (5) Mining License Tax (AS 43.65);

11 (6) Fisheries Taxes (AS 43.75).

12 (b) This Act also authorizes

13 (1) a credit against the fisheries resource landing tax for contributions made  
14 for instruction, research, and educational support purposes that are accepted by a nonprofit,  
15 public or private, Alaska two-year or four-year college or university or Alaska university  
16 foundation; and

17 (2) a credit against that tax for contributions made to instate public educational  
18 radio and television networks and stations and to endowments established to benefit those  
19 public educational radio and television stations.

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

21 (a) Subject to (c) of this section,

22 (1) after the effective date of this Act and through December 31,  
23 2000, a [A] taxpayer is allowed as a credit against the tax due under AS 21.09.210 or  
24 AS 21.66.110 the taxpayer's [FOR] cash contributions for direct instruction, research,  
25 and educational support purposes, including library and museum acquisitions, and  
26 contributions to endowment, that are accepted by a nonprofit, public or private, Alaska  
27 two-year or four-year college or university accredited by a regional accreditation  
28 association or that are accepted by an Alaska university foundation that supports a  
29 university or college that could receive a contribution for which a taxpayer may obtain  
30 a credit under this section, and the taxpayer's cash contributions accepted by a  
31 nonprofit, noncommercial public Alaska educational radio or television network or  
32 station and contributions to endowments established to benefit those networks and

1 stations. The amount of the credit is the lesser of

2 (A) [(1)] an amount equal to

3 (i) [(A)] 50 percent of contributions of not more than  
4 \$100,000; and

5 (ii) [(B)] 100 percent of the next \$300,000 [\$100,000]  
6 of contributions; or

7 (B) [(2)] 50 percent of the taxpayer's tax liability under this  
8 title; and

9 (2) after December 31, 2000, a taxpayer is allowed as a credit  
10 against the tax due under AS 21.09.210 or AS 21.66.110 the taxpayer's cash  
11 contributions for direct instruction, research, and educational support purposes,  
12 including library and museum acquisitions, and contributions to endowment, that  
13 are accepted by a nonprofit, public or private, Alaska two-year or four-year  
14 college or university accredited by a regional accreditation association or that are  
15 accepted by an Alaska university foundation that supports a university or college  
16 that could receive a contribution for which a taxpayer may obtain a credit under  
17 this section. The amount of the credit is the lesser of

18 (A) an amount equal to

19 (i) 50 percent of contributions of not more than  
20 \$100,000; and

21 (ii) 100 percent of the next \$100,000 of contributions;

22 or

23 (B) 50 percent of the taxpayer's tax liability under this title.

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

25 (c) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
26 under this section

27 (1) may not be claimed as a credit under more than one provision of  
28 this title; [AND]

29 (2) may not be allowed as a deduction against a tax imposed by this  
30 title or as a deduction against a tax imposed by AS 43; and

31 (3) may not, when combined with credits taken during the taxpayer's

1 tax year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]  
2 AS 43.75.018, or AS 43.77.045,

3 (A) through December 31, 2000, exceed \$350,000; and

4 (B) after December 31, 2000, exceed \$150,000.

5 \* Sec. 4. AS 43.20.014(a) is amended to read:

6 (a) Subject to (d) of this section.

7 (1) after the effective date of this Act and through December 31,  
8 2000, for [FOR] cash contributions accepted for direct instruction, research, and  
9 educational support purposes, including library and museum acquisitions, and  
10 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
11 public or private, Alaska two-year or four-year college accredited by a regional  
12 accreditation association. and for contributions accepted by a nonprofit,  
13 noncommercial public Alaska educational radio or television network or station  
14 and contributions to endowments established to benefit those stations, a taxpayer  
15 is allowed as a credit against the tax due under this chapter

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

17 and

18 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
19 contributions; and

20 (2) after December 31, 2000, for cash contributions accepted for  
21 direct instruction, research, and educational support purposes, including library  
22 and museum acquisitions, and contributions to endowment, by an Alaska  
23 university foundation or by a nonprofit, public or private, Alaska two-year or  
24 four-year college accredited by a regional accreditation association, a taxpayer is  
25 allowed as a credit against the tax due under this chapter

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

27 and

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

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

30 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
31 under this section

1 (1) may not be claimed as a credit under another provision of this title;

2 (2) may not also be allowed as a deduction [UNDER 26 U.S.C. 170]  
3 against the tax imposed by this chapter or as a deduction against another tax  
4 imposed by this title; and

5 (3) may not, when combined with credits taken during the taxpayer's  
6 tax year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]  
7 AS 43.75.018, or AS 43.77.045,

8 (A) through December 31, 2000, exceed \$350,000; and

9 (B) after December 31, 2000, exceed \$150,000.

