

# Alaska Indirect Expenditure Report

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Preliminary Report for FY 2011-FY 2015

Alaska Department of Revenue

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# Alaska Indirect Expenditure Report

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*Note: Other State of Alaska departments are omitted from this list because they reported no indirect expenditures.*

# **Alaska Indirect Expenditure Report**

Preliminary Report for FY 2011-FY 2015

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## Introduction

An indirect expenditure is a provision of state law that results in foregone revenue to the state to serve a certain public policy purpose.

The 2014 enacting legislation of this report, House Bill 360, established two different reports: Department of Revenue's (DOR's) *Indirect Expenditure Report*, and the Legislative Finance Division's *Indirect Expenditure Report*. While the reports share the same name, they have two different purposes. DOR's *Indirect Expenditure Report* compiles and reports indirect expenditure data and information for all departments, agencies, and state public corporations. Legislative Finance's *Indirect Expenditure Report* provides analysis of the effectiveness of the state's indirect expenditures using the information from DOR's report and provides policy recommendations to the legislature.

## Summary

This report contains 231 indirect expenditures from 10 state departments and agencies, with total revenue impacts of approximately \$1.7 billion in FY 2014 and at least \$870 million in FY 2015. The lower number in FY 2015 can be partly attributed to the fact that FY 2015 data is not yet complete for certain tax types including Corporate Income Tax, Corporate Oil and Gas, and Mining License Tax. Certain oil and gas tax credits had lower impacts in FY 2015 than in FY 2014. For example, the Qualified Capital Expenditures (QCE) Credit sunset on the North Slope in 12/31/2013, and many of those credits were used in FY 14, with no new QCE credits being generated and used on the North Slope by FY 2015. The revenue impacts of indirect expenditures administered by DOR accounted for 87% in FY 2014 and 94% in FY 2015 of total statewide revenue impact. DOR by far administers the greatest number of provisions; 78 indirect expenditures.

## Overview and Purpose

The *Alaska Indirect Expenditure Report* is intended to provide information to the Alaska State Legislature and public about expenditures made by the state that do not otherwise appear in the state budget.

When determining the state budget, program expenditures and other spending are often evaluated and scrutinized, especially in a period of declining state revenues. While indirect expenditures do not constitute direct spending, they are an important component of how the state chooses to allocate resources. Indirect expenditures are often implemented as incentives, as a means of achieving policy goals, or to benefit citizens. For example, the Small Producer Credit was established to help bring new, smaller oil and gas companies to Alaska. To encourage the development of value-added herring products in Alaska and increase the value of Alaska fisheries, the legislature amended the Salmon Product Development Credit in 2014 to include herring products as well as salmon products, now the Salmon and Herring Product Development Credit. The Alaska Department of Fish and Game allows Alaska resident seniors and disabled veterans free fishing, hunting, or trapping licenses, king salmon stamps, and duck stamps.

By providing information on the state's indirect expenditures, the Alaska Legislature and the public can evaluate what is being accomplished by these provisions, and determine if these provisions should be continued,

modified, or eliminated. To help facilitate such evaluation, the Alaska Legislative Finance Division produces an analysis on certain indirect expenditures and provides recommendations to the Legislature, also called the *Indirect Expenditures Report*. Legislative Finance's report, to be published by the first legislative day in 2017, will analyze the effectiveness of indirect expenditures in the following departments:

Department of Administration  
Alaska Court System  
Department of Education and Early Development  
Department of Environmental Conservation  
Department of Natural Resources  
Department of Transportation and Public Facilities

DOR's *Indirect Expenditures Report* is submitted in accordance with AS 43.05.095 as a biennial report to the chairs of the Alaska State House and Senate finance committees and the Legislative Finance Division. This requirement was enacted as part of House Bill 306, passed by the Alaska Legislature in 2014. With the first report published in 2014 shortly after the bill was signed into law, this is the second publishing of DOR's *Indirect Expenditures Report*.

This report is a cooperative effort led by DOR. Ten other departments and agencies submitted information on indirect expenditures they administer. This report now contains indirect expenditure data from two agencies that were not included in the 2014 report due to time constraints; the University of Alaska and the Alaska Railroad. DOR compiled the report contributions of other departments and agencies and also made edits for stylistic consistency. Contributions and data from other departments and agencies are not independently verified.

In creating this report, the Department of Revenue prepared a survey that was sent out to other departments and agencies in the state. Each agency, including DOR, examined their operations to identify and update current indirect expenditures and report the required information. DOR then combined the submissions from all other departments and agencies into this report. Due to time constraints, the 2014 report did not include the state's public corporations: the Alaska Aerospace Corporation, the Alaska Energy Association and Alaska Industrial Development and Export Authority, the Alaska Gasline Development Corporation, the Alaska Housing Finance Corporation, the Alaska Mental Health Trust Association, the Alaska Municipal Bond Bank Authority, the Alaska Railroad Corporation, the Alaska Seafood Marketing Institute, the Alaska Student Loan Corporation, and the University of Alaska.

While every public corporation and state department responded to the survey for this year's report, several agencies or corporations did not have indirect expenditures in their operations under the definition in AS 43.05.095. These departments and public corporations include:

Alaska Aerospace Corporation  
Alaska Energy Authority and the Alaska Industrial Development and Export Authority  
Alaska Gasline Development Corporation  
Alaska Housing Finance Corporation  
Alaska Mental Health Trust

Alaska Municipal Bond Bank Authority  
Alaska Railroad  
Alaska Seafood Marketing Institute  
University of Alaska  
Department of Corrections  
Department of Law  
Department of Military and Veterans Affairs  
Department of Public Safety

## **Defining Indirect Expenditures**

AS 43.05.095 defines an “indirect expenditure” as an express provision of state law that results in foregone revenue for the state by providing:

- (1) a tax credit or other credit;
- (2) an exemption, but does not include federal tax exemptions adopted by reference in AS 43.20.021;
- (3) a discount;
- (4) a deduction, but does not include costs incurred in the ordinary course of business that are deducted in the calculation of a tax under this title or in the calculation of a royalty or net profit share payment for a lease issued under AS 38; or
- (5) a differential allowance.

In most cases, identifying indirect expenditures is fairly straightforward, but there are some provisions that require a judgment as to whether or not they meet the statutory definition. For example:

Some elements of state programs are not “an express provision of state law” and are not included in this report, yet they would otherwise fall under the definition of an indirect expenditure. For example, the Alaska Housing Finance Corporation offers home ownership loans at lower interest rates to Alaskans under a certain income level. This is not mandated by state law, however the Alaska Housing Finance Corp has the power to establish such programs under state law.

For some tax provisions it is difficult to distinguish between provisions that provide exemptions from tax and provisions that simply define the tax base. For example, the Vehicle Rental Tax excludes from taxation vehicles rented for more than 90 days. Should this be classified as an exemption, and therefore qualify as an indirect expenditure? In this case, DOR chose not to include the provision in this report because the Legislature intended to raise revenue from visitors to the state using the state’s road system, which defines the tax base.

There are also definitional issues with determining whether certain tax provisions should be considered differential allowances or not. For example, different motor fuels (such as gasoline, marine fuel and jet fuel) are taxed at different rates. Should the lower rates for certain fuels be considered a differential allowance that reduces revenue from the highest rate, or be considered the base rates instead? In this example, the Department chose to define “indirect expenditure” broadly and considered the lower rates to be the differential allowance from the highest rate.

## Reported Information

AS 43.05.095 requires departments to report the following information for each indirect expenditure:

- (1) the name of the indirect expenditure;
- (2) a brief description of the indirect expenditure;
- (3) the statutory authority for the indirect expenditure;
- (4) the date the statute authorizing the indirect expenditure is to be repealed, if applicable;
- (5) the intent of the legislature in enacting the statute authorizing the indirect expenditure;
- (6) the public purpose served by the indirect expenditure;
- (7) the estimated annual effect on revenue of the indirect expenditure for the previous five fiscal years, excluding the fiscal year immediately preceding the date the report is due;
- (8) the estimated cost to administer the indirect expenditure, if applicable; and
- (9) the number of beneficiaries of the indirect expenditure.

## Changes in this Report

This report makes a few changes from the 2014 *Indirect Expenditures Report*. This report now includes all state departments and state public corporations that have indirect expenditures in their operations. This report presents indirect expenditures information in a new format. Previously, DOR maintained the format from Legislative Research's initial report. The new format allows more space for information per indirect expenditure. The new format was modeled off of other states' indirect expenditure reports (often referred to as tax expenditure reports).

## Notes on the Department of Revenue (DOR) Section

DOR has recently implemented a new Tax Revenue Management System (TRMS) that is used to collect, process, and store tax return information and data. With the new management system, DOR is able to collect more detailed information from tax returns, and thus is able to report on certain indirect expenditures that previously did not have data available.

In the process of preparing this Indirect Expenditure Report, DOR determined specific parameters by which to report data for each tax type. While the Indirect Expenditure Report is based on state fiscal years, tax periods can be on a monthly, quarterly, or an annual or calendar year basis. For purposes of this Indirect Expenditures Report, data for each tax type is reported by fiscal year using different dates from the tax returns including filing period, the date the return was processed and posted, or the date the tax period began.

For the tax types with annual returns (Corporate Income Tax, Mining License Tax, and Large Passenger Vessel Tax), FY 2015 includes any tax periods beginning during the fiscal year, i.e. between July 1, 2014 and June 30, 2015. For these tax types in the DOR section, the FY 2015 column is “incomplete” because not all of the returns for tax periods beginning in FY 2015 have not been received yet. FY 2015 will be comprised principally of 2015 calendar-year returns which are typically not received until October 2016. The fiscal year columns show data that is updated from the last Indirect Expenditures Report, to include amendments and late filings of FY 2013 returns. Many of the returns for tax years beginning in FY 2015 will not be received until after the publication of this Indirect Expenditures Report. Those indirect expenditures that are affected are noted in the DOR section.

An additional note regarding DOR reporting relates to defining when an indirect expenditure was “incurred.” Often, tax payments are received in a different fiscal year than when DOR receives the corresponding tax return. DOR determined that the most accurate way to measure indirect expenditures, would be to report on tax returns once they are received, as that is the only source of true and complete data about the impact of the indirect expenditures. Users should be aware that the timing of revenue impacts on cash collections may not exactly match the timing of reporting on tax returns, in particular for the annual tax types.

For indirect expenditures in DOR, the revenue impacts reported reflect the impact on tax liabilities, not tax payments, unless otherwise noted. Many tax types require taxpayers to make estimated tax payments before the return is filed, and these estimated payments may extend across multiple fiscal years for a single tax return. As a result, the revenue impacts may not reflect the actual fiscal impact on payment in that fiscal year. To determine a fiscal year (FY) impact, which runs July 1<sup>st</sup> through June 30<sup>th</sup>, the tax return data were sorted by the beginning of the tax period. For example, return data with a tax period beginning June 2014 would be counted in FY 2014 for purposes of this report. Impacts shown give an idea of the scale of the indirect expenditures, but may not precisely quantify the actual cost to the state in a given fiscal year.

DOR reporting of indirect expenditures is also limited by confidentiality statutes and rules; in general, information from tax returns can only be disclosed in aggregate. Some tax expenditures benefit too few taxpayers to be disclosed, so the information is either aggregated with other expenditures, obscured by providing ranges, or not disclosed at all.

## **Limitations of Analysis**

In many cases, indirect expenditures are administered as part of a larger program and may not have a significant additional cost beyond that of the underlying program. Defining the cost to administer was left up to the discretion of each department or agency, and users should be aware that the “cost of administration” should not be considered to be equal to the savings generated by repealing the authorizing statute. For example, if the administration of a certain provision requires 10% of one auditor’s time, the State does not save 10% of that employee’s salary if the provision is repealed. Similarly, the revenue impact for an indirect expenditure may not reflect the true savings from repealing the provision.

Finally, for many indirect expenditures, the revenue impact and/or number of beneficiaries is listed as “unknown.” For some tax provisions, the information may be confidential because it affects too few taxpayers



to be made public. In other cases, this is because the provision's impact cannot be precisely measured or because significant additional work would be required to ascertain the impact of the provision.

We hope that this report is useful in understanding and evaluating the provisions it describes. We look forward to working collaboratively with the Legislative Finance Division and policymakers to ensure that this report meets their needs as they consider these very important issues.

**Department of Administration**  
***Division of Motor Vehicles***

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**\$10 fee waiver for government agencies**

Type: Exemption  
Statutory/Other Authority: Unknown  
Year Enacted: Unknown  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Not tracked				

**Description**

Fee waiver for government agencies requesting driver and vehicle records from DMV.

**Legislative Intent, Public Purpose**

Unknown; determined by Legislature.

**Who Benefits and Number of Beneficiaries**

Unknown.

**Estimated Cost to Administer**

Unknown.

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**Anatomical Gift Awareness Fund (Organ Donor Registration)**

Type: Exemption  
Statutory/Other Authority: Unknown  
Year Enacted: 2009  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$6,552	\$11,805	\$8,484	\$0	\$0

**Description**

Effective FY 2014, DMV no longer hosts the program information for Life Alaska Donor Services on its server.

**Legislative Intent, Public Purpose**

Unknown.

**Who Benefits and Number of Beneficiaries**

1 beneficiary.

**Estimated Cost to Administer**

Not provided.

**Department of Administration**  
***Division of Motor Vehicles***

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**Motor vehicle license plates and registrations fees for amateur radio users**

Type: Exemption  
Statutory/Other Authority: AS 28.10.421, AS 28.10.181(i)  
Year Enacted: 1978  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$17,400	\$16,600	\$8,600	\$4,400	\$4,400

**Description**

Waives registration fees for certain amateur radio users.

**Legislative Intent, Public Purpose**

Allows the registration of an amateur mobile radio station vehicle for each radio license issued by the federal government.

**Who Benefits and Number of Beneficiaries**

44 beneficiaries.

**Estimated Cost to Administer**

\$0

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**Motor vehicle license plates and registrations fees for disabled persons**

Type: Exemption  
Statutory/Other Authority: AS 28.10.421, AS 28.10.181  
Year Enacted: 2002  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$409,850	\$417,150	\$366,950	\$301,650	\$301,650

**Description**

Waives registration fees for disabled persons.

**Legislative Intent, Public Purpose**

Allow disabled persons to be issued a plate that does not have the international symbol of accessibility and which they are qualified for under AS 28.10.181.

**Who Benefits and Number of Beneficiaries**

3,016 beneficiaries.

