

# Revenue

**Applicable Program**

Cigarette Tax

**Indirect Expenditure Name**

Tax stamp discount

**Department of Revenue Submission per AS 43.05.095****(1) Description of Provision**

Gives a discount of up to \$50,000 as compensation for affixing stamps to packs of cigarettes.

**(2) Authorizing Statute Regulation or Other Authority**

AS 43.50.540 (c)

**(3) Year Enacted**

2003

**(4) Sunset or Repeal Date**

None

**(5) Legislative Intent**

To provide a discount to compensate taxpayers for the cost of affixing stamps to each pack.

**(6) Public Purpose**

To compensate taxpayers for the cost of affixing stamps to packs of cigarettes.

**(7) Estimated Revenue Impact**

FY 2009 - \$346,341

FY 2010 - \$322,403

FY 2011 - \$320,918

FY 2012 - \$307,838

FY 2013 - \$313,192

**(8) Cost to Administer****(9) Number of Beneficiaries**

10-13

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**Legislative Finance Analysis per AS 24.20.235****(1) Estimate of Annual Revenue Foregone by the State**

\$313,192

**(2) Estimate of Annual Benefit to Recipients**

\$24,092

**(3) Legislative Intent Met?**

Yes

**(4) Should it be Continued, Modified or Terminated?**

Recommend termination. The cost of affixing stamps to packs of cigarettes should be considered a cost of selling cigarettes in Alaska.