10 \* Sec. 6. AS 43.55.019(a) is amended to read:

11 (a) Subject to (d) of this section,

12 (1) after the effective date of this Act and through December 1,  
13 2000, for [FOR] cash contributions accepted for direct instruction, research, and  
14 educational support purposes, including library and museum acquisitions, and  
15 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
16 public or private, Alaska two-year or four-year college accredited by a regional  
17 accreditation association, and for contributions accepted by a nonprofit,  
18 noncommercial public Alaska educational radio or television network or station  
19 and contributions to endowments established to benefit those stations, a producer  
20 of oil or gas is allowed as a credit against the tax due under this chapter

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

22 and

23 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
24 contributions; and

25 (2) after December 31, 2000, for cash contributions accepted for  
26 direct instruction, research, and educational support purposes, including library  
27 and museum acquisitions, and contributions to endowment, by an Alaska  
28 university foundation or by a nonprofit, public or private, Alaska two-year or  
29 four-year college accredited by a regional accreditation association, a producer  
30 of oil or gas is allowed as a credit against the tax due under this chapter

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

1                   and

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

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

4                   (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
5 under this section may not

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

7   (2) be allowed as a deduction against the tax imposed by this  
8 chapter or as a deduction against another tax imposed by this title; and

9   (3) [(2)] when combined with credits taken during the taxpayer's tax  
10 year under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, [OR]  
11 AS 43.75.018, or AS 43.77.045,

12   (A) through December 31, 2000, exceed \$350,000; and

13   (B) after December 31, 2000, exceed \$150,000.

14 \* Sec. 8. AS 43.56.018(a) is amended to read:

15                   (a) Subject to (d) of this section,

16   (1) after the effective date of this Act and through December 31,  
17 2000, for [FCR] cash contributions accepted for direct instruction, research, and  
18 educational support purposes, including library and museum acquisitions, and  
19 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
20 public or private, Alaska two-year or four-year college accredited by a regional  
21 accreditation association, and for contributions accepted by a nonprofit,  
22 noncommercial public Alaska educational radio or television network or station  
23 and contributions to endowments established to benefit those stations, the owner  
24 of property taxable under this chapter is allowed as a credit against the tax due under  
25 this chapter

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

27   and

28   (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
29 contributions; and

30   (2) after December 31, 2000, for cash contributions accepted for  
31 direct instruction, research, and educational support purposes, including library

1 and museum acquisitions, and contributions to endowment, by an Alaska  
2 university foundation or by a nonprofit, public or private, Alaska two-year or  
3 four-year college accredited by a regional accreditation association, the owner of  
4 property taxable under this chapter is allowed as a credit against the tax due  
5 under this chapter

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

7 and

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

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

10 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
11 under this section may not

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

13 (2) be allowed as a deduction against the tax imposed by this  
14 chapter or as a deduction against another tax imposed by this title; and

15 (3) [(2)] when combined with credits taken during the taxpayer's tax  
16 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, [OR]  
17 AS 43.75.018, or AS 43.77.045,

18 (A) through December 31, 2000, exceed \$350,000; and

19 (B) after December 31, 2000, exceed \$150,000.

20 \* Sec. 10. AS 43.65.018(a) is amended to read:

21 (a) Subject to (d) of this section,

22 (1) after the effective date of this Act and through December 31,  
23 2000, for [FOR] cash contributions accepted for direct instruction, research, and  
24 educational support purposes, including library and museum acquisitions, and  
25 contributions to endowment, by an Alaska university foundation or by a nonprofit,  
26 public or private, Alaska two-year or four-year college accredited by a regional  
27 accreditation association, and for contributions accepted by a nonprofit,  
28 noncommercial public Alaska educational radio or television network or station  
29 and contributions to endowments established to benefit those stations, a person  
30 engaged in the business of mining in the state is allowed as a credit against the tax due  
31 under this chapter

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

(B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
contributions; and

(2) after December 31, 2000, 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 regional accreditation association, a person  
engaged in the business of mining in the state is allowed as a credit against the  
tax due under this chapter

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

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

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

(d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
under this section may not

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

(2) be allowed as a deduction against the tax imposed by this  
chapter or as a deduction against another tax imposed by this title; and

(3) [(2)] when combined with credits taken during the taxpayer's tax  
year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR]  
AS 43.75.018, or AS 43.77.045,

(A) through December 31, 2000, exceed \$350,000; and

(B) after December 31, 2000, exceed \$150,000.