**Estimated Cost to Administer**

\$0

**Department of Administration**  
***Division of Motor Vehicles***

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**Motor vehicle license plates and registrations fees for disabled veterans**

Type: Exemption  
Statutory/Other Authority: AS 28.10.421, AS 28.10.181  
Year Enacted: 2002  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$174,900	\$195,950	\$204,000	\$193,900	\$193,900

**Description**

Waives registration fees for disabled veterans.

**Legislative Intent, Public Purpose**

Create a distinctive plate so disabled veterans can be recognized and stand out.

**Who Benefits and Number of Beneficiaries**

1,939 beneficiaries.

**Estimated Cost to Administer**

\$0

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**Motor vehicle license plates and registrations fees for Gold Star Family**

Type: Exemption  
Statutory/Other Authority: AS 28.10.421, AS 28.10.181(l)  
Year Enacted: 2007  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,350	\$2,750	\$200	\$3,600	\$3,600

**Description**

Waives registration fees for survivors of those killed in the line of duty.

**Legislative Intent, Public Purpose**

Allow relatives of members of the United States Armed Forces that were killed in the line of duty to receive a gold star license plate.

**Who Benefits and Number of Beneficiaries**

2 beneficiaries.

**Estimated Cost to Administer**

\$0

**Department of Administration**  
***Division of Motor Vehicles***

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**Motor vehicle license plates and registrations fees for municipal governments and charitable organizations**

Type: Discount  
Statutory/Other Authority: AS 28.10.421(d), AS 28.10.181(a), AS 28.10.181(e)  
Year Enacted: 1978  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$472,455	\$486,270	\$504,765	\$498,915	\$498,915

**Description**

Discounts vehicle registration fees from \$100 to \$10 for vehicles owned by municipal governments, charitable or non-profit organizations, church/religious organizations, and Alaska Tribal Village Councils.

**Legislative Intent, Public Purpose**

Allows municipalities, charitable, non-profits, and church/religious organizations to get a discounted rate on vehicle registrations. Alaska Native Tribal Village Councils are also eligible.

**Who Benefits and Number of Beneficiaries**

5,543 beneficiaries.

**Estimated Cost to Administer**

None.

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**Motor vehicle license plates and registrations fees for Pearl Harbor survivors**

Type: Exemption  
Statutory/Other Authority: AS 28.10.421, AS 28.10.181(l)  
Year Enacted: 1988  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$350	\$200	\$100	\$0	\$100

**Description**

Waives registration fees for Pearl Harbor survivors.

**Legislative Intent, Public Purpose**

Allows individuals who were active duty in Pearl Harbor on 12/7/1941 to register one non-commercial vehicle.

**Who Benefits and Number of Beneficiaries**

1 beneficiary.

**Estimated Cost to Administer**

\$0.

**Department of Administration**  
***Division of Motor Vehicles***

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**Motor vehicle license plates and registrations fees for Prisoners of War**

Type: Exemption  
Statutory/Other Authority: AS 28.10.421, AS 28.10.181(l)  
Year Enacted: 1984  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$500	\$350	\$200	\$0	\$0

**Description**

Waives registration fees for Prisoners of War.

**Legislative Intent, Public Purpose**

Allows individuals who were Prisoners of War to register one non-commercial vehicle.

**Who Benefits and Number of Beneficiaries**

0.

**Estimated Cost to Administer**

\$0.

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**Motor vehicle license plates and registrations fees for Purple Heart recipients**

Type: Exemption  
Statutory/Other Authority: AS 28.10.421, AS 28.10.181(q)  
Year Enacted: 1989  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$33,800	\$39,000	\$34,200	\$32,900	\$32,900

**Description**

Waives registration fees for Purple Heart recipients.

**Legislative Intent, Public Purpose**

Allows Purple Heart recipients to register one non-commercial vehicle.

**Who Benefits and Number of Beneficiaries**

329 beneficiaries.

**Estimated Cost to Administer**

None.

**Department of Administration**  
***Division of Motor Vehicles***

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**Motor vehicle license plates and registrations fees for senior citizens**

Type: Exemption  
Statutory/Other Authority: AS 28.10.411 (f)  
Year Enacted: 1978  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$317,100	\$317,100	\$302,700	\$662,900	\$662,900

**Description**

Waives registration fees for persons 65 years of age or older.

**Legislative Intent, Public Purpose**

Allows individuals who are 65 years of age or older on January 1st of the year the vehicle is registered to one exemption

**Who Benefits and Number of Beneficiaries**

6,629 beneficiaries.

**Estimated Cost to Administer**

Not provided.

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**Motor vehicle license plates and registrations fees for state owned vehicles**

Type: Exemption  
Statutory/Other Authority: AS 28.10.421(d)(4)  
Year Enacted: Unknown  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$57,900	\$55,450	\$38,050	\$27,500	\$27,500

**Description**

Waives registration fees for state owned vehicles

**Legislative Intent, Public Purpose**

Unknown

**Who Benefits and Number of Beneficiaries**

275 beneficiaries.

**Estimated Cost to Administer**

\$0.

**Department of Administration**  
***Division of Motor Vehicles***

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**Permanent Registration for 8 year old vehicles in unorganized boroughs or communities that elect to allow this service.**

Type: Exemption  
Statutory/Other Authority: AS 28.10.155  
Year Enacted: 2015  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Not in effect				\$0

Note: Revenue loss will not be realized until the 2 year registration period comes due on the vehicles that are permanently registered. The program began on January 1, 2015. Revenue loss will start being calculated on January 30, 2017.

**Description**

Allows permanent registration for vehicles 8 years or older in unorganized boroughs or in communities that have passed an ordinance to allow permanent registration.

**Legislative Intent, Public Purpose**

Unknown

**Who Benefits and Number of Beneficiaries**

0.

**Estimated Cost to Administer**

Not provided.



**Department of Administration**  
***Division of Motor Vehicles***

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**State identification cards for senior citizens**

Type: Exemption  
Statutory/Other Authority: AS 18.65.310(g)  
Year Enacted: 1973 or 1976  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$161,265	\$132,930	\$137,325	\$168,525	\$207,630

**Description**

Waives identification card fees for applicants that are 60 years or older.

**Legislative Intent, Public Purpose**

Allows residents over 60 years of age to receive a free state identification card.

**Who Benefits and Number of Beneficiaries**

13,842.

**Estimated Cost to Administer**

Not provided.

## Department of Commerce, Community, and Economic Development - *Banking*

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### Small Loan Company Exemption

Type: Exemption  
Statutory/Other Authority: AS 06.20.030  
Year Enacted: 1978  
Sunset/Repeal Date: N/A

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$50	\$50	\$50	\$50	\$50

### Description

Exempts licensed small loan companies from the requirement of a business license.

### Legislative Intent, Public Purpose

Alleviate regulatory burden on small loan companies by not requiring two licenses.

### Who Benefits and Number of Beneficiaries

One business.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Bulk Fuel Loan Program*

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### Interest Reduction

Type: Discount  
Statutory/Other Authority: AS 42.45.280, 3AAC161.045  
Year Enacted: 2013  
Sunset/Repeal Date: N/A

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Program began in FY 2013.		\$21,000	\$113,097	\$53,391

Note: The Bulk Fuel loan program is a revolving loan program. Program expenses come from the loan fund. The existing interest structure is expected to pay all costs of the program and keep the total loan fund at the current existing level of at least \$2.6 million.

### Description

Statutory interest base rate for borrowers is 4%. Statutes allow a 1% or 2% interest reduction on subsequent loans for borrowers in good standing. The interest rate for a first time borrower that receives a Bulk Fuel Loan will be zero.

### Legislative Intent, Public Purpose

For the first year, zero interest loan for struggling entities to allow them time to work with the program to build management capacity. For the second and subsequent years, interest reduction to provide an incentive to entities that timely repaid their previous loans. Interest reduction is an incentive to remain in good standing in revolving loan program.

### Who Benefits and Number of Beneficiaries

Currently there are 76 borrowers. This number is expected to vary between 50 and 80 in the future.

### Estimated Cost to Administer

There is no additional incremental cost to the administration of the interest reduction program within the bulk fuel loans.

## Department of Commerce, Community, and Economic Development - *Business Licensing*

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### Discount for Senior Citizens

Type: Discount

Statutory/Other Authority: AS 43.70.030(a)(1-2), 12 AAC 12.010(a)(1-2)

Year Enacted: 2003 Senior Citizen Discount. 10/29/2015 Service-Connected Disabled Veteran.

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$42,500	\$38,400	\$62,000	\$81,250	\$90,475

### Description

The Senior Citizen Discount and the Service-Connected discount provides a 50% discount to qualified sole proprietors. In FY 2009 the business license fee was \$100 per year, and the discounted business license fee was \$50. From FY2010 to the present, the business license fee is \$50 per year and the discounted business license fee is \$25.

### Legislative Intent, Public Purpose

Discount for sole proprietor senior citizens and to foster Alaskan businesses and corporations.

### Who Benefits and Number of Beneficiaries

FY 2009-FY 2012 ranged from 1,300 to 1,700 and averaged 1,512. FY 2013 was 2,480. Note: license fees in FY09 were double the current amount. The department currently does not track disabled veterans and is unable to determine the number of potential beneficiaries.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Commercial Fishing Revolving Loan Fund*

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### Pay on Time Program

Type: Credit  
Statutory/Other Authority: 3 AAC 80.055(p); AS 16.10.310  
Year Enacted: 8/1/2000  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$305,121	\$363,804	\$386,451	\$404,938	\$415,738

### Description

1% interest rate incentive for following year to borrowers that make payment timely.

### Legislative Intent, Public Purpose

Provide an incentive for borrowers who make timely payments. The program also saves the division money by reducing the number of extensions, soft collections contacts, workouts and other collection activity associated with borrowers that do not pay on time.

### Who Benefits and Number of Beneficiaries

Approximately 1,105 based on a 5 year average.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Corporations*

---

### Discount for Alaskan Corporations on Biennial Report

Type: Discount  
Statutory/Other Authority: AS 10.06.845(a)  
Year Enacted: 1988  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$453,500	\$464,200	\$692,200	\$543,200	\$521,000

#### Description

The corporation tax on a biennial report for a domestic (Alaskan) corporation is \$100 and for a foreign (non-Alaskan) corporation is \$200.

#### Legislative Intent, Public Purpose

Discount for domestic (Alaskan) entities to foster Alaskan businesses and corporations.

#### Who Benefits and Number of Beneficiaries

In FY 2009 – FY2012, the number of beneficiaries ranged from 4,446 to 5,116 and averaged 4,723. In FY 2013 – FY 2014, an average 57% of business corporations and 100% of professional corporations were domestic, for an estimated 6,933 domestic corporation biennial reports. In FY2015, 59% of business corporations were domestic, as were 100% of professional corporations, for an estimated 5,210 domestic corporation biennial reports.

#### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - Corporations

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### Discount for Alaskan Corporations on Creation

Type: Discount  
Statutory/Other Authority: AS 10.06.845(a)  
Year Enacted: 1988  
Sunset/Repeal Date: none

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$59,600	\$54,900	\$50,800	\$74,100	\$88,800

### Description

The corporation tax on a creation filing for a domestic (Alaskan) corporation is \$100 and for a foreign (non-Alaskan) corporation is \$200.

### Legislative Intent, Public Purpose

Discount for domestic (Alaskan) entities to foster Alaskan businesses and corporations.

### Who Benefits and Number of Beneficiaries

FY 2009 – FY2012 ranged from 549 to 803 and averaged 628. FY 2013 had approx. 508 new domestic corporations. FY 2014 had approx. 741 new domestic corporations. FY 2015 had approx. 888 new domestic corporations.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Corporations*

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### Discount for Alaskan LLCs on Biennial Report

Type: Discount  
Statutory/Other Authority: 3 AAC 16.065; AS 10.50.850; AS 10.50.900  
Year Enacted: 1995  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$599,900	\$652,000	\$1,163,300	\$1,028,600	\$1,044,200

### Description

The corporation tax on a biennial report for a domestic (Alaskan) limited liability company is \$100 and for a foreign (non-Alaskan) limited liability company is \$200.

### Legislative Intent, Public Purpose

Discount for domestic (Alaskan) entities to foster Alaskan businesses and corporations.

### Who Benefits and Number of Beneficiaries

In FY 2009 – FY 2012, the number of beneficiaries ranged from 4,398 to 6,520 and averaged 5,432. In FY 2013 – FY 2014, an average of 86% of the LLCs were domestic, for an estimated 11,633 domestic LLC biennial reports. In FY2015, 87% of the LLC were domestic, for an estimated 10,442 domestic LLC biennial reports.

### Estimated Cost to Administer

N/A.



## Department of Commerce, Community, and Economic Development - *Corporations*

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### Discount for Alaskan LLCs on Creation

Type: Discount  
Statutory/Other Authority: 3 AAC 16.065; AS 10.50.850, AS 10.50.900  
Year Enacted: 1995  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$332,200	\$348,800	\$392,200	\$387,700	\$418,100

### Description

The corporation tax on a creation for a domestic (Alaskan) limited liability company is \$100 and for a foreign (non-Alaskan) limited liability company is \$200.

### Legislative Intent, Public Purpose

Discount for domestic (Alaskan) entities to foster Alaskan businesses and corporations.

### Who Benefits and Number of Beneficiaries

In FY 2009 – FY 2012, the number of beneficiaries ranged from 2,710 to 3,488, and averaged 3,074. FY2013 had approx. 3,922 new domestic LLCs. FY2014 had approx. 3877 new domestic LLCs. FY2015 had approx. 4181 new domestic LLCs.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Corporations*

---

### Discount for Alaskan LLPs on Biennial Report

Type: Discount  
Statutory/Other Authority: 3 AAC 16.055(c); AS 32.05.750, AS 32.06.970  
Year Enacted: 1997  
Sunset/Repeal Date: none

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$500	\$2,300	\$2,000	\$1,900	\$2,200

### Description

The corporation tax on a biennial report for a domestic (Alaskan) limited liability partnership is \$100 and for a foreign (non-Alaskan) limited liability partnership is \$200.

### Legislative Intent, Public Purpose

Discount for domestic (Alaskan) entities to foster Alaskan businesses and corporations.

