

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

SPONSOR STATEMENT FOR CSHB 194(L&C) BY: Representative Tom Anderson

TITLE: “An Act creating a tax credit under the Alaska Net Income Tax for contributions to regional development organizations; and providing for an effective date.”

[House Bill 194](#) creates a tax credit for contributions made by businesses to Alaskan regional development organizations. This legislation limits the tax credit to the first \$10,000 contributed by a business to a regional development organization. The tax credit allowed under HB 194, when combined with credits allowed under various other tax credit provisions in statute, may not exceed the previously established limit of \$150,000. This tax credit will sunset in 2005.

The definition used in HB 194 for “regional development organizations” is from statutory language used to define an Alaska Regional Development Organization ([ARDOR](#)). The Labor and Commerce Committee Substitute clarifies these organizations must be designated by the Department of Community and Economic Development as ARDORs. There are currently 13 ARDORs throughout the state covering all of Alaska except a section of the Interior and a portion of the Lower Yukon.

The ARDOR program is based on the notion that locally driven initiatives, in partnership with the State, can most effectively stimulate economic development and produce healthy, sustainable local economies. The tax credit established by HB 194 will encourage businesses to contribute to the ARDORs and assist regional development organizations’ solicitation of contributions by having a tax credit as a further incentive.

I urge your support of HB 194.