

CS FOR HOUSE BILL NO. 233(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/12/18

Offered: 4/12/18

Sponsor(s): REPRESENTATIVES TUCK, Millett, Kawasaki, Grenn, Spohnholz, Drummond, Saddler, Kopp, Birch, Josephson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the insurance tax education credit, the income tax education credit,**
2 **the oil or gas producer education credit, the property tax education credit, the mining**
3 **business education credit, the fisheries business education credit, and the fisheries**
4 **resource landing tax education credit; providing for an effective date by repealing the**
5 **effective dates of secs. 3, 5, 7, 10, 14, 16, 18, 21, 23, 25, 28, 30, 32, 35, 37, 39, 42, 44, 46, 49,**
6 **51, 53, and 55, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, secs. 15, 17, 19, 21, 23, and**
7 **25, ch. 74, SLA 2012, sec. 49, ch. 14, SLA 2014, secs. 37, 40, 43, and 46, ch. 15, SLA 2014,**
8 **and secs. 26 and 31, ch. 61, SLA 2014; providing for an effective date by amending the**
9 **effective date of secs. 1, 2, and 21, ch. 61, SLA 2014; and providing for an effective**
10 **date."**

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

12 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section

1 to read:

2 LEGISLATIVE FINDINGS AND INTENT. (a) The legislature finds that,

3 (1) under sec. 37, ch. 61, SLA 2014, the education tax credits are scheduled to
4 be repealed December 31, 2018;

5 (2) under ch. 92, SLA 2010, the education tax credits were scheduled both to
6 decrease in dollar value and to narrow in scope on January 1, 2014;

7 (3) under sec. 15, ch. 7, FSSLA 2011, the effective date of the scheduled
8 reductions in ch. 92, SLA 2010, have been extended from January 1, 2014, to January 1,
9 2021.

10 (b) It is the intent of the legislature in enacting this Act to

11 (1) extend the effective date for the repeal of the education tax credits from
12 December 31, 2018, to January 1, 2025; and

13 (2) repeal the decrease in dollar value and the narrowing in scope of the
14 education tax credits that are currently scheduled to take place on January 1, 2021.

15 (c) It is the intent of the legislature that, under this Act, the education tax credits
16 remain as they will appear on the effective date of secs. 2 - 9 of this Act, until they are
17 repealed January 1, 2025.

18 * **Sec. 2.** AS 21.96.070(a) is amended to read:

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

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

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

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

29 (4) for a facility [OR AN ANNUAL INTERCOLLEGIATE SPORTS
30 TOURNAMENT] by a nonprofit, public or private, Alaska two-year or four-year
31 college accredited by a **national or** regional accreditation association;

1 (5) for Alaska Native cultural or heritage programs and educational
 2 support, including mentoring and tutoring, provided by a nonprofit agency for public
 3 school staff and for students who are in grades kindergarten through 12 in the state;
 4 and

5 (6) for education, research, rehabilitation, and facilities by an
 6 institution that is located in the state and that qualifies as a coastal ecosystem learning
 7 center under the Coastal America Partnership established by the federal government.

8 * **Sec. 3.** AS 43.20.014(a) is amended to read:

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

11 (1) direct instruction, research, and educational support purposes,
 12 including library and museum acquisitions, and contributions to endowment, by an
 13 Alaska university foundation, by a nonprofit, public or private, Alaska two-year or
 14 four-year college accredited by a **national or** regional accreditation association, or by
 15 a public or private nonprofit elementary or secondary school in the state;

16 (2) secondary school level vocational education courses, programs, and
 17 facilities by a school district in the state;

18 (3) vocational education courses, programs, equipment, and facilities
 19 by a state-operated vocational technical education and training school, a nonprofit
 20 regional training center recognized by the Department of Labor and Workforce
 21 Development, and an apprenticeship program in the state that is registered with the
 22 United States Department of Labor under 29 U.S.C. 50 - 50b (National Apprenticeship
 23 Act);

24 (4) a facility by a nonprofit, public or private, Alaska two-year or four-
 25 year college accredited by a **national or** regional accreditation association or by a
 26 public or private nonprofit elementary or secondary school in the state;

27 (5) Alaska Native cultural or heritage programs and educational
 28 support, including mentoring and tutoring, provided by a nonprofit agency for public
 29 school staff and for students who are in grades kindergarten through 12 in the state;

30 (6) education, research, rehabilitation, and facilities by an institution
 31 that is located in the state and that qualifies as a coastal ecosystem learning center

1 under the Coastal America Partnership established by the federal government;

2 (7) the Alaska higher education investment fund under AS 37.14.750;

3 (8) funding a scholarship awarded by a nonprofit organization to a
4 dual-credit student to defray the cost of a dual-credit course, including the cost of

