

# FISCAL NOTE

**STATE OF ALASKA**  
**2016 LEGISLATIVE SESSION**

Bill Version \_\_\_\_\_  
 Fiscal Note Number \_\_\_\_\_  
 () Publish Date \_\_\_\_\_

Identifier (file name) 0513-DOR-TAX-07-07-16 Dept. Affected Revenue  
 Title Alaska Permanent Fund Protection Act Appropriation Taxation and Treasury  
 Allocation Tax Division  
 Sponsor Rules by Request of the Governor  
 Requester Governor OMB Component Number 2476

**Expenditures/Revenues** (Thousands of Dollars)

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

	FY17 Appropriation Requested	Included in Governor's FY17 Request	Out-Year Cost Estimates				
			FY18	FY19	FY20	FY21	FY22
<b>OPERATING EXPENDITURES</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1007	I/A Rcpts (Other)							
1178	temp code (UGF)							
		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS**

Full-time							
Part-time							
Temporary							

<b>CHANGE IN REVENUES</b>	<b>37,800.0</b>		<b>43,100.0</b>	<b>54,500.0</b>	<b>58,300.0</b>	<b>55,100.0</b>	<b>48,700.0</b>
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**Estimated SUPPLEMENTAL (FY16) operating costs** 0.0 (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY17) costs** 0.0 (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended, or repealed? \_\_\_\_\_ Discuss details in analysis section.

**Why this fiscal note differs from previous version (if initial version, please note as such)**

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 Agency Department of Revenue

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 Date/Time 7/7/16 4:45 PM  
 Date 7/7/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

BILL NO. 0

**Analysis**

**Bill Analysis**

This legislation makes numerous changes to various aspects of the Permanent Fund program, including changes to the dividend calculation and how Fund earnings are used. One provision of this legislation is to reduce the share of minerals bonuses, rents, and royalties that are deposited to the Permanent Fund from 50% to 25% for certain leases. This fiscal note addresses only the impact of the change in mineral royalty deposits to the Permanent Fund; other provisions of the bill are addressed in other fiscal notes.

The Alaska Constitution mandates that 25% of all minerals bonuses, rents, and royalties be deposited into the Permanent Fund. However, for leases issued after February 15, 1980, a higher 50% of bonuses, rents, and royalties are deposited into the Permanent Fund. This legislation would reduce the contribution rate to the Permanent Fund for those leases to the constitutionally mandated 25% effective July 1, 2016.

Based on the Department of Revenue's Spring 2016 production and price assumptions, this provision of the bill would increase deposits to the General Fund by approximately \$38 million to \$58 million annually. This legislation would reduce royalty deposits to the Permanent Fund by the same amount.