

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:

Bill Version:

HB 208

() Publish Date:

Identifier (File Name): HB208-DOR-TAX-04-04-09

Title **Cruise Ship Gambling Taxes**

Dept. Affected: Revenue 04

RDU **Taxation and Treasury**

Component **Taxation and Treasury**

Sponsor **Representative Crawford**

Requester **(H) Community & Regional Affairs**

Component No. **2476**

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	(3,400.0)	0.0	(6,200.0)	(6,200.0)	(6,200.0)	(6,200.0)	(6,200.0)
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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 Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: 0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

See attached.

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Division **Tax Division**

Phone **(907) 465-3279**

Date/Time **4/3/09 2:05 PM**

Approved by: **Ginger Blaisdell, Director**

Agency **Administrative Services Division**

Date **4/4/2009**

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. HB 208

ANALYSIS CONTINUATION

Bill Language

This bill would repeal the Large Passenger Vessel Gambling tax. The tax is currently levied at the rate of 33% of adjusted gross income from gaming activities conducted in state waters, with revenue going to the General Fund. This bill has an immediate effective date, but returns are currently filed on a calendar year basis. For purposes of this analysis we assume that half of the voyages in calendar year 2009 (representing FY 2010 tax revenue) will be subject to the tax.

Revenue

For calendar year 2007, the latest year for which information is available, the Large Passenger Vessel Gambling tax generated \$6.8 million. With about 980,000 passengers in 2007 this was about \$6.90 per passenger. Calendar year 2008 set a record with over 1 million passengers, but the cruise industry has recently reported weak bookings for 2009 and capacity reductions for 2010. Therefore our revenue estimates assumes 993,000 passengers in 2009 and 893,000 passengers in 2010 and beyond. Estimates assume that tax per passenger will remain at about \$6.90 per passenger.

Expenditures

Because this bill repeals only one component of the Department's commercial passenger vessel program, it will not result in cost savings to the Department.