5 (A) tuition and textbooks;

6 (B) registration, course, and programmatic student fees;

7 (C) on-campus room and board at the postsecondary institution
8 in the state that provides the dual-credit course;

9 (D) transportation costs to and from a residential school
10 approved by the Department of Education and Early Development under
11 AS 14.16.200 or the postsecondary school in the state that provides the dual-
12 credit course; and

13 (E) other related educational and programmatic costs;

14 (9) constructing, operating, or maintaining a residential housing
15 facility by a residential school in the state approved by the Department of Education
16 and Early Development under AS 14.16.200;

17 (10) childhood early learning and development programs and
18 educational support to childhood early learning and development programs provided
19 by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school
20 district in the state, by the Department of Education and Early Development, or
21 through a state grant;

22 (11) science, technology, engineering, and math programs provided by
23 a nonprofit agency or a school district for school staff and for students in grades
24 kindergarten through 12 in the state; and

25 (12) the operation of a nonprofit organization dedicated to providing
26 educational opportunities that promote the legacy of public service contributions to the
27 state and perpetuate ongoing educational programs that foster public service
28 leadership for future generations of residents of the state.

29 * **Sec. 4.** AS 43.55.019(a) is amended to read:

30 (a) A producer of oil or gas is allowed a credit against the tax levied by
31 AS 43.55.011(e) for cash contributions accepted for

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

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

7 (3) vocational education courses, programs, equipment, and facilities
 8 by a state-operated vocational technical education and training school, a nonprofit
 9 regional training center recognized by the Department of Labor and Workforce
 10 Development, and an apprenticeship program in the state that is registered with the
 11 United States Department of Labor under 29 U.S.C. 50 - 50b (National Apprenticeship
 12 Act);

13 (4) a facility [OR AN ANNUAL INTERCOLLEGIATE SPORTS
 14 TOURNAMENT] by a nonprofit, public or private, Alaska two-year or four-year
 15 college accredited by a **national or** regional accreditation association;

16 (5) Alaska Native cultural or heritage programs and educational
 17 support, including mentoring and tutoring, provided by a nonprofit agency for public
 18 school staff and for students who are in grades kindergarten through 12 in the state;

19 (6) education, research, rehabilitation, and facilities by an institution
 20 that is located in the state and that qualifies as a coastal ecosystem learning center
 21 under the Coastal America Partnership established by the federal government; and

22 (7) the Alaska higher education investment fund under AS 37.14.750.

23 * **Sec. 5.** AS 43.56.018(a) is amended to read:

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

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

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

1 (3) vocational education courses, programs, and facilities by a state-
2 operated vocational technical education and training school;

3 (4) a facility [OR AN ANNUAL INTERCOLLEGIATE SPORTS
4 TOURNAMENT] by a nonprofit, public or private, Alaska two-year or four-year
5 college accredited by a **national or** regional accreditation association;

6 (5) Alaska Native cultural or heritage programs and educational
7 support, including mentoring and tutoring, provided by a nonprofit agency for public
8 school staff and for students who are in grades kindergarten through 12 in the state;

9 (6) education, research, rehabilitation, and facilities by an institution
10 that is located in the state and that qualifies as a coastal ecosystem learning center
11 under the Coastal America Partnership established by the federal government; and

12 (7) the Alaska higher education investment fund under AS 37.14.750.

13 * **Sec. 6.** AS 43.65.018(a) is amended to read:

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

16 (1) direct instruction, research, and educational support purposes,
17 including library and museum acquisitions, and contributions to endowment, by an
18 Alaska university foundation, by a nonprofit, public or private, Alaska two-year or
19 four-year college accredited by a **national or** regional accreditation association, or by
20 a public or private nonprofit elementary or secondary school in the state;

21 (2) secondary school level vocational education courses, programs, and
22 facilities by a school district in the state;

23 (3) vocational education courses, programs, and facilities by a state-
24 operated vocational technical education and training school;

25 (4) a facility by a nonprofit, public or private, Alaska two-year or four-
26 year college accredited by a **national or** regional accreditation association or by a
27 public or private nonprofit elementary or secondary school in the state;

28 (5) Alaska Native cultural or heritage programs and educational
29 support, including mentoring and tutoring, provided by a nonprofit agency for public
30 school staff and for students who are in grades kindergarten through 12 in the state;

31 (6) education, research, rehabilitation, and facilities by an institution

1 that is located in the state and that qualifies as a coastal ecosystem learning center
2 under the Coastal America Partnership established by the federal government;

3 (7) the Alaska higher education investment fund under AS 37.14.750;

4 (8) funding a scholarship awarded by a nonprofit organization to a
5 dual-credit student to defray the cost of a dual-credit course, including the cost of

6 (A) tuition and textbooks;

