

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 Dept. Affected: Revenue
 Title: Cruise Ship Gambling Taxes RDU: Taxation and Treasury
 Sponsor: Representative Crawford Component: Tax Division
 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 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
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	0.0

CAPITAL EXPENDITURES	0	0.0	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)	(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	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.

Prepared by: Dan Stickel, Economist Phone (907) 465-3279
 Division: Tax Division Date/Time 4/3/09 2:05 PM
 Approved by: Ginger Blaisdell, Director Date: 18-10; 3:53pm
 Agency: Administrative Services Division

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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. 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.