### Who Benefits and Number of Beneficiaries

In FY 2009 – FY 2012, the number of beneficiaries ranged from 5 to 23, and averaged 15. In FY 2013 – FY2014 an average of 38% of the LLPs were domestic, for an estimated 20 domestic LLP biennial reports. In FY2015, 54% of the LLPs were domestic, for an estimated 22 domestic LLP biennial reports.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Corporations*

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### Discount for Alaskan LLPs on Creation

Type: Discount  
Statutory/Other Authority: 3 AAC 16.055(c); AS 32.05.750, AS 32.06.970  
Year Enacted: 1997  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$400	\$500	\$1,000	\$1,000	\$1,000

### Description

The corporation tax on a creation filing for a domestic (Alaskan) limited liability partnership is \$100 and for a foreign (non-Alaskan) limited liability partnership is \$200.

### Legislative Intent, Public Purpose

Discount for domestic (Alaskan) entities to foster Alaskan businesses and corporations.

### Who Benefits and Number of Beneficiaries

In FY 2008 – FY 2012, the number of beneficiaries ranged from 4-6 and averaged 5. FY 2013 had approx. 10 new LLPs. Both FY 2014 and FY2015 each had approx. 10 new LLPs.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Insurance: all programs*

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### Alaska Comprehensive Health Insurance Association Tax Credit

Type: Credit  
Statutory/Other Authority: AS 21.55.220(f)  
Year Enacted: 2006  
Sunset/Repeal Date: N/A

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$4,716,336	\$4,023,209	\$6,000,116	\$2,998,235	\$1,499,959

Note: The estimated revenue impact is calculated at 50% of assessments.

#### Description

Tax credit of 50% of assessment by the Alaska Comprehensive Health Insurance Association.

#### Legislative Intent, Public Purpose

Rep. Norman Rokeberg's sponsor statement indicated the bill "would expand the base of entities paying into the Alaska Comprehensive Health Insurance Association (ACHIA), our 'high risk pool,' to ensure its future solvency and lower a barrier to entry into the Alaska market by health insurance underwriters." The offset likely was intended to soften the financial burden. The public purpose is to reduce taxes paid for companies paying into the Alaska Comprehensive Health Insurance Association.

#### Who Benefits and Number of Beneficiaries

The number of companies ranged from 59 - 109 from 2007 to 2014.

#### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Insurance: all programs*

---

### Alaska Fire Standards Council Tax Credit

Type: Credit  
Statutory/Other Authority: AS 21.96.075  
Year Enacted: 2000  
Sunset/Repeal Date: N/A

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

### Description

Tax credit up to \$300,000 amongst all companies eligible to encourage donations for the Alaska Fire Standards Council. Can only claim up to \$150,000 but when combined with other tax credits allowed up to \$5,000,000 until 2021 when it goes back down to \$150,000.

### Legislative Intent, Public Purpose

Rep. Gene Therriault, sponsor of the bill, was approached by the Alaska Fire Chiefs Association to establish a tax credit to help fund the Alaska Fire Standards Council operations. The Council was assigned to find alternative funding methods and determine funding by offering a tax credit to the insurance companies and allows a tax credit for contributions made.

### Who Benefits and Number of Beneficiaries

None.

### Estimated Cost to Administer

0.

## Department of Commerce, Community, and Economic Development - *Insurance: all programs*

### Deduction from Premiums Written for Claims Paid

Type: Deduction  
Statutory/Other Authority: AS 21.09.210(b)(2)  
Year Enacted: 1966  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$11,427,532	\$11,890,941	\$9,393,147	\$12,096,338	\$13,019,395

Note: The estimated revenue impact is calculated claims paid \* tax rate (6%).

### Description

Premium tax on hospital and medical service corporations is based on 6% of gross premiums less claims paid.

### Legislative Intent, Public Purpose

The minutes of the February 17, 1966 meeting of the House Commerce Committee included the following notation regarding AS 21.09.210(b)(2): "The question was raised as to whether or not health care plans were included. It was then discussed and noted that the provision was a compromise provision (group insurance insurers were discussed as to whether or not they were placed in a competitive disadvantage, the compromise which this section represents was then mentioned)." See legislative intent for premium deduction for more information. The public purpose is the establishment of premium tax on hospital and medical service corporations.

### Who Benefits and Number of Beneficiaries

Two companies benefit.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Insurance: all programs*

### Deduction from Premiums Written for Dividends

Type: Deduction  
Statutory/Other Authority: AS 21.09.210(b)  
Year Enacted: 1966  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$936,015	\$901,068	\$976,932	\$1,049,647	\$1,080,753

Note: The estimated revenue impact is calculated claims paid \* tax rate (6%).

### Description

Premium deductions from premiums written due to cancellations, returned premiums, the unabsorbed premiums refunded to policy holders, refunds, savings, savings coupons and other similar returns to policy holders.

### Legislative Intent, Public Purpose

There is no legislative history that indicates the legislative intent of this specific provision. The provision was enacted as part of a complete revision and reorganization of Alaska's insurance statutes in 1966 and was based on Montana's insurance code enacted in that state in 1961 and considered at that time to be "the most modern, complete, and up-to-date body of insurance regulation [of] any of the fifty states." The language of the provision, however, is unambiguous and the legislature's intent is clear from the common and ordinary meaning of the words the legislature used in the provision. The public purpose is the returning of policy premium when a policy is not in force.

### Who Benefits and Number of Beneficiaries

The number of companies ranged from 153 - 169 from 2007 to 2014.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - Insurance: all programs

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### Education Tax Credit

Type: Credit  
Statutory/Other Authority: AS 21.96.070  
Year Enacted: 1994  
Sunset/Repeal Date: Sunsets 12/31/18

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$300,000	\$400,500	\$250,000	\$250,000	\$151,000

Note: The estimated revenue impact is calculated at 50% of the first \$100,000 donation and 100% of the second \$100,000 and 50% exceeding \$300,000.

### Description

Education tax credit for donations to allowable educational entities. See also p. 172.

### Legislative Intent, Public Purpose

The provision was added to give the insurance industry the ability to take the tax credit which was a credit already available to anyone who pays a corporate income tax, oil production tax, fishing taxes or mining taxes and was intended to correct an oversight when the tax credit bill was enacted in 1991. The public purpose is to encourage donations for educational purposes.

### Who Benefits and Number of Beneficiaries

The number of companies ranged from 1 - 3 from 2007 to 2014.

### Estimated Cost to Administer

N/A



## Department of Commerce, Community, and Economic Development - *Insurance: all programs*

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### Independently Procured Tax

Type: Exemption  
Statutory/Other Authority: AS 21.33.061(g)  
Year Enacted: Enacted 1984, effective date 1985  
Sunset/Repeal Date: N/A

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

Note: Exempt State of Alaska and entities engaging in aircraft used for interstate or foreign commerce from paying tax.

### Description

Tax exemption for insurance of risks of the state or a political subdivision of this state, or to insurance of aircraft primarily engaged in interstate or foreign commerce.

### Legislative Intent, Public Purpose

None. There is no legislative history that indicates the legislative intent of this specific provision. The language of the provision, however, is unambiguous and the legislature's intent is clear from the common and ordinary meaning of the words the legislature used in the provision.

### Who Benefits and Number of Beneficiaries

None.

### Estimated Cost to Administer

0.

## Department of Commerce, Community, and Economic Development - *Insurance: all programs*

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### Lower Tax Rate

Type: Discount  
Statutory/Other Authority: AS 21.09.210(m)  
Year Enacted: 1998  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$5,424,128	\$11,525,267	\$2,927,171	\$2,081,933	\$13,070,405

Note: The estimated revenue impact is calculated as premiums over \$100,000 per individual policy \* tax rate (2.7%).

### Description

Lower tax rate on individual life insurance policy premiums over \$100,000. The first \$100,000 taxed at 2.7% and anything over \$100,000 taxed at 0.1%.

### Legislative Intent, Public Purpose

At the time of passage in 1998, testimony from the insurance division director indicated that there were no policies being written in the state with a yearly premium of \$100,000 or more. Testimony of supporters of the bill and Rep. Joe Ryan, sponsor of the amendment, indicated the intent of the amendment was to encourage large insurance policies to be placed in Alaska, to increase revenue and jobs in the state, to enhance the trust and financial planning industries in the state, and to make Alaska more competitive. The public purpose is to lower the cost for very large individual life insurance policies.

### Who Benefits and Number of Beneficiaries

The number of companies ranged from 13 - 16 from 2007 to 2014.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Insurance: all programs*

---

### Tax Exempt State Premiums

Type: Exemption  
Statutory/Other Authority: AS 21.09.210(i)  
Year Enacted: 1966  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
-	-	-	-	-

### Description

Premiums paid by the state for insurance policies and contracts purchased under AS 39.30 are exempt from taxation.

### Legislative Intent, Public Purpose

There is no legislative history that indicates the legislative intent of this specific provision. The provision was enacted as part of a complete revision and reorganization of Alaska's insurance statutes in 1966. See legislative intent for premium deduction for more information. The public purpose is to reduce the cost of premiums to employees working for the State of Alaska.

### Who Benefits and Number of Beneficiaries

Unknown.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Insurance: all programs*

---

### Unauthorized Company Tax

Type: Exemption  
Statutory/Other Authority: AS 21.33.055(c)  
Year Enacted: 1992  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

Note: Exempt State of Alaska and entities engaging in aircraft used for interstate or foreign commerce from paying tax.

### Description

Tax exemption for insurance of risks of the state or a political subdivision of this state, or to insurance of aircraft primarily engaged in interstate or foreign commerce.

### Legislative Intent, Public Purpose

The provision was enacted as part of a substantial bill to enable the Alaska Division of Insurance to obtain accreditation by the National Association of Insurance Commissioners and to bring the state's insurance statutes up to date including the reorganization and revision of the requirements of licensing of insurance professionals. There is no legislative history that indicates the legislative intent of this specific provision. The language of the provision, however, is unambiguous and the legislature's intent is clear from the common and ordinary meaning of the words the legislature used in the provision. The public purpose is to exempt State of Alaska and entities engaging in aircraft used for interstate or foreign commerce from paying tax.

### Who Benefits and Number of Beneficiaries

None.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - Insurance: all programs

### Wet Marine and Transportation tax

Type: Deduction  
Statutory/Other Authority: AS 21.09.210(d)  
Year Enacted: 1966  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$84,459	\$117,618	\$146,024	\$110,418	\$147,511

Note: The estimated revenue impact is calculated as direct losses paid \* tax rate (0.75%).

### Description

Premium tax on insurer of wet marine and transportation contracts. 3/4 of 1% on its gross underwriting profit which is less direct losses paid.

### Legislative Intent, Public Purpose

A. J. Lingle, director of the division of insurance, pointed out that the wet marine insurance tax amount was "the usual one put on insurance of this type." (2/17/1966 Minutes of the Commerce Committee). The provision was enacted as part of a complete revision and reorganization of Alaska's insurance statutes in 1966. See legislative intent for premium deduction for more information. The public purpose is to establish premium taxes on wet marine and transportation contracts.

### Who Benefits and Number of Beneficiaries

The number of companies ranged from 22 - 57 from 2007 to 2014.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - Office of the State Assessor

### Property Tax Equivalency Payments (Renters Rebate)

Type: Rebate  
Statutory/Other Authority: A.S. 29.45.040  
Year Enacted: 1973  
Sunset/Repeal Date: N/A

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

Note: By not appropriating funds to meet the reimbursement obligation, the state increases the Unrestricted General Fund.

#### Description

The program rebates, to eligible applicants, that portion of their yearly rent on their permanent residence that goes towards the payment of real property taxes. A resident of the state who rents a permanent place of abode is eligible for a tax equivalency payment from the state through the department if the resident is (1) at least 65 years old; (2) a disabled veteran; or (3) at least 60 years old and the widow or widower of a person who was eligible for payment under (1) or (2).

#### Legislative Intent, Public Purpose

Reimburse municipalities for reduced revenue from a legislatively mandated program. The public purpose is to lessen the fiscal burden on elderly to encourage them to stay residents of the state.

#### Who Benefits and Number of Beneficiaries

Eighteen municipalities that collect property taxes that are mandated by law to provide this exemption. The Property Tax Equivalency Payment Program has not been funded since FY 2000, so there are no beneficiaries.

#### Estimated Cost to Administer

This program is not funded, so there is no fiscal impact.

## Department of Commerce, Community, and Economic Development - Office of the State Assessor

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### Senior Citizens - Disabled Veterans Tax Exemption

Type: Exemption  
Statutory/Other Authority: A.S. 29.45.030(e) - (g)  
Year Enacted: 1973  
Sunset/Repeal Date: N/A

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

Note: By not appropriating funds to meet the reimbursement obligation, the state increases the Unrestricted General Fund.

#### Description

State law exempts real property owned and occupied as a permanent home by a resident, 65 years of age or older, or, by a disabled veteran with a 50% or greater service-connected disability. The exemption applies to the first \$150,000 of assessed valuation.

#### Legislative Intent, Public Purpose

Reimburse municipalities for reduced revenue from a legislatively mandated program and lessen the tax burden on elderly persons and disabled veterans to encourage them to stay residents of the state.

#### Who Benefits and Number of Beneficiaries

Twenty-four municipalities that collect property taxes are mandated by law to provide this exemption.

#### Estimated Cost to Administer

This program is not funded, so there is no fiscal impact.

## Department of Commerce, Community, and Economic Development - *Professional Licensing: all programs*

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### Pro-rated rate for renewal of licenses within 90 days of expiration

Type: Discount  
Statutory/Other Authority: 12 AAC 02.030; AS 08.01.065, AS 08.01.080, AS 08.01.100  
Year Enacted: 1981  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. This specific type of application is not separately identified or quantified.				

#### Description

Provides a pro-rated rate for renewal of the license for those who make initial application for a professional license within 90 days of its biennial expiration.

#### Legislative Intent, Public Purpose

Streamlines licensing paperwork and expense for those who make initial application for a professional license within 90 days of its biennial expiration.

#### Who Benefits and Number of Beneficiaries

Unknown.

#### Estimated Cost to Administer

N/A.



**Department of Commerce, Community, and Economic  
Development - Professional Licensing: Big Game Commercial Services  
Board**

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**Discount for Alaskan Guides**

Type: Discount  
Statutory/Other Authority: AS 08.54.770  
Year Enacted: 1996  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
N/A	N/A	N/A	N/A	\$1,557,400

**Description**

The amount of the license fee for a nonresident shall be two times the amount of the license fee for a resident.