7 (B) registration, course, and programmatic student fees;

8 (C) on-campus room and board at the postsecondary institution
9 in the state that provides the dual-credit course;

10 (D) transportation costs to and from a residential school
11 approved by the Department of Education and Early Development under
12 AS 14.16.200 or the postsecondary school in the state that provides the dual-
13 credit course; and

14 (E) other related educational and programmatic costs;

15 (9) constructing, operating, or maintaining a residential housing
16 facility by a residential school approved by the Department of Education and Early
17 Development under AS 14.16.200;

18 (10) childhood early learning and development programs and
19 educational support to childhood early learning and development programs provided
20 by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school
21 district in the state, by the Department of Education and Early Development, or
22 through a state grant;

23 (11) science, technology, engineering, and math programs provided by
24 a nonprofit agency or a school district for school staff and for students in grades
25 kindergarten through 12 in the state; and

26 (12) the operation of a nonprofit organization dedicated to providing
27 educational opportunities that promote the legacy of public service contributions to the
28 state and perpetuate ongoing educational programs that foster public service
29 leadership for future generations of residents of the state.

30 * **Sec. 7.** AS 43.75.018(a) is amended to read:

31 (a) A person engaged in a fisheries business is allowed a credit against the tax

1 due under this chapter for cash contributions accepted for

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

7 (2) secondary school level vocational education courses, programs, and
8 facilities by a school district in the state;

9 (3) vocational education courses, programs, and facilities by a state-
10 operated vocational technical education and training school;

11 (4) a facility by a nonprofit, public or private, Alaska two-year or four-
12 year college accredited by a **national or** regional accreditation association or by a
13 public or private nonprofit elementary or secondary school in the state;

14 (5) Alaska Native cultural or heritage programs and educational
15 support, including mentoring and tutoring, provided by a nonprofit agency for public
16 school staff and for students who are in grades kindergarten through 12 in the state;

17 (6) education, research, rehabilitation, and facilities by an institution
18 that is located in the state and that qualifies as a coastal ecosystem learning center
19 under the Coastal America Partnership established by the federal government;

20 (7) the Alaska higher education investment fund under AS 37.14.750;

21 (8) funding a scholarship awarded by a nonprofit organization to a
22 dual-credit student to defray the cost of a dual-credit course, including the cost of

23 (A) tuition and textbooks;

24 (B) registration, course, and programmatic student fees;

25 (C) on-campus room and board at the postsecondary institution
26 in the state that provides the dual-credit course;

27 (D) transportation costs to and from a residential school
28 approved by the Department of Education and Early Development under
29 AS 14.16.200 or the postsecondary school in the state that provides the dual-
30 credit course; and

31 (E) other related educational and programmatic costs;

1 (9) constructing, operating, or maintaining a residential housing
 2 facility by a residential school approved by the Department of Education and Early
 3 Development under AS 14.16.200;

4 (10) childhood early learning and development programs and
 5 educational support to childhood early learning and development programs provided
 6 by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school
 7 district in the state, by the Department of Education and Early Development, or
 8 through a state grant;

9 (11) science, technology, engineering, and math programs provided by
 10 a nonprofit agency or a school district for school staff and for students in grades
 11 kindergarten through 12 in the state; and

12 (12) the operation of a nonprofit organization dedicated to providing
 13 educational opportunities that promote the legacy of public service contributions to the
 14 state and perpetuate ongoing educational programs that foster public service
 15 leadership for future generations of residents of the state.

16 * **Sec. 8.** AS 43.77.045(a) is amended to read:

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

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

25 (2) secondary school level vocational education courses, programs, and
 26 facilities by a school district in the state;

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

29 (4) a facility by a nonprofit, public or private, Alaska two-year or four-
 30 year college accredited by a **national or** regional accreditation association or by a
 31 public or private nonprofit elementary or secondary school in the state;

1 (5) Alaska Native cultural or heritage programs and educational
2 support, including mentoring and tutoring, provided by a nonprofit agency for public
3 school staff and for students who are in grades kindergarten through 12 in the state;

4 (6) education, research, rehabilitation, and facilities by an institution
5 that is located in the state and that qualifies as a coastal ecosystem learning center
6 under the Coastal America Partnership established by the federal government;

7 (7) the Alaska higher education investment fund under AS 37.14.750;

8 (8) funding a scholarship awarded by a nonprofit organization to a
9 dual-credit student to defray the cost of a dual-credit course, including the cost of

10 (A) tuition and textbooks;

11 (B) registration, course, and programmatic student fees;

12 (C) on-campus room and board at the postsecondary institution
13 in the state that provides the dual-credit course;

14 (D) transportation costs to and from a residential school
15 approved by the Department of Education and Early Development under
16 AS 14.16.200 or the postsecondary school in the state that provides the dual-
17 credit course; and