\* Sec. 12. AS 43.75.018(a) is amended to read:

(a) Subject to (d) of this section,

(1) after the effective date of this Act and through December 31,  
2000, for [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,

1 public or private, Alaska two-year or four-year college accredited by a regional  
 2 accreditation association, and for contributions accepted by a nonprofit,  
 3 noncommercial public Alaska educational radio or television network or station  
 4 and contributions to endowments established to benefit those stations. a person  
 5 engaged in a fisheries business is allowed as a credit against the tax due under this  
 6 chapter

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

8 and

9 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of  
 10 contributions; and

11 (2) after December 31, 2000, for cash contributions accepted for  
 12 direct instruction, research, and educational support purposes, including library  
 13 and museum acquisitions, and contributions to endowment, by an Alaska  
 14 university foundation or by a nonprofit, public or private, Alaska two-year or  
 15 four-year college accredited by a regional accreditation association, a person  
 16 engaged in a fisheries business is allowed as a credit against the tax due under  
 17 this chapter

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

19 and

20 (B) 100 percent of the next \$100,000 of contributions.

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

22 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit  
 23 under this section may not

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

25 (2) be allowed as a deduction against the tax imposed by this  
 26 chapter or as a deduction against another tax imposed by this title; and

27 (3) [(2)] when combined with credits taken during the taxpayer's tax  
 28 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR]  
 29 AS 43.65.018, or AS 43.77.045,

30 (A) through December 31, 2000, exceed \$350,000; and

31 (B) after December 31, 2000, exceed \$150,000.

1 \* Sec. 14. AS 43.75.130(f) is amended to read:

2 (f) In this section, "tax revenue collected" includes one-half the amount  
3 credited against taxes under AS 43.75.018, except that, for a municipality, "tax  
4 revenue collected" includes the entire amount credited under AS 43.75.018 against  
5 taxes collected in the municipality if the governing body of the municipality has  
6 approved an ordinance or resolution authorizing a change in the definition of "tax  
7 revenue collected" to include the total amount credited under AS 43.75.018  
8 against those taxes, and has provided a certified copy of the ordinance or  
9 resolution to the commissioner.

10 \* Sec. 15. AS 43.77 is amended by adding a new section to read:

11 Sec. 43.77.045. ADDITIONAL RESOURCE LANDING TAX CREDIT. (a)

12 Subject to (c) of this section,

13 (1) after the effective date of this Act and through December 31, 2000,  
14 for cash contributions accepted for direct instruction, research, and educational support  
15 purposes, including library and museum acquisitions, and contributions to endowment,  
16 by an Alaska university foundation or by a nonprofit, public or private, Alaska  
17 two-year or four-year college accredited by a regional accreditation association, and  
18 for contributions accepted by a nonprofit, noncommercial public Alaska educational  
19 radio or television network or station and contributions to endowments established to  
20 benefit those stations, a person engaged in a fisheries business is allowed as a credit  
21 against the tax due under this chapter

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

23 (B) 100 percent of the next \$300,000 of contributions; and

24 (2) after December 31, 2000, for cash contributions accepted for direct  
25 instruction, research, and educational support purposes, including library and museum  
26 acquisitions, and contributions to endowment, by an Alaska university foundation or  
27 by a nonprofit, public or private, Alaska two-year or four-year college accredited by  
28 a regional accreditation association, a person engaged in a fisheries business is allowed  
29 as a credit against the tax due under this chapter

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

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

1 (b) Each public college and university shall include in its annual operating  
2 budget request contributions received under this section and how the contributions  
3 were used.