**Legislative Intent, Public Purpose**

The legislative intent appears to equalize the cost of program-related land management and law enforcement by recouping costs via higher fees for out-of-state residents. Therefore, there may be no actual "benefit" to applicants with Alaska residency. Licensing of guides is funded from program receipts. The additional cost assessed against nonresident guides reflects costs nonresidents are not paying for the management of lands and resources as well as other management costs associated with the process. The two-to-one ratio does not nearly cover land management expenditures by Alaska residents in which nonresidents do not participate. That is the reason for the difference in licensing fees.

**Who Benefits and Number of Beneficiaries**

FY 2015 resident license-holders for this program: 1,424 at license fee \$360; 2,396 at license fee \$650. The number of resident license holders is not available prior to FY 2015.

**Estimated Cost to Administer**

N/A.

## Department of Commerce, Community, and Economic Development - *Professional Licensing: Collection Agencies*

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### Discount for resident license-holders

Type: Discount  
Statutory/Other Authority: AS 08.24.370  
Year Enacted: 1968  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
N/A	N/A	N/A	N/A	\$7,000

### Description

The application fee and the biennial license fee for a nonresident operator or nonresident agency license are double the same fees established by regulations under AS 08.01.065 for a resident operator or agency.

### Legislative Intent, Public Purpose

Foster Alaskan businesses and corporations.

### Who Benefits and Number of Beneficiaries

Resident license-holders for this program in FY 2015: 2 operators at license fee \$125 and 28 agencies at fee \$250. The number of resident license holders is not available prior to FY 2015.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Securities*

### Discount for Securities Registrants and Notice Filers

Type: Discount

Statutory/Other Authority: 3 AAC 08.920 (a)(3),(a)(4) and (a)(5) - amended am 1/17/2016, Register 217 ; AS 45.55.110; 45.55.139; 45.55.950; 45.55.980

Year Enacted: 1999

Sunset/Repeal Date: N/A

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$282,100	\$340,400	\$285,500	\$340,510	\$285,620

Note: Revenue impact leveled as more filers move to one year filings and use of electronic filing systems.

#### Description

Allowed securities registrants and notice filers to renew for two years for a discount of \$100. Usual fee is \$600 annually, or two years for \$1100.

#### Legislative Intent, Public Purpose

At the time the legislation passed in 1999 (HB 83), the Division was moving to a flat fee schedule. Testimony by then Director Elder that mutual funds have one and two year notice filings; so by providing a two-year option, it would reduce the paperwork burden on the issuers and the division, with only a slight discount. The public purpose is to reduce regulatory burden on issuers of securities and work load on the division for renewal processing.

#### Who Benefits and Number of Beneficiaries

Between 2,773 and 3,504 securities issuers benefit directly per year. Formerly, the two year renewal reduced the regulatory burden on issuers of securities and work load on the division for renewal processing; however with the increased use of electronic filing, a number of securities filers lost track of the two-year renewal and attempted to file annually, causing more costs, delays and payments of fees that were not refundable.

#### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Surplus Lines Tax*

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### Deduction from premiums written for return premium transactions

Type: Deduction  
Statutory/Other Authority: AS 21.34.180  
Year Enacted: Enacted 1984, effective date 1985  
Sunset/Repeal Date: N/A

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$109,975	\$121,535	\$137,786	\$155,826	\$156,856

Note: The estimated revenue impact is calculated return premium \* tax plus fee rate (3.7%).

### Description

Deduction from premiums written for return premium transactions.

### Legislative Intent, Public Purpose

Ch 117 SLA 1984 created a new Chapter 34, Surplus Lines Insurance, in the insurance Title 21 which included this provision. The new title was an “‘Alaskanized’ version of the model bill” which was the NAIC surplus lines model bill. A provision with the same effect was first enacted as part of a complete revision and reorganization of Alaska's insurance statutes in 1966. See legislative intent for premium deduction for more information. The language of the provision, however, is unambiguous and the legislature's intent is clear from the common and ordinary meaning of the words the legislature used in the provision. The public purpose is to establish premium taxes on surplus lines contracts

### Who Benefits and Number of Beneficiaries

The number of insured transactions averaged 630 - 850 per year.

### Estimated Cost to Administer

N/A.

## Department of Commerce, Community, and Economic Development - *Surplus Lines Tax*

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### Tax Exemptions

Type: Exemption  
Statutory/Other Authority: AS 21.34.180(i)  
Year Enacted: Enacted 1984, effective 1985  
Sunset/Repeal Date: N/A

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$615,341	\$789,366	\$761,745	\$723,320	\$705,621

Note: The estimated revenue impact is calculated premium \* tax plus fee rate (3.7%).

### Description

Tax exemption for insurance of risks of the state or a political subdivision of this state, to an agency of state government or its political subdivisions, or to insurance of aircraft primarily engaged in interstate or foreign commerce.

### Legislative Intent, Public Purpose

Ch 117 SLA 1984 created a new Chapter 34, Surplus Lines Insurance, in the insurance Title 21 which included this provision. The new title was an "'Alaskanized' version of the model bill," which was the NAIC surplus lines model bill. Ch 117 SLA 1984 has no legislative history to indicate the legislative intent of this specific provision. The language of the provision, however, is unambiguous and the legislature's intent is clear from the common and ordinary meaning of the words the legislature used in the provision. The public purpose is to exempt State of Alaska and entities engaging in aircraft used for interstate or foreign commerce from paying tax

### Who Benefits and Number of Beneficiaries

The number of insured transactions averaged 210 - 407 per year.

### Estimated Cost to Administer

N/A.

## Alaska Court System

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### Additional Lighting Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.040  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$80	\$280	\$120	\$80	\$0

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

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### Additional Lights Required For Emergency Vehicle (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.090  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

## Alaska Court System

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### Anti-Spray Devices Required (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: AS 28.35.253  
Year Enacted: 1986  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$4,240	\$4,730	\$2,160	\$3,540	\$8,460

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

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### Brake Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.205  
Year Enacted: 1979  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$270	\$180	\$180	\$180	\$270

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

## Alaska Court System

---

### Community Work Service order in Lieu of Fine or Surcharge

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: As 12.55.055  
Year Enacted: 2005  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$47,922	\$44,538	\$46,951	\$48,121	\$38,880

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective behavior.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

---

### Defensive Driving Course Completion Credit against Fines

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: By Court Order  
Year Enacted: N/A  
Sunset/Repeal Date: None

FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$192,389	\$181,509	\$95,967	\$3,832	\$435

#### Description

N/A

#### Legislative Intent, Public Purpose

N/A

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.



## Alaska Court System

---

### Emission Control System Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit

Statutory/Other Authority: 13AAC04.257

Year Enacted: 1979

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

---

### Energy Absorption System Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit

Statutory/Other Authority: 13AAC04.272

Year Enacted: 1979

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,200	\$1,875	\$825	\$1,500	\$1,200

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

## Alaska Court System

---

### Exemption from Payment of Fees due to Determination of Indigency

Type: Fee/Fine/Cost Dismissal or Credit

Statutory/Other Authority: AdmR. 9 & 10

Year Enacted: 1980

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$152,613	\$157,971	\$200,547	\$166,712	\$148,016

#### Description

N/A

#### Legislative Intent, Public Purpose

N/A

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

---

### Fail To Provide Child Safety Device 1st Offense (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit

Statutory/Other Authority: AS28.05.095

Year Enacted: 1984

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$800	\$0	\$310	\$440

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided

## Alaska Court System

---

### Headlight Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.020  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$41,570	\$60,830	\$53,550	\$61,240	\$51,920

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

---

### Horn/Warning Device Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.210  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$120	\$0	\$0	\$0

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.



## Alaska Court System

---

### Ignition Interlock Device Credit against Fines

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: AS 12.55.102  
Year Enacted: 1989  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$162,646	\$439,340	\$540,853	\$518,488	\$501,385

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective behavior.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

---

### License Carried/ Exhibited On Demand (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: AS 28.15.131  
Year Enacted: 1978  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$5,250	\$9,500	\$6,400	\$10,150	\$8,450

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

## Alaska Court System

---

### Mirror Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.220  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,340	\$2,340	\$2,100	\$1,620	\$1,860

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

---

### Muffler Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.215  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,550	\$2,370	\$2,160	\$4,500	\$2,700

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

## Alaska Court System

---

### Operating Vehicle w/Studded/Chained Tires When Prohibited (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit

Statutory/Other Authority: AS28.35.155

Year Enacted: 1976

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$19,650	\$18,055	\$16,750	\$25,950	\$25,200

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

---

### Other Equipment Required: Horn/Mirrors/Tires/Etc. (Bicycle) (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit

Statutory/Other Authority: 13AAC04.355

Year Enacted: 1979

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$40	\$0	\$0	\$0

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

## Alaska Court System

### Parking Light Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.070  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$80	\$120	\$40	\$80	\$0

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

### Proof of Insurance To Be Carried And Exhibited on Demand (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: AS28.22.019  
Year Enacted: 2002  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,758,250	\$2,964,500	\$2,188,000	\$2,593,500	\$2,894,410

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.



## Alaska Court System

---

### Reflector Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.030  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$280	\$440	\$240	\$240	\$320

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

---

### Restrictions On Lighting Equipment (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.145  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$700	\$590	\$160	\$420	\$200

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

## Alaska Court System

### Safety Belt Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.270  
Year Enacted: 1961  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$375	\$225	\$225	\$450	\$300

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

### State of Alaska Agencies Exempt from Filing, Copy and Certifying Fees

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: AdmR. 9(f)(1)  
Year Enacted: 1980  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$76,571	\$72,396	\$78,720	\$87,520	\$74,735

#### Description

N/A

#### Legislative Intent, Public Purpose

N/A

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

## Alaska Court System

---

### Steering Assembly / Wheel Align/Body Condition (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit

Statutory/Other Authority: 13AAC04.227

Year Enacted: 1979

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$400	\$0	\$200	\$0

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

---

### Stop Light Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit

Statutory/Other Authority: 13AAC04.035

Year Enacted: pre-1959

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$8,760	\$10,200	\$7,520	\$10,320	\$10,040

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

## Alaska Court System

---

### Suspended Court Ordered Fines and Surcharges

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: AS 12.55.080  
Year Enacted: 1962  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$6,574,688	\$5,859,923	\$5,140,190	\$4,133,960	\$3,480,910

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective behavior.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

---

### Taillight Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.025  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$18,600	\$24,760	\$20,160	\$24,560	\$15,160

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

## Alaska Court System

---

### Tinted Windows (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.223  
Year Enacted: 1992  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$92,472	\$72,900	\$62,650	\$56,900	\$57,000

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

---

### Tire Restrictions And Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.230  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$250	\$200	\$550	\$300	\$100

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

## Alaska Court System

### Turn Light Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.037  
Year Enacted: 1979  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$880	\$800	\$280	\$1,040	\$760

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not provided.

### Windshield and wiper requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit  
Statutory/Other Authority: 13AAC04.225  
Year Enacted: pre-1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,460	\$2,150	\$800	\$2,050	\$1,350

#### Description

N/A

#### Legislative Intent, Public Purpose

Encourage corrective action.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

Not reported

**Department of Education and Early Development**  
***Alaska Student Loan Corporation***

---

**Education loan forgiveness**

Type: Credit  
Statutory/Other Authority: AS 14.43.120(j)  
Year Enacted: 1971  
Sunset/Repeal Date: Repealed 1987

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,335	\$11,613	\$275	\$0	\$340

**Description**

Under certain conditions up to 50% of a borrower's obligation to repay loan principal and interest is discharged.

**Legislative Intent, Public Purpose**

The purpose is to provide incentive for college students to return to or remain in Alaska and to encourage Alaska residents to complete postsecondary education and reside in Alaska thereafter.

**Who Benefits and Number of Beneficiaries**

Varies. There are currently fewer than 200 ASL borrowers with outstanding loans containing forgiveness provisions.

**Estimated Cost to Administer**

Automated; minimal manual intervention.

## Department of Education and Early Development

### *Institutional Authorization*

---

#### Exemption from Authorization

Type: Exemption  
Statutory/Other Authority: AS 14.48.030  
Year Enacted: 1976  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
N/A	N/A	\$285,000	\$250,000	\$300,000

Note: Estimate 100 institutions would seek authorization if required which assumes 25% of current 400 exempt distance education providers would seek authorization if required.

#### Description

Out-of-state postsecondary institutions offering distance education to Alaska students are exempt from authorization. Fee to institution for authorization is \$2,500; fee for exemption is \$100.

#### Legislative Intent, Public Purpose

Ensure no disincentive for institutions to enroll Alaska students and to maximize higher education options for Alaska students.

#### Who Benefits and Number of Beneficiaries

Four hundred out-of-state colleges and universities offering distance education to Alaskans. All Alaska students using distance education. No data on how many students are participating.

#### Estimated Cost to Administer

Estimated at \$20,000 annually, based on percent of staff processing time.



## Department of Education and Early Development

### *Multiple Education Loan Programs*

---

#### Interest Deduction

Type: Deduction  
Statutory/Other Authority: AS 14.42.200-.210  
Year Enacted: 2001  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,068,046	\$1,072,285	\$1,102,193	\$1,013,492	\$968,722

#### Description

ASLC annually approves a discount of some percent value to be provided to borrowers who meet specific criteria.

#### Legislative Intent, Public Purpose

Provide lowest possible costs of education loans to Alaska students. Lower education loan costs to borrowers.

#### Who Benefits and Number of Beneficiaries

Eligible borrowers. At 6/30/2015 there were approximately 14,700 borrowers with outstanding loans who could be eligible for a benefit in any given year.

#### Estimated Cost to Administer

Automated; minimal manual intervention.

**Department of Education and Early Development**  
***State Museum, Sheldon Jackson Museum***

---

**Discount for closing time admission**

Type: Discount  
Statutory/Other Authority: 4 AAC 58.010(c); AS 14.57.010(c)  
Year Enacted: 2010  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$563	\$1,110	\$672	\$0	\$0

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility, and remained closed through FY 2015 and most of FY 2016.

**Description**

Half-price discount on admission fee near closing time.

**Legislative Intent, Public Purpose**

In the public interest.

**Who Benefits and Number of Beneficiaries**

Varies. There were 0 half-price discounts in FY 2015.

**Estimated Cost to Administer**

\$0.

**Department of Education and Early Development**  
***State Museum, Sheldon Jackson Museum***

---

**Discounts for special events**

Type: Discount  
Statutory/Other Authority: 4 AAC 58.010(c); AS 14.57.010(c)  
Year Enacted: 1987  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$30,148	\$41,725	\$39,362	\$4,667	\$4,040

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility, and remained closed through FY 2015 and most of FY 2016.

