

Sponsor Statement for HB 400

Permanent Fund Contribution For Education

An Act relating to contributions from permanent fund dividends for municipal school districts and regional educational attendance areas; and providing for an effective date.

Released: February 8, 2002

Contact: Representative Scott Ogan's office at (907) 465-3878

This legislation would allow recipients of the Alaska permanent fund dividend the option to contribute a portion of their dividend as a contribution to the local school district or regional educational attendance area (REAA) in which they reside. This can be provided by a simple check-off when an individual completes the annual application form.

A Legislative Attorney has indicated that contributions made exclusively for a public purpose are deductible as a charitable contribution for federal income tax purposes. Residents in many areas of the State have complained that their local schools are not funded adequately while at the same time, in some areas of the state, residents are not supporting their schools through local taxes. This bill will allow those who wish to provide additional financial support to their local school district a very personal and tax deductible method.

It is not the intent of HB 400 that any of these additional monies count against the local school district or REAA when the Department of Education calculates entitlements under the foundation formula