4 (c) In each tax year, contributions claimed as a credit under this section may  
5 not

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

7 (2) be allowed as a deduction against the tax imposed by this chapter  
8 or as a deduction against another tax imposed by this title; and

9 (3) when combined with credits taken during the taxpayer's tax year  
10 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or  
11 AS 43.75.018,

12 (A) through December 31, 2000, exceed \$350,000; and

13 (B) after December 31, 2000, exceed \$150,000.

14 \* Sec. 16. AS 43.77.060 is amended by adding a new subsection to read:

15 (e) In (a) and (b) of this section, "tax revenue collected" includes one-half the  
16 amount credited against taxes under AS 43.77.045, except that, for a municipality, "tax  
17 revenue collected" includes the entire amount credited under AS 43.77.045 against  
18 taxes collected in the municipality if the governing body of the municipality has  
19 approved an ordinance or resolution authorizing a change in the definition of "tax  
20 revenue collected" to include the total amount credited under AS 43.77.045 against  
21 those taxes, and has provided a copy of the ordinance or resolution to the  
22 commissioner.

23 \* Sec. 17. This Act applies to tax years beginning after the December 31 that precedes the  
24 effective date of this Act.

25 \* Sec. 18. This Act takes effect January 1, 1996.

SENATE FINANCE  
COMMITTEE

9-LS0937M.5  
Chenoweth  
5/16/95

Amendment Number: 2 replacement

Bill Number: HB 269

Sponsor: Sharp Date: 5/16/95

Logged In By: JH

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR SHARP

TO: CSHB 269(FIN)

1 Page 4, following line 4:

2 Insert a new bill section to read:

3 **\*\* Sec. 4.** AS 21.89.070 is amended by adding a new subsection to read:

4 (d) A taxpayer who intends to claim a credit under this section for the  
5 taxpayer's contribution to a nonprofit, noncommercial public Alaska educational radio  
6 or television network or station or for the taxpayer's contributions for an endowment  
7 established to benefit a nonprofit, noncommercial public Alaska educational radio or  
8 television network or station shall disclose that intent at the time of the presentation  
9 and acceptance of the taxpayer's contribution. The disclosure must state that, as a  
10 result of the contribution, the taxpayer may reduce the tax due the state for a  
11 percentage of the contribution, and state the actual cost of the contribution to the  
12 taxpayer. If a taxpayer fails to make the disclosure required by this subsection, the  
13 tax credit for the contribution is disallowed."

14 Renumber the following bill sections accordingly.

15 Page 11, following line 10:

16 Insert a new bill section to read:

17 **\*\* Sec. 18.** AS 43.99 is amended by adding a new section to read:

18 **Sec. 43.99.020. DISCLOSURE OF INTENT TO CLAIM PUBLIC**  
19 **BROADCASTING CREDITS.** (a) A taxpayer who intends to claim a credit under  
20 this title for the taxpayer's contribution to a nonprofit, noncommercial public Alaska  
21 educational radio or television network or station or for the taxpayer's contributions  
22 for an endowment established to benefit a nonprofit, noncommercial public Alaska  
23 educational radio or television network or station shall disclose that intent at the time

1 of the presentation and acceptance of the taxpayer's contribution. The disclosure must  
2 state that, as a result of the contribution, the taxpayer may reduce the tax due the state  
3 for a percentage of the contribution, and state the actual cost of the contribution to the  
4 taxpayer.

5 (b) If a taxpayer fails to make the disclosure required by (a) of this section,  
6 the tax credit for the contribution is disallowed."

7 Renumber the following bill sections accordingly.

CONCEPTUAL AMENDMENT

OFFERED IN THE SENATE

BY SENATOR SHARP

TO: CSHB 269(FIN)

SENATE FINANCE  
COMMITTEE

Page 11:

Amendment Number: 2  
Bill Number: HB 269  
Sponsor: Sharp Date: 5/16/95  
Logged In By: JAS

Add a new section to read:

Disclosure by a taxpayer of intent to claim a tax credit under AS 21.89.070 (a)(2) must be made at each occasion of presentation and acknowledgement of cash contribution. The disclosure shall state that as a result of the contribution the taxpayer is allowed a reduction in the amount of tax due the State of Alaska of 50% or 100% of the amount of contribution, whichever is applicable, and shall also state the actual cost of the contribution to the contributor. Failure to make such a disclosure will result in disallowance of the tax credit.

Possible Consensus

50% of first \$100K  
60% of next \$300K

If a muni opts out, credit is disallowed  
to the extent of the muni's share