**Description**

Special events - adults, youth, families.

**Legislative Intent, Public Purpose**

In the public interest.

**Who Benefits and Number of Beneficiaries**

Varies. There were 926 visitors for special events in FY 2015.

**Estimated Cost to Administer**

\$0

**Department of Education and Early Development**  
***State Museum, Sheldon Jackson Museum***

---

**Free admission for military**

Type: Discount  
Statutory/Other Authority: National Program; AS 14.57.010(c)  
Year Enacted: 2010  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$460	\$1,344	\$812	\$30	\$30

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility, and remained closed through FY 2015 and most of FY 2016.

**Description**

Blue Star Military discount; Free admission to active military and their immediate families.

**Legislative Intent, Public Purpose**

Federal program to benefit those serving our country in the military.

**Who Benefits and Number of Beneficiaries**

Varies. There were 6 military discounts in FY2015.

**Estimated Cost to Administer**

\$0.

**Department of Education and Early Development**  
**State Museum, Sheldon Jackson Museum**

---

**Free Admission for Students**

Type: Discount  
Statutory/Other Authority: 4 AAC 58.010(a); AS 14.57.010(c)  
Year Enacted: 1987  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$35,066	\$44,348	\$42,609	\$5,647	\$6,030

Note: The Alaska State Museum closed in FY2014 for the construction of the new facility, and remained closed through FY 2015 and most of FY 2016.

**Description**

Entry Fee waived for those 18 years or younger.

**Legislative Intent, Public Purpose**

Student Discount.

**Who Benefits and Number of Beneficiaries**

Varies. There were 1,468 student discounts in FY 2015.

**Estimated Cost to Administer**

\$0.

**Department of Education and Early Development**  
***State Museum, Sheldon Jackson Museum***

---

**Senior Citizen Discount**

Type: Discount  
Statutory/Other Authority: 4 AAC 58.010(a); AS 14.57.010(c)  
Year Enacted: 2012  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Not in effect until FY 2012.	\$3,762	\$9,601	\$1,929	\$2,079

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility, and remained closed through FY 2015 and most of FY 2016.

**Description**

Entry Fee; Senior Discount - \$1.00 off for those 65 years or older.

**Legislative Intent, Public Purpose**

N/A. Senior Citizen Discount.

**Who Benefits and Number of Beneficiaries**

Varies. There were 2,079 senior discounts in FY 2015.

**Estimated Cost to Administer**

\$0

## Department of Education and Early Development State Museum, Sheldon Jackson Museum

### Tour Company Discount

Type: Discount

Statutory/Other Authority: Letters of Agreement; AS 14.57.010(c)

Year Enacted: Prior to 1999

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$14,004	\$21,222	\$38,952	\$31,937	\$7,419

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility, and remained closed through FY 2015 and most of FY 2016.

### Description

Discount on entry fee for tour company visitors according the following schedule:

<u># of Visitors</u>	<u>ASM // SJM Discount</u>
1-500	2.00 // 1.00
501-2,500	2.25 // 1.25
2,501-5,000	2.50 // 1.50
5,001-7,500	2.75 // 1.75
7,501-10,000	3.00 // 2.00
Over 10,000	3.50 // N/A

### Legislative Intent, Public Purpose

Net benefit to the museum as it draws visitors that may not have visited the museum otherwise.

### Who Benefits and Number of Beneficiaries

Varies. 3 tour operators brought 4,763 visitors in FY2015.

### Estimated Cost to Administer

\$0.

## Department of Education and Early Development

### *Teacher Education Loan*

---

#### Education Loan Forgiveness

Type: Credit  
Statutory/Other Authority: AS 14.43.600-.700  
Year Enacted: 1984  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$265,914	\$132,150	\$97,018	\$159,676	\$67,094

Note: Forgiveness eligible loans to new program participants are no longer being made effective with FY 2015.

#### Description

Under certain conditions 100% of a borrower's obligation to repay loan principal and interest is discharged.

#### Legislative Intent, Public Purpose

Develop rural residents as teachers for rural Alaska. Encourage Alaska high school graduates to become elementary/secondary educators and teach in rural Alaska communities.

#### Who Benefits and Number of Beneficiaries

Borrowers of Teacher Education Loans. At 6/30/2015 there were 410 borrowers with outstanding TEL loans.

#### Estimated Cost to Administer

Automated; minimal manual intervention.



## Department of Education and Early Development

### *Winn Brindle Memorial Education Program (WB)*

---

#### Education Loan Forgiveness- Winn Brindle Memorial Education Program

Type: Credit

Statutory/Other Authority: AS 14.43.250-.325

Year Enacted: 1986

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$105,613	\$71,260	\$60,053	See page 151.	

Note: Revenue that the state forgoes is the tax credit provided by the Department of Revenue. Once a donation is made to the WB Memorial Education loan account, loans are made to qualifying borrowers. Any activity related to those loans (such as forgiveness or interest subsidies) impact the WB Memorial Education loan account.

#### **Description**

Under certain conditions 50% of a borrower's obligation to repay loan principal is discharged.

#### **Legislative Intent, Public Purpose**

Attract students to careers supporting Alaska fisheries. Encourage Alaska high school graduates to be trained in some fisheries-related occupation and be employed in that occupation in Alaska.

#### **Who Benefits and Number of Beneficiaries**

Varies.

#### **Estimated Cost to Administer**

Automated; minimal manual intervention.

## Department of Education and Early Development

### *WWAMI Graduate Medical Education Program*

---

#### Financial support

Type: Discount  
Statutory/Other Authority: AS 14.43.510  
Year Enacted: 2007  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,622,013	\$1,638,596	\$1,589,307	\$1,578,552	\$1,581,258

#### Description

The financial support to be repaid is equal to 50% of amount paid for program and its participants.

#### Legislative Intent, Public Purpose

Support Alaskans' medical training and reward practice in Alaska.

#### Who Benefits and Number of Beneficiaries

Participants of the program. At 6/30/2015 there were 183 participants with outstanding WWAMI loans.

#### Estimated Cost to Administer

Automated; minimal manual intervention.

## Department of Education and Early Development

### *WWAMI Graduate Medical Education Program*

---

#### Loan forgiveness

Type: Credit  
Statutory/Other Authority: AS 14.43.510  
Year Enacted: 2007  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$145,515	\$292,725	\$336,403	\$530,089	\$529,876

#### Description

Under certain conditions 100% of a WWAMI participant's obligation to repay 50% of financial support provided by the state is discharged.

#### Legislative Intent, Public Purpose

The purpose is to support Alaskans' medical training and reward practice in Alaska. Encourage Alaskan WWAMI participants to return to or remain in Alaska to practice in their medical field.

#### Who Benefits and Number of Beneficiaries

Participants of the program who return to Alaska to practice. At 6/30/2015 there were 183 participants with outstanding WWAMI loans.

#### Estimated Cost to Administer

Automated; minimal manual intervention.

## Department of Education and Early Development

### *WWAMI Graduate Medical Education Program*

---

#### Subsidized Interest Period

Type: Exemption  
Statutory/Other Authority: AS 14.43.510  
Year Enacted: 2007  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$177,962	\$569,331	\$383,575	\$310,659	\$296,782

#### Description

Interest is not charged to the participant while pursuing their education in the medical education program.

#### Legislative Intent, Public Purpose

Support Alaskans' medical training and reward practice in Alaska.

#### Who Benefits and Number of Beneficiaries

40 Program participants.

#### Estimated Cost to Administer

Automated; minimal manual intervention.

## Department of Environmental Conservation

### *Food Safety and Sanitation*

---

#### **50% discount on annual permit fees**

Type: Discount  
Statutory/Other Authority: 18 AAC 31.050(r)  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$7,200	\$7,200	\$7,200	\$7,200	\$7,200

#### **Description**

Entities receiving this benefit are non-profit organizations.

#### **Legislative Intent, Public Purpose**

To comply with existing state statutes or regulations.

#### **Who Benefits and Number of Beneficiaries**

501(c)(4), (c)(10), or (c)(19) tax exempt organizations: 58 facilities

#### **Estimated Cost to Administer**

0.

---

#### **50% discount on annual permit fees**

Type: Discount  
Statutory/Other Authority: 18 AAC 31.050(u)  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$8,800	\$8,800	\$8,800	\$8,800	\$8,800

#### **Description**

This allows a small pro-ration of fees for facilities that commence business in the last two months of the billing year.

#### **Legislative Intent, Public Purpose**

To prevent unfair penalties for businesses based on start-up period.

#### **Who Benefits and Number of Beneficiaries**

New establishments: 48 facilities

#### **Estimated Cost to Administer**

0

## Department of Environmental Conservation

### *Food Safety and Sanitation*

**Although we perform the inspections, we are prohibited from charging fees directly because DCCED has the authority to issue licenses for these facilities. DEC has an RSA with DCCED to cover some of the cost associated with these inspections.**

Type: Exemption  
Statutory/Other Authority: 18 AAC 23  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown				

#### **Description**

DEC does not have authority to charge fees even though we perform the inspections. Cost for inspections is reimbursed through an RSA with DCCED.

#### **Legislative Intent, Public Purpose**

In order to comply with existing state statutes or regulations.

#### **Who Benefits and Number of Beneficiaries**

Body art facility operators: 71 facilities

#### **Estimated Cost to Administer**

0.

## Department of Environmental Conservation

### *Food Safety and Sanitation*

---

#### Fee exemption

Type: Exemption  
Statutory/Other Authority: 18 AAC 31.050(p)(1)  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$90,300	\$90,300	\$90,300	\$90,300	\$90,300

#### Description

Tax-exempt entities benefit by not paying a fee for fundraisers for their organizations, as a fee would reduce the funds raised.

#### Legislative Intent, Public Purpose

To streamline the efficiency and increase compliance within the permitting process

#### Who Benefits and Number of Beneficiaries

501(c)(3) tax exempt organizations: 283 facilities

#### Estimated Cost to Administer

0

---

#### Fee exemption

Type: Exemption  
Statutory/Other Authority: 18 AAC 31.050(p)(2)/ AS 44.46.025(d)  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$159,600	\$159,600	\$159,600	\$159,600	\$159,600

#### Description

By statute, the program cannot charge these facilities a fee.

#### Legislative Intent, Public Purpose

In order to comply with existing state statutes or regulations.

#### Who Benefits and Number of Beneficiaries

Schools and Head Start Programs: 408 facilities

#### Estimated Cost to Administer

0

**Department of Environmental Conservation**  
***Food Safety and Sanitation***

---

**Fee exemption**

Type: Fee exemption  
Statutory/Other Authority: 18 AAC 31.050(t)/ AS 44.46.025(d)  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$4,600	\$4,600	\$4,600	\$4,600	\$4,600

**Description**

By statute, the program cannot charge these facilities a fee.

**Legislative Intent, Public Purpose**

In order to comply with existing state statutes or regulations.

**Who Benefits and Number of Beneficiaries**

School, class, or school club: 33 facilities

**Estimated Cost to Administer**

0

---

**No statutory authority to charge for facilities inspected. No permits issued and therefore no fees charged**

Type: Exemption  
Statutory/Other Authority: 18 AAC 30 / AS 44.46.020  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown				

**Description**

Facilities are inspected on an annual basis. No permit is issued, so no fee is charged.

**Legislative Intent, Public Purpose**

Not provided.

**Who Benefits and Number of Beneficiaries**

Pools and spas operators: 125 facilities

**Estimated Cost to Administer**

0



**Department of Environmental Conservation**  
***Food Safety and Sanitation***

---

**No statutory authority to charge for facilities inspected. No permits issued and therefore no fees charged.**

Type: Exemption  
Statutory/Other Authority: 18 AAC 23 / AS 44.46.020  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown				

**Description**

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY16 due to budget reductions.

**Legislative Intent, Public Purpose**

Not provided.

**Who Benefits and Number of Beneficiaries**

Hair and nail salon operators: 637 facilities as of FY15. Facility count is no longer maintained.

**Estimated Cost to Administer**

0.

**Department of Environmental Conservation**  
***Food Safety and Sanitation***

---

**Plan review fee discount of 20%**

Type: Discount  
Statutory/Other Authority: 18 AAC 31.050(d)  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,100	\$1,100	\$1,100	\$1,100	\$1,100

**Description**

Reduced time required to review multiple applications from a single operator within the same establishment allows for a reduction in the fees.

**Legislative Intent, Public Purpose**

The purpose is to streamline the efficiency and increase compliance within the permitting process.

**Who Benefits and Number of Beneficiaries**

Operators with three (3) or more types of operations within a single food establishment: 51 facilities

**Estimated Cost to Administer**

0.

---

**Plan review fee discount of 20%**

Type: Discount  
Statutory/Other Authority: 18 AAC 31.050(e)  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$44,400	\$44,400	\$44,400	\$44,400	\$44,400

**Description**

Reduced time required to review multiple applications from a single operator within the same establishment allows for a reduction in the fees.

**Legislative Intent, Public Purpose**

The purpose is to streamline the efficiency and increase compliance within the permitting process.

**Who Benefits and Number of Beneficiaries**

Operators with both food service and bar/tavern service: 654 facilities

**Estimated Cost to Administer**

0.

**Department of Environmental Conservation**  
***Food Safety and Sanitation***

---

**Plan review fee discount of 50%**

Type: Discount  
Statutory/Other Authority: 18 AAC 31.050(f)  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$6,800	\$6,800	\$6,800	\$6,800	\$6,800

**Description**

There is a very limited risk for establishments that serve only hot beverages and/or non-potentially hazardous food received commercially packaged.

**Legislative Intent, Public Purpose**

The purpose is to streamline the efficiency and increase compliance within the permitting process.

**Who Benefits and Number of Beneficiaries**

Hot beverage facilities: 85 facilities

**Estimated Cost to Administer**

0

**Department of Environmental Conservation**  
***Food Safety and Sanitation***

---

**Prohibited from charging fees**

Type: Exemption  
Statutory/Other Authority: 18 AAC 30 / AS 44.46.025 (d)  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown				

**Description**

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY 2016 due to budget reductions.

**Legislative Intent, Public Purpose**

Not provided.

**Who Benefits and Number of Beneficiaries**

Schools - Sanitation only: 518 facilities as of FY 2015. Facility count is no longer maintained.

**Estimated Cost to Administer**

0.

**Department of Environmental Conservation**  
***Food Safety and Sanitation***

---

**Statutory authority to charge for facilities inspected, but no permits issued and therefore no fees charged**

Type: Exemption  
Statutory/Other Authority: 18 AAC 30 / AS 44.46.025  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown.				