18 (E) other related educational and programmatic costs;

19 (9) constructing, operating, or maintaining a residential housing
20 facility by a residential school approved by the Department of Education and Early
21 Development under AS 14.16.200;

22 (10) childhood early learning and development programs and
23 educational support to childhood early learning and development programs provided
24 by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school
25 district in the state, by the Department of Education and Early Development, or
26 through a state grant;

27 (11) science, technology, engineering, and math programs provided by
28 a nonprofit agency or a school district for school staff and for students in grades
29 kindergarten through 12 in the state; and

30 (12) the operation of a nonprofit organization dedicated to providing
31 educational opportunities that promote the legacy of public service contributions to the

1 state and perpetuate ongoing educational programs that foster public service
2 leadership for future generations of residents of the state.

3 * **Sec. 9.** AS 43.77.045(a), as amended by sec. 8 of this Act, is amended to read:

4 (a) A [IN ADDITION TO THE CREDIT ALLOWED UNDER AS 43.77.040,
5 A] person engaged in a floating fisheries business is allowed a credit against the tax
6 due under this chapter for cash contributions accepted for

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

12 (2) secondary school level vocational education courses, programs, and
13 facilities by a school district in the state;

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

16 (4) a facility by a nonprofit, public or private, Alaska two-year or four-
17 year college accredited by a national or regional accreditation association or by a
18 public or private nonprofit elementary or secondary school in the state;

19 (5) Alaska Native cultural or heritage programs and educational
20 support, including mentoring and tutoring, provided by a nonprofit agency for public
21 school staff and for students who are in grades kindergarten through 12 in the state;

22 (6) education, research, rehabilitation, and facilities by an institution
23 that is located in the state and that qualifies as a coastal ecosystem learning center
24 under the Coastal America Partnership established by the federal government;

25 (7) the Alaska higher education investment fund under AS 37.14.750;

26 (8) funding a scholarship awarded by a nonprofit organization to a
27 dual-credit student to defray the cost of a dual-credit course, including the cost of

28 (A) tuition and textbooks;

29 (B) registration, course, and programmatic student fees;

30 (C) on-campus room and board at the postsecondary institution

31 in the state that provides the dual-credit course;

1 (D) transportation costs to and from a residential school
 2 approved by the Department of Education and Early Development under
 3 AS 14.16.200 or the postsecondary school in the state that provides the dual-
 4 credit course; and

5 (E) other related educational and programmatic costs;

6 (9) constructing, operating, or maintaining a residential housing
 7 facility by a residential school approved by the Department of Education and Early
 8 Development under AS 14.16.200;

9 (10) childhood early learning and development programs and
 10 educational support to childhood early learning and development programs provided
 11 by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school
 12 district in the state, by the Department of Education and Early Development, or
 13 through a state grant;

14 (11) science, technology, engineering, and math programs provided by
 15 a nonprofit agency or a school district for school staff and for students in grades
 16 kindergarten through 12 in the state; and

17 (12) the operation of a nonprofit organization dedicated to providing
 18 educational opportunities that promote the legacy of public service contributions to the
 19 state and perpetuate ongoing educational programs that foster public service
 20 leadership for future generations of residents of the state.

21 * **Sec. 10.** Sections 3, 5, 7, 10, 14, 16, 18, 21, 23, 25, 28, 30, 32, 35, 37, 39, 42, 44, 46, 49,
 22 51, 53, and 55, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, secs. 15, 17, 19, 21, 23, and
 23 25, ch. 74, SLA 2012, sec. 49, ch. 14, SLA 2014, secs. 37, 40, 43, and 46, ch. 15, SLA 2014,
 24 and secs. 26 and 31, ch. 61, SLA 2014, are repealed.

25 * **Sec. 11.** Section 57, ch. 92, SLA 2010, sec. 15, ch. 7, FSSLA 2011, sec. 32, ch. 74, SLA
 26 2012, sec. 82, ch. 14, SLA 2014, and sec. 61, ch. 15, SLA 2014, are repealed.

27 * **Sec. 12.** Section 37, ch. 61, SLA 2014, is amended to read:

28 Sec. 37. Sections 1, 2, **and** [15, 18,] 21 [, 24, 26, AND 31] of this Act take
 29 effect **January 1, 2025** [DECEMBER 31, 2018].

30 * **Sec. 13.** Sections 2 - 8 of this Act take effect January 1, 2019.

31 * **Sec. 14.** Section 9 of this Act takes effect on the effective date of sec. 23, ch. 61, SLA

1 2014.

2 * **Sec. 15.** Except as provided in secs. 13 and 14 of this Act, this Act takes effect
3 immediately under AS 01.10.070(c).