

# FISCAL NOTE

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

Fiscal Note Number:

Bill Version:

HB 208

() Publish Date:

Identifier (File Name): HB208-DOR-TAX-02-18-10

Title Cruise Ship Gambling Taxes

Dept. Affected: Revenue

RDU Taxation and Treasury

Sponsor Representative Crawford

Requester (H) Community & Regional Affairs

Component Tax Division

Component No. 2476

## Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>		0.0	0.0	0.0	0.0	0.0	0.0

<b>CAPITAL EXPENDITURES</b>	0	0.0	0.0	0.0	0.0	0.0	0.0
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<b>CHANGE IN REVENUES ( )</b>	(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							
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: 0

## POSITIONS

Full-time							
Part-time							
Temporary							

## ANALYSIS: (Attach a separate page if necessary)

See attached.

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Division Tax Division

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

Approved by: Ginger Blaisdell, Director

Agency Administrative Services Division

Date 4-18-10; 3:53pm

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BILL NO. HB 208

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### 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. Revenues for FY11 revenue are not significantly different than reported for FY10 revenue.

#### **Revenue (as of April 2009)**

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.