**Description**

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY 2016 due to budget reductions.

**Legislative Intent, Public Purpose**

Not provided.

**Who Benefits and Number of Beneficiaries**

Overnight accommodations facilities: 2486 facilities as of FY 2015. Facility count is no longer maintained.

**Estimated Cost to Administer**

0.

**Department of Environmental Conservation**  
***Food Safety and Sanitation***

---

**Statutory authority to charge for facilities inspected, but no permits issued and therefore no fees charged**

Type: Exemption  
Statutory/Other Authority: 18 AAC 30 / AS 44.46.025  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown				

**Description**

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY 2016 due to budget reductions.

**Legislative Intent, Public Purpose**

Not provided.

**Who Benefits and Number of Beneficiaries**

Public toilets, showers, and laundromat operators: 223 facilities as of FY 2015. Facility count is no longer maintained.

**Estimated Cost to Administer**

0.

## Department of Environmental Conservation

### Laboratory Services

---

#### Cheese Testing

Type: Exemption  
Statutory/Other Authority: No fees in regulation  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,400	\$800	\$400	\$0	\$0

#### Description

Public Industry Health.

#### Legislative Intent, Public Purpose

The purpose is to comply with existing state statutes or regulations.

#### Who Benefits and Number of Beneficiaries

All businesses required to perform cheese testing: 0 operators as of FY 2014

#### Estimated Cost to Administer

0

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#### Dairy Testing

Type: Exemption  
Statutory/Other Authority: No fees in regulation  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$35,400	\$39,400	\$40,900	\$34,400	\$33,500

#### Description

Public Industry Health.

#### Legislative Intent, Public Purpose

The purpose is to comply with existing state statutes or regulations.

#### Who Benefits and Number of Beneficiaries

All businesses required to perform dairy testing: 2 operators

#### Estimated Cost to Administer

0.

## Department of Environmental Conservation

### Laboratory Services

---

#### Fishmeal Testing

Type: Exemption  
Statutory/Other Authority: Grandfathered-No fee in regulation  
Year Enacted: Prior to FY 2008  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,000	\$1,000	\$800	\$1,000	\$900

#### Description

Public Industry Health.

#### Legislative Intent, Public Purpose

The purpose is to comply with existing state statutes or regulations. These fee reductions are grandfathered into the industry by regulation.

#### Who Benefits and Number of Beneficiaries

All businesses submitting fishmeal for testing: 1 facility

#### Estimated Cost to Administer

0.

---

#### Paralytic Shellfish Toxin Testing - no charge to industry.

Type: Exemption  
Statutory/Other Authority: Legislature funded an increment so the industry wouldn't be charged  
Year Enacted: Not Provided  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$71,300	\$65,600	\$60,100	\$66,500	\$65,300

#### Description

Public Industry Health

#### Legislative Intent, Public Purpose

The legislature funded an increment so the industry wouldn't be charged.

#### Who Benefits and Number of Beneficiaries

Commercial Shellfish Harvesters: 268 operators

#### Estimated Cost to Administer

0.



## Department of Environmental Conservation

### Laboratory Services

#### Shellfish Growing Waters Testing - no charge to industry.

Type: Exemption

Statutory/Other Authority: Legislature funded an increment so the industry wouldn't be charged

Year Enacted: Not Provided

Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$13,900	\$8,500	\$6,900	\$8,400	\$7,700

#### Description

Public Industry Health.

#### Legislative Intent, Public Purpose

The legislature funded an increment so the industry wouldn't be charged.

#### Who Benefits and Number of Beneficiaries

Commercial Shellfish Harvesters: 268 operators

#### Estimated Cost to Administer

0.

### Laboratory Services

#### Slaughter Facility Testing

Type: Exemption

Statutory/Other Authority: Grandfathered-No fee in regulation, historically charged \$17, similar test in food reg is \$25 for a \$8 discount

Year Enacted: Prior to FY 2008

Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,300	\$1,100	\$1,200	\$1,300	\$1,200

#### Description

Public Industry Health.

#### Legislative Intent, Public Purpose

The purpose is to comply with existing state statutes or regulations. These fee reductions are grandfathered into the industry by regulation.

#### Who Benefits and Number of Beneficiaries

All businesses required to perform HACCP for slaughter and meat processing facility: 6 facilities

#### Estimated Cost to Administer

0.

## Department of Environmental Conservation

### *Municipal Grants and Loans*

---

#### Discounted Interest Rates on SRF Loans to municipalities (as reported in Annual Legislative Report)

Type: Discount  
Statutory/Other Authority: AS 37.05.035  
Year Enacted: Not Provided  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,960,400	\$859,600	\$5,505,000	\$10,150,000	\$3,150,000

#### Description

Discounted Interest Rates on SRF Loans to municipalities

#### Legislative Intent, Public Purpose

In order to encourage municipalities to use the program.

#### Who Benefits and Number of Beneficiaries

Municipalities that receive loans for Clean Water or Drinking Water Projects: In any given year we have approximately 150-160 active loans.

#### Estimated Cost to Administer

0.

## Department of Environmental Conservation

### *Municipal Grants and Loans*

---

#### Principal Forgiveness on SRF Loans to municipalities (as reported on Annual Report)

Type: Exemption  
Statutory/Other Authority: EPA Requirement to receive Capitalization Grants  
Year Enacted: FY 2010  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$5,898,200	\$3,598,400	\$1,235,000	\$3,589,000	\$2,596,000

#### Description

Principal Forgiveness based on certain criteria for disadvantaged communities

#### Legislative Intent, Public Purpose

This is an EPA Requirement to receive Capitalization Grants.

#### Who Benefits and Number of Beneficiaries

Municipalities that qualify for partial principal forgiveness on loans for Clean Water and Drinking Water Projects: In any given year we have approximately 150-160 active loans - not all loans qualify for partial principal forgiveness.

#### Estimated Cost to Administer

0.

### *Solid Waste*

---

#### Exempt from charging fees in regulation

Type: Exemption  
Statutory/Other Authority: 18 AAC 60.700(i)(1)  
Year Enacted: 1998  
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$900	\$0	\$0	\$0	\$0

#### Description

To encourage and promote non-disposal activities. Facility is exempt from fee per regulation.

#### Legislative Intent, Public Purpose

Not Provided.

#### Who Benefits and Number of Beneficiaries

Composting facilities: 2 facilities

#### Estimated Cost to Administer

0.

## Department of Environmental Conservation

### *Solid Waste*

#### Exempt from charging fees in regulation

Type: Exemption  
 Statutory/Other Authority: 18 AAC 60.700(i)(2)  
 Year Enacted: 1998  
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$4,800	\$4,800	\$4,800	\$4,800	\$4,800

#### Description

To encourage and promote non-disposal activities. Facility is exempt from fee per regulation.

#### Legislative Intent, Public Purpose

Not Provided.

#### Who Benefits and Number of Beneficiaries

Landspreading of biosolids: 4 facilities

#### Estimated Cost to Administer

0.

### *Wastewater Discharge Permitting*

#### Reduced general and individual permit fees for wastewater discharge facilities

Type: Discount  
 Statutory/Other Authority: 18 AAC 72.956-7  
 Year Enacted: Not Provided  
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
*	*	*	*	*

#### Description

Decreased State regulation fees for small businesses.

#### Legislative Intent, Public Purpose

In order to prevent excessive hurdles for small businesses that could inhibit their start-up or sustainability

#### Who Benefits and Number of Beneficiaries

Businesses with fewer than 20 employees: Unknown universe of wastewater discharge businesses across AK with less than 20 employees.

#### Estimated Cost to Administer

0.

## Department of Environmental Conservation

### *Solid Waste*

---

#### Stormwater plan review fee waived / Wastewater permit fee waived

Type: Exemption  
Statutory/Other Authority: AS 44.46.020(5)(C) & AS 44.45.025  
Year Enacted: 1993  
Sunset/Repeal Date: 12/31/2012

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,400	\$1,400	Unknown		

#### Description

Reduces State costs to State funded public schools

#### Legislative Intent, Public Purpose

Not provided.

#### Who Benefits and Number of Beneficiaries

Public schools discharging wastewater Regulation covers all charitable organization exempt from federal taxation: 3 waivers between 2004 and 2011 and 2 waivers between 2012 and 2013 for Wastewater permit fees waived. BillQuick shows zero waivers between FY13-15 on activity code 08:05

#### Estimated Cost to Administer

0.

**Department of Fish and Game**  
***Commercial Fisheries Entry Commission***

---

**Application fee differential**

Type: Differential Allowance  
Statutory/Other Authority: 20 AAC 05.250(b); AS 16.43.100, AS 16.43.110  
Year Enacted: 1987  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

**Description**

This reduces limited entry permit application fees (Fee reduced from \$100 to \$50 for qualifying individuals).

**Legislative Intent, Public Purpose**

To assist low-income permit holders in their ability to apply for a commercial limited entry permit.

**Who Benefits and Number of Beneficiaries**

There have been no new limitations between 2009 and 2015 so there have been no new applications for entry permits.

**Estimated Cost to Administer**

None.

***Commercial Fisheries Entry Commission***

---

**Expedite fee waived**

Type: Exemption  
Statutory/Other Authority: 20 AAC 05.425 (e) (1); AS 16.43.100, AS 16.43.110, AS 16.43.220  
Year Enacted: 2007  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
These discounts are not tracked by DFG's licensing system.				

**Description**

Fishermen are charged an \$80 service fee for expediting their permits. CFEC provides for a waiver of this fee to qualified individuals with low income.

**Legislative Intent, Public Purpose**

To assist low-income permit holders in their ability to immediately fish.

**Who Benefits and Number of Beneficiaries**

Approximately 20 - 30 per year.

**Estimated Cost to Administer**

None.

**Department of Fish and Game**  
***Commercial Fisheries Entry Commission***

---

**Nonresident fee differential**

Type: Differential Allowance  
Statutory/Other Authority: 20 AAC 05.245 (a) (7); AS 16.43.160  
Year Enacted: 2006  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$493,190	\$475,670	\$628,270	\$637,990	\$641,340

**Description**

This is a positive revenue impact. It requires nonresident permit holders to pay a surcharge the first time they renew an entry permit each year. The nonresident surcharge was \$140 for each fisherman prior to 2009 and \$190 per fisherman in 2012 - 2015.

**Legislative Intent, Public Purpose**

The purpose is to comply with the Alaska Supreme Court decisions in *Carlson v. State of Alaska*. Nonresident surcharge partially compensates for benefits State of Alaska provides to Nonresident commercial fishermen.

**Who Benefits and Number of Beneficiaries**

Not a benefit. This is a surcharge and may not fit the criteria outlined for provisions which result in indirect expenditures

**Estimated Cost to Administer**

Approximately \$2,000.00 every third year is expended in analyst's time to determine the benefits provided by the State of Alaska in order to comply with the terms of *Carlson v. State of Alaska*.

## Department of Fish and Game

### Commercial Fisheries Entry Commission

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#### Permit fees waived (fishery closures)

Type: Exemption

Statutory/Other Authority: 20 AAC 05.425; AS 16.43.100, AS 16.43.110, AS 16.43.220

Year Enacted: 1986

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$58,932	\$85,586	\$88,501	\$104,623	\$75,968

#### Description

This provision waives or reimburses the cost of renewing an annual CFEC fishing permit if the fishery was closed.

#### Legislative Intent, Public Purpose

The purpose is to assist permit holders who are not allowed to fish due to season-long closure by providing partial compensation.

#### Who Benefits and Number of Beneficiaries

Fees for 829 permits waived in 2015.

#### Estimated Cost to Administer

None.

---

#### Permit transfer fee reduction

Type: Differential Allowance

Statutory/Other Authority: 20 AAC 05.1910 (h); AS 16.43.100, AS 16.43.110

Year Enacted: 2002

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
These discounts are not tracked by DFG's licensing system.				

#### Description

The permit transfer fee is reduced from \$50 to \$25 for qualified individuals with low income.

#### Legislative Intent, Public Purpose

The purpose is to assist low-income fishermen with the fees associated with CFEC permit transfers.

#### Who Benefits and Number of Beneficiaries

Approximately 1-5 per year.

#### Estimated Cost to Administer

None.



**Department of Fish and Game**  
**Commercial Fisheries Entry Commission**

---

**Reduced permit fees (low income)**

Type: Differential Allowance  
Statutory/Other Authority: 20 AAC 05.245 (c)-(e); AS 16.43.160 (d)  
Year Enacted: 1975  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$14,228	\$20,883	\$17,921	\$15,669	\$17,135

**Description**

This provides for a discount of commercial fishing permit fees for fishermen in low income brackets.

**Legislative Intent, Public Purpose**

The purpose is to assist low-income permit holders in their ability to renew annual commercial fishing permits.

**Who Benefits and Number of Beneficiaries**

191 Individuals in 2015 paid reduced fees.

**Estimated Cost to Administer**

None.

**Game Tag**

---

**Nonresident Military Bear Tag**

Type: Discount  
Statutory/Other Authority: AS 16.05.340  
Year Enacted: 1993  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$23,275	\$16,150	\$14,250	\$15,675	\$16,625

**Description**

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase a bear tag at resident rate

**Legislative Intent, Public Purpose**

The purpose is to assist non-resident military members on active duty permanently stationed in Alaska.

**Who Benefits and Number of Beneficiaries**

30 beneficiaries.

**Estimated Cost to Administer**

Not provided.

## Department of Fish and Game

### Game Tag

---

#### Nonresident Military Goat Tag

Type: Discount  
Statutory/Other Authority: AS 16.05.340  
Year Enacted: 1993  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$900	\$0	\$300	\$900	\$600

#### Description

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase a goat tag at resident rate

#### Legislative Intent, Public Purpose

The purpose is to assist non-resident military members on active duty permanently stationed in Alaska.

#### Who Benefits and Number of Beneficiaries

1 beneficiary.

#### Estimated Cost to Administer

Not provided.

---

#### Nonresident Military Sheep Tag

Type: Discount  
Statutory/Other Authority: AS 16.05.340  
Year Enacted: 1993  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,125	\$1,275	\$1,700	\$2,125	\$1,700

#### Description

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase a sheep tag at resident rate

#### Legislative Intent, Public Purpose

To assist non-resident military members on active duty permanently stationed in Alaska.

#### Who Benefits and Number of Beneficiaries

4 beneficiaries.

#### Estimated Cost to Administer

Not provided.

## Department of Fish and Game

### *Hunting License*

---

#### **Nonresident Military Hunting License**

Type: Discount  
Statutory/Other Authority: AS 16.05.340  
Year Enacted: 1977  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$40,382	\$34,587	\$42,090	\$41,220	\$40,200

#### **Description**

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase hunting license at resident rate.

#### **Legislative Intent, Public Purpose**

The purpose is to assist non-resident military members on active duty permanently stationed in Alaska.

#### **Who Benefits and Number of Beneficiaries**

690 beneficiaries.

#### **Estimated Cost to Administer**

Not provided.

### *Sport Fishing and Hunting License*

---

#### **Disabled Veterans Hunting License, King Stamp, and Duck Stamp**

Type: Discount  
Statutory/Other Authority: AS 16.05.341  
Year Enacted: 1996  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$295,785	\$319,032	\$348,138	\$378,945	\$409,437

#### **Description**

Allows Alaska disabled veterans a free license, king salmon stamp and duck stamp

#### **Legislative Intent, Public Purpose**

The purpose is to assist resident disabled veterans.

#### **Who Benefits and Number of Beneficiaries**

5,526 beneficiaries.

#### **Estimated Cost to Administer**

Not provided.

## Department of Fish and Game

### *Sport Fishing and Hunting License*

---

#### **Nonresident Military Combined Hunting/Fishing License**

Type: Discount  
Statutory/Other Authority: AS 16.05.340  
Year Enacted: 1977  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$178,360	\$210,938	\$287,560	\$292,474	\$278,824

#### **Description**

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase fishing and hunting license at resident rate.

#### **Legislative Intent, Public Purpose**

The purpose is to assist non-resident military members on active duty permanently stationed in Alaska.

#### **Who Benefits and Number of Beneficiaries**

1532 beneficiaries.

#### **Estimated Cost to Administer**

Not provided.

---

#### **Resident National Guard/Military Reserves Hunting/Fishing License**

Type: Discount  
Statutory/Other Authority: AS 16.05.341  
Year Enacted: 2008  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$83,808	\$78,048	\$75,936	\$75,984	\$80,976

#### **Description**

This allows qualified Alaska military reserves a free annual fishing and hunting license.

#### **Legislative Intent, Public Purpose**

The purpose is to assist resident military reserve members.

#### **Who Benefits and Number of Beneficiaries**

1582 beneficiaries.

#### **Estimated Cost to Administer**

Not provided.

## Department of Fish and Game

### *Sport Fishing King Salmon Stamp*

---

#### Nonresident Military King Stamp

Type: Discount  
Statutory/Other Authority: AS 16.05.340  
Year Enacted: 1993  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$122,880	\$141,760	\$118,400	\$124,560	\$162,480

#### Description

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase a king salmon stamp at resident rate.

#### Legislative Intent, Public Purpose

The purpose is to assist non-resident military members on active duty permanently stationed in Alaska.

#### Who Benefits and Number of Beneficiaries

2031 beneficiaries.

#### Estimated Cost to Administer

Not provided.

---

#### Yukon Resident King Stamp

Type: Discount  
Statutory/Other Authority: AS 16.05.340  
Year Enacted: 2005  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$63,990	\$62,010	\$64,890	\$56,070	\$52,200

#### Description

Yukon residents allowed to purchase king salmon stamp at the Alaska resident rate

#### Legislative Intent, Public Purpose

This is to provide a reciprocal king salmon stamp with Yukon Territory residents.

#### Who Benefits and Number of Beneficiaries

580 beneficiaries.

#### Estimated Cost to Administer

Not provided.

## Department of Fish and Game

### *Sport Fishing License*

---

#### **Blind Resident Sport Fishing License**

Type: Discount  
Statutory/Other Authority: AS 16.05.340  
Year Enacted: 1995  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,215	\$1,181	\$1,991	\$1,473	\$998

#### **Description**

\$0.25 license: Qualified blind residents.

#### **Legislative Intent, Public Purpose**

The purpose is to assist blind residents.

#### **Who Benefits and Number of Beneficiaries**

42 beneficiaries.

#### **Estimated Cost to Administer**

Not provided.

---

#### **Nonresident Military Fishing License**

Type: Discount  
Statutory/Other Authority: AS 16.05.340  
Year Enacted: 1977  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$493,317	\$561,803	\$618,431	\$647,471	\$626,175

#### **Description**

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase fishing license at resident rate.

#### **Legislative Intent, Public Purpose**

The purpose is to assist non-resident military members on active duty permanently stationed in Alaska.

#### **Who Benefits and Number of Beneficiaries**

5175 beneficiaries.

#### **Estimated Cost to Administer**

Not provided.

## Department of Fish and Game

### *Sport Fishing License*

---

#### **Yukon Resident Sport Fishing License**

Type: Discount  
Statutory/Other Authority: AS 16.05.340  
Year Enacted: 2005  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$132,832	\$130,368	\$139,440	\$299,717	\$272,613

#### **Description**

Yukon residents allowed to purchase fishing license at the Alaska resident rate.

#### **Legislative Intent, Public Purpose**

The purpose is to provide a reciprocal fishing license with Yukon Territory residents.

#### **Who Benefits and Number of Beneficiaries**

2253 beneficiaries.

#### **Estimated Cost to Administer**

Not provided.

## *Sport Fishing, Hunting and Trapping License*

---

#### **Low Income Resident Combined Hunting/Fishing/Trapping License**

Type: Discount  
Statutory/Other Authority: AS 16.05.340  
Year Enacted: 1961  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,508,688	\$1,501,704	\$1,443,456	\$1,147,695	\$1,077,243

#### **Description**

\$5 fishing, hunting and trapping license and king salmon stamp: Alaska residents of low income on welfare program or annual income less than \$8200.

#### **Legislative Intent, Public Purpose**

To assist low-income residents.

#### **Who Benefits and Number of Beneficiaries**

18899 beneficiaries.

#### **Estimated Cost to Administer**

Not provided.

**Department of Fish and Game**  
***Sport Fishing, Hunting and Trapping License***

---

**Resident Senior Hunting License, King Stamp, and Duck Stamp**

Type: Discount  
Statutory/Other Authority: AS 16.05.400  
Year Enacted: 1981  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$4,955,104	\$5,220,600	\$5,995,682	\$6,395,396	\$6,795,978

**Description**

Allows Alaska residents over the age of 60 a free license, king salmon stamp and duck stamp.

**Legislative Intent, Public Purpose**

The purpose is to assist resident seniors.

**Who Benefits and Number of Beneficiaries**

77866 beneficiaries.

**Estimated Cost to Administer**

Not provided.



## Department of Health and Social Services

### *Alaska Pioneer Homes*

---

#### Alaska Pioneer Home Payment Assistance Program

Type: Differential Allowance

Statutory/Other Authority: 7 AAC 74.045; AS 47.55.010, AS 47.55.020, AS 47.55.030

Year Enacted: Regulations revised 2004

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$4,860,878	\$5,698,988	\$6,318,976	\$6,985,657	\$8,681,125

Note: Each year's figure is based on the 12/31 deferred rate.

#### Description

Provides for the Pioneer Home Payment Assistance Program allowing residents to reside in the Pioneer Homes when they do not have the funds to pay the full monthly rate.

#### Legislative Intent, Public Purpose

Not provided.

#### Who Benefits and Number of Beneficiaries

As of December 2015, 156 individuals were participating in the Payment Assistance Program

#### Estimated Cost to Administer

\$74,590

**Department of Health and Social Services**  
***Bureau of Vital Statistics***

---

**Fees for Death Certificates**

Type: Exemption  
Statutory/Other Authority: AS 18.50.320  
Year Enacted: 2012  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Program not in existence		\$40,900	\$5,150	\$12,880

**Description**

Provides up to four free copies of veteran's death certificate; discount is \$40 for the first certificate and \$25 for the 2nd-4th copies.

**Legislative Intent, Public Purpose**

Honor veterans by making it easier to apply for benefits.

**Who Benefits and Number of Beneficiaries**

Approximately 30% of the deaths reported in Alaska annually, or 1,000, indicate the decedent was a veteran.

**Estimated Cost to Administer**

Not provided.

## Department of Health and Social Services

### *HB 310 Vaccine*

---

#### **Fees for Vaccines**

Type: Not Provided

Statutory/Other Authority: HB310: Ch 24, SLA 2012; SB169: SLA 2014; AS 18.09

Year Enacted: 2012

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Program not in existence		\$4,496,000	\$4,496,000	\$4,496,000

Note: The Vaccine Assessment Fund is now set up and operational. The \$4,496,000 shown in FY2013-FY2015 was funding to keep the program alive until the Vaccine Fund could get started. These general funds no longer exist in FY2016.

#### **Description**

Free vaccine for specific-aged individuals. Vaccine is limited to those listed in legislation.

#### **Legislative Intent, Public Purpose**

Assures protection of overall public health by making certain vaccines available to uninsured and under-insured children and seniors.

#### **Who Benefits and Number of Beneficiaries**

Approximately 18,000 children (0-18), 7,000 adults.

#### **Estimated Cost to Administer**

Not provided.

## Department of Health and Social Services

### *Public Health Nursing*

---

#### Reasonable Fees, Collection, Non-denial of Services

Type: Discount  
Statutory/Other Authority: 7 AAC 80.010-060; AS 44.29.022  
Year Enacted: 1986  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,300,000	\$1,300,000	\$1,300,000	\$1,500,000	\$513,640

Note: Figures are an estimated average.

#### Description

No denial of public health services because of inability to pay. Reduced fees on a sliding scale based on income and family size using USDHHS annual poverty guidelines. Waives fees if it is in the public interest for communicable disease control or in response to a public health emergency.

#### Legislative Intent, Public Purpose

This provides statewide health care and ensures protection of overall public health by making public health services available to all individuals regardless of their ability to pay.

#### Who Benefits and Number of Beneficiaries

An average of approximately 52,000 individuals a year receive public health nursing services and are eligible to receive the benefit if needed.

#### Estimated Cost to Administer

Not provided.

## Department of Health and Social Services

### *SHARP II*

---

#### Health Care Professions Loan Repayment and Incentive

Type: Not Provided

Statutory/Other Authority: AS 29.18; 7 AAC 24

Year Enacted: 2012

Sunset/Repeal Date: 2019 – report due in 5 years

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Program not in existence.		\$603,000	\$82,493	\$73,337

#### Description

This is a repayment of educational loans, which is a direct incentive for certain health care professionals.

#### Legislative Intent, Public Purpose

The purpose is to increase access to health care in rural Alaska.

#### Who Benefits and Number of Beneficiaries

Up to 90 each health care facilities and practitioners. All Alaskans, particularly in rural areas.

#### Estimated Cost to Administer

\$125,000

**Department of Health and Social Services**  
***Women, Children, and Family Health (WCFH) Pediatric Specialty Clinics***

---

**Fees for Services at Pediatric Specialty Clinics**

Type: Discount  
Statutory/Other Authority: AS 37.10.050(c)  
Year Enacted: Unknown  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$120,800	\$129,700	\$197,100	\$113,200	\$116,300

**Description**

Fees charged to patients based on the published Alaska Medicaid fee schedule and not the market price. Sliding scale fee for calculation sheet. Beneficiary may be any patient seen at the four types of clinics: genetics, metabolic, cleft lip and palate, and/or neurodevelopmental autism. There is no denial of services due to a patient's inability to pay.

**Legislative Intent, Public Purpose**

This provides the ability to collect fees for services provided by the state to provide services for special healthcare needs population. The purpose is to increase access to specialized health care services for Alaskans statewide.

**Who Benefits and Number of Beneficiaries**

About 420 patients annually.

**Estimated Cost to Administer**

Estimated at \$25,400 annually, based on percent of staff processing time.

**Department of Labor**  
***Alaska Vocational Technical Center***

---

**AVTEC Tuition Waiver**

Type: Waiver  
Statutory/Other Authority: AS 44.31.020  
Year Enacted: 2000  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$6,050	\$9,250	\$13,200	\$17,820	\$2,750

Note: The exact fiscal impact varies based on the training program that the recipient enrolls in. The revenue would have been General Fund Program Receipts (Designated General Funds).

**Description**

AVTEC provides tuition waivers to one Seward high school student, and seven students via the Alaska School Counselors Association. Schools nominate graduating students and the nominations are reviewed and approved by the Alaska School Counselors Association.

**Legislative Intent, Public Purpose**

The purpose is to encourage Alaska high school graduates to work hard in school and attend AVTEC for vocational training.

**Who Benefits and Number of Beneficiaries**

Up to eight recipients per year:

FY 2011- 3 students

FY 2012- 4 students

FY 2013- 5 students

FY 2014 - 7 students

FY 2015 - 1 student

**Estimated Cost to Administer**

N/A.

**Department of Labor**  
***Occupational Safety and Health***

---

**AKOSH Penalty reduction for late reporting**

Type: Waiver  
Statutory/Other Authority: AS 18.60.095, 8 ACC 61.155  
Year Enacted: Statute 1973, Regulation 1975  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$42,600	\$33,000	\$54,300	\$48,970	\$56,660

**Description**

By regulation, during an AKOSH informal conference the director, on behalf of the commissioner, may change the penalty assessed against an employer. An AKOSH informal conference provides an opportunity for an employer to meet with the director and discuss any issues related to an inspection, citation and notice of proposed penalty. The informal conference may result in an adjustment of penalties to settle the alleged violation(s).

**Legislative Intent, Public Purpose**

To allow flexibility when assessing a penalty to consider the size of the business of the employer being charged, the gravity of the violation, the good faith of the employer, and the history of previous violations. Penalty reductions assist with quicker and less expensive resolutions of citations and penalties along with faster hazard abatement. Formal contests are time consuming and costly. Also, during the period a case is in formal contest the hazards associated with alleged violations are not required to be corrected, while all hazards must be verified as corrected under the terms of an informal settlement agreement achieved through informal conference.

**Who Benefits and Number of Beneficiaries**

The number of beneficiaries varies from year to year and has not been tracked.

**Estimated Cost to Administer**

N/A.



## Department of Labor *Worker's Compensation*

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### Workers' Compensation Appeals Commission (WCAC) Fees

Type: Waiver  
Statutory/Other Authority: 8 AAC 57.090; AS 23.30.128  
Year Enacted: 2005  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$4,300	\$1,900	\$2,425	\$3,862	\$3,296

#### Description

The WCAC may waive the \$50 filing fee and transcription costs. Transcription costs may run anywhere from \$200 to \$2,000, depending on the length of the hearing.

#### Legislative Intent, Public Purpose

To ensure that all parties have the ability to due process, even if they cannot afford filing costs.

#### Who Benefits and Number of Beneficiaries

In FY 2015 there were nine persons whose filing fees and/or transcription costs were waived. In FY 2014 there were three persons whose filing fees and/or transcription costs were waived. In FY 2013 there were four persons whose filing fees and/or transcription costs were waived.

#### Estimated Cost to Administer

N/A.

## Department of Labor *Worker's Compensation*

---

### **Workers' Compensation Benefit Guarantee Fund Uninsured Penalties - assessed civil penalties issued by the Special Investigations Unit**

Type: Waiver

Statutory/Other Authority: AS 23.30.080(f); 8 AAC 45.176

Year Enacted: 2005

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$855,000	\$1,351,000	\$503,253	\$1,172,072	\$2,129,599

Note: Revenue from these civil penalties funds the Workers' Compensation Benefits Guaranty Fund, AS 23.30.082, which covers expenses for injured employees of uninsured employers.

#### **Description**

Statutes provide for a civil penalty of up to \$1,000 per uninsured employee workday. If an employer voluntarily stipulates, regulations allow a reduction of 25% of the calculated penalty. If the employer goes to hearing, the Board has discretion to suspend the calculated civil penalty in whole or in part.

#### **Legislative Intent, Public Purpose**

This was an unintended consequence of legislative changes in 2005. The legislature did not anticipate the Appeals Commission Decision in Alaska R&C Communications. Waiving a penalty under 8 AAC 45.176 is to encourage an employer to agree to the calculated civil penalty without litigation, freeing up Board time and resources. Waiving a penalty under AS 23.30.080 is to avoid extreme financial hardship to an employer, or putting the employer out of business (Workers' Compensation Appeals Commission Case: Alaska R&C Communications v SOA, Decision No. 88, 9/16/08).

#### **Who Benefits and Number of Beneficiaries**

There were 92 uninsured employers in FY2015; 72 were assessed a civil penalty by stipulation (49 received discounts) and 19 assessed by decision and order (there were no discounts granted). There were 71 uninsured employers in FY2014; 51 assessed by stipulation (42 received discounts) and 20 assessed by decision and order (there were no discounts granted). There were 88 uninsured employers in FY2013. There were 66 assessed by stipulation (28 receiving discounts) and a total of 22 assessed by Decision and Order (1 that received a discount).

#### **Estimated Cost to Administer**

N/A.

## Department of Labor

### Worker's Compensation

#### Workers' Compensation Late Filing Penalties

Type: Waiver  
Statutory/Other Authority: AS 23.30.155(c) and .155(m), 8 AAC 45.136  
Year Enacted: Statute 1988, Regulation 1999  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$53,000	\$36,000	\$117,100	Unknown - due to system conversion	Unknown - audit to be completed in July

#### Description

Commissioner has authority to waive all or part of late report filing penalties assessed against an insurer/self-insured employer if 95% of the reports filed in the calendar year were filed timely. Each employer is required to submit a compensation report on each claim when payment is initiated, the pay type or benefit amount is changed, or the claim is terminated. Report is due within 28 days of the triggering event. If the report is late, there is a statutory civil penalty of \$100 per day (maximum of \$1,000). At the end of each calendar year the Division totals the amount of civil penalties due.

#### Legislative Intent, Public Purpose

The intent was to reward insurers/self-insured employers whose overall performance was excellent (above 95%). Waiving the penalties under AS 23.30.155 is a way of forgiving the occasional untimely report of insurers/self-insured employers that provide the vast majority of their reports timely.

#### Who Benefits and Number of Beneficiaries

In FY2014 there were approximately 229 insurance companies/self-insured employers who submitted 17,803 compensation reports. The number of beneficiaries and final assessments are subject to change and revenue impact could be restated.

#### Estimated Cost to Administer

N/A

**Department of Natural Resources**  
***Mining, Land and Water***

---

**Exploration Incentive Credits for Mining Activities**

Type: Tax Credit  
Statutory/Other Authority: AS 27.30.010  
Year Enacted: 1995  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,517,412	\$0	\$0	\$0	\$0

**Description**

Provides exploration incentive credit for exploration activities.

**Legislative Intent, Public Purpose**

For purpose of determining existence, location, extent, or quality of a locatable or leasable mineral or coal deposit.

**Who Benefits and Number of Beneficiaries**

One per year.

**Estimated Cost to Administer**

\$2,500 (approximate).

**Department of Natural Resources**  
***Mining, Land and Water***

---

**Sale of Material at Less than Fair Market Value**

Type: Discount  
Statutory/Other Authority: AS 38.05.872(b)  
Year Enacted: 2012  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

**Description**

Convey materials at less than fair market value for mitigation of a flooding area where excess material deposition contributes to flooding.

**Legislative Intent, Public Purpose**

The Act was to provide for the disposal of certain bedload materials in conjunction with a flood mitigation plan. The purpose was to make it easier to remove gravel/sand where excess deposits may cause the flooding.

**Who Benefits and Number of Beneficiaries**

None to date; however, City of Seward has expressed interest.

**Estimated Cost to Administer**

None.

## Department of Natural Resources

### *Mining, Land and Water*

---

#### **Sale of Material at Less than Fair Market Value**

Type: Discount  
Statutory/Other Authority: AS 38.05.555(f)  
Year Enacted: 2012  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

#### **Description**

Provides 200 cubic yards for personal use by individual for free, <30,000 c.y. for commercial use at no cost for 10 year period; >30,000 c.y. at price of 20% of representative regional price or 20% of FMV for a period of 10 years.

#### **Legislative Intent, Public Purpose**

Create incentive for development of peat as a source of heat or power.

#### **Who Benefits and Number of Beneficiaries**

None to date.

#### **Estimated Cost to Administer**

None.

**Department of Natural Resources**  
***Mining, Land and Water***

---

**Public and Charitable Use**

Type: Discount  
Statutory/Other Authority: AS 38.05.810(a)  
Year Enacted: 1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown				

**Description**

Provides lease, sale, or other disposal of state land or resources to certain entities for less than fair market value.

**Legislative Intent, Public Purpose**

The purpose is to allow the state the ability to balance the public benefit against revenues when it is in the public's best interest to authorize certain types of projects. Also, the purpose is to provide state land or coal deposits suitable for mining for less than appraised value that serve a public purpose and are in the public interest.

**Who Benefits and Number of Beneficiaries**

7 issued in 2012; 154 are in issued status and 18 in early entry authorization.

**Estimated Cost to Administer**

\$3000.

## Department of Natural Resources

### *Oil and Gas*

---

#### Shale Oil

Type: Discount  
Statutory/Other Authority: AS 38.05.160  
Year Enacted: 1959  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

Note: No activity has required authorization of this rental and royalty relief clause.

#### Description

The Commissioner may waive payment of royalty and rental during the first five years of the lease.

#### Legislative Intent, Public Purpose

Provide Commissioner with discretion in rental fees for future shale development. Encourage the production of petroleum products from shale.

#### Who Benefits and Number of Beneficiaries

None known

#### Estimated Cost to Administer

None.



## Department of Natural Resources

### *Oil and Gas*

---

#### Exploration Incentive Credits for Oil & Gas Activities

Type: Tax Credit  
Statutory/Other Authority: AS 41.09.010  
Year Enacted: 1994  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

Note: This is not an active incentive credit.

#### Description

EIC may not exceed 50% of eligible costs relating to activities performed on state-owned lands and 25% of eligible costs related to activities performed on land in but not owned by the state.

#### Legislative Intent, Public Purpose

Incentivize exploration with data available to state. Encourage oil and gas exploratory work on state land.

#### Who Benefits and Number of Beneficiaries

As of 2007, none (6/30/07 was last date for qualifying work).

#### Estimated Cost to Administer

None.

## Department of Natural Resources

### *Oil and Gas*

---

#### Exploration Incentive Credits for Oil & Gas Activities

Type: Tax Credit  
Statutory/Other Authority: AS 38.05.180(i)  
Year Enacted: 1983  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

#### Description

A non-transferrable credit for the cost of drilling or seismic work performed under a limited time period established by the Commissioner of the Department of Natural Resources. Credit may be granted for up to 50% of the cost of drilling or seismic work, not to exceed 50% of the tax liability to which it is being applied. See also page 186.

#### Legislative Intent, Public Purpose

The purpose is to incentivize exploration of state lands and make data publicly available post lease sale and to encourage O&G exploratory work on state land.

#### Who Benefits and Number of Beneficiaries

22 exploratory wells qualified; last claim was in 1994.

#### Estimated Cost to Administer

None

## Department of Natural Resources

### *Oil and Gas*

---

#### **Royalty Relief**

Type: Discount  
Statutory/Other Authority: AS 38.05.180(f)(6)  
Year Enacted: 2003  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$12,482,905	\$14,855,924	\$18,114,351	\$14,373,165	\$6,371,535

#### **Description**

Royalty relief for Cook Inlet platforms.

#### **Legislative Intent, Public Purpose**

The purpose is to provide monetary incentive as royalty relief from oil and gas producing platforms. It is also an incentive to lessees to continue to produce from Cook Inlet platforms which were not economically viable at a 12.5% royalty rate.

#### **Who Benefits and Number of Beneficiaries**

6 companies.

#### **Estimated Cost to Administer**

0.

## Department of Natural Resources

### *Oil and Gas*

---

#### **Royalty Relief**

Type: Discount  
Statutory/Other Authority: AS 38.05.180(f)(5)  
Year Enacted: 1998  
Sunset/Repeal Date: 10 yrs. after restart of production

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$844,851	\$1,207,137	Not available.	\$0	\$0

#### **Description**

Royalty Relief for small Cook Inlet discoveries.

#### **Legislative Intent, Public Purpose**

The purpose is to increase Cook Inlet oil and gas production from shut in wells and platforms. It also is an incentive to lessees to restart production from Cook Inlet leases that had been shut down prior to 1988.

#### **Who Benefits and Number of Beneficiaries**

12 companies.

#### **Estimated Cost to Administer**

0.

---

#### **Royalty Modification for Oooguruk Unit**

Type: Discount  
Statutory/Other Authority: AS 38.05.180(f)(1)(A), (2), (3), (4)(A), (5)  
Year Enacted: 2006  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$22,031,229	\$20,722,222	\$18,379,884	\$22,499,833	\$26,192,088

#### **Description**

Royalty modification for Oooguruk Unit

#### **Legislative Intent, Public Purpose**

The purpose is to provide reduced royalty to enable Oooguruk Unit to begin production and to stimulate increased production on ANS.

#### **Who Benefits and Number of Beneficiaries**

2 companies

#### **Estimated Cost to Administer**

0

## Department of Natural Resources

### *Oil and Gas*

---

#### Royalty Modification for Nikaitchuq Unit

Type: Discount  
Statutory/Other Authority: AS 38.05.180(f)(1)(A), (2), (3), (4)(A), (5)  
Year Enacted: 2008  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

#### Description

Royalty Modification for Nikaitchuq Unit

#### Legislative Intent, Public Purpose

The purpose is to allow the Commissioner royalty modification on individual leases and to stimulate increased production on ANS.

#### Who Benefits and Number of Beneficiaries

None.

#### Estimated Cost to Administer

0.

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### *Parks and Outdoor Recreation*

---

#### Disabled Veterans Camping Pass

Type: Discount  
Statutory/Other Authority: AS 41.21.026(d)  
Year Enacted: 1987  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$260,800	\$80,800	\$261,400	\$94,800	\$449,100

#### Description

Free camping pass to disabled veterans of this country for use in the state park campgrounds.

#### Legislative Intent, Public Purpose

The purpose is to honor disabled veterans by providing them free overnight camping in state parks units and to provide a benefit to disabled veterans.

#### Who Benefits and Number of Beneficiaries

1,210 (annual average 2008-2012) 3.4 million potential beneficiaries (US Census Bureau, 11/11).

#### Estimated Cost to Administer

Negligible/cost of printing decals.

## Department of Revenue

### *Alcoholic Beverage Tax*

---

#### **Small Brewery Reduced Rate**

Type: Reduced Rate  
Statutory/Other Authority: AS 43.60.010 (c)  
Year Enacted: 2002  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,278,933	\$2,451,673	\$2,602,999	\$2,776,757	\$2,881,017

#### **Description**

Beer, cider, and malt beverages produced by brewers who have qualified with the federal government per 26 U.S.C. 5051(a)(2) and have been approved fiscally by DOR is taxed at a reduced rate of tax of 35 cents per us gallon instead of the full tax rate of \$1.07 per us gallon.

#### **Legislative Intent, Public Purpose**

The intent was to foster the development of breweries and brewpubs in Alaska.

#### **Who Benefits and Number of Beneficiaries**

28 distributors (both local and out of state breweries that meet the volume definition).

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Cigarette Tax*

---

#### Indian Reservation Exemption from Cigarette Tax

Type: Exclusion  
Statutory/Other Authority: AS 43.50.090, AS 43.50.150  
Year Enacted: 1983  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$407,570	\$335,630	\$309,220	\$362,939	\$373,480

#### Description

Cigarettes imported or acquired by one of the two federally recognized Indian reservations are exempt from the cigarette tax.

#### Legislative Intent, Public Purpose

The purpose is to comply with federal law.

#### Who Benefits and Number of Beneficiaries

1 federally recognized Indian reservation.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Cigarette Tax*

---

#### Personal Exemption from Cigarette Tax

Type: Exclusion  
Statutory/Other Authority: AS 43.50.090 (d), AS 43.50.190 (c)  
Year Enacted: 2003, amended 2004  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. There is no reporting requirement for cigarettes personally transported into the state.				

#### Description

The first 400 cigarettes personally transported into the state by an individual for that individual's personal consumption during the calendar month are excluded from the cigarette tax.

#### Legislative Intent, Public Purpose

The Legislature intended the personal use exemption to support efficient administration of tax by focusing the tax towards wholesalers and distributors rather than personal consumption by an individual.

#### Who Benefits and Number of Beneficiaries

Unknown.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.



## Department of Revenue

### *Cigarette Tax*

---

#### Tax Stamp Discount

Type: Reduced Rate  
Statutory/Other Authority: AS 43.50.540 (c)  
Year Enacted: 2003  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$320,918	\$307,838	\$313,192	\$270,539	\$360,326

#### Description

This gives a discount of up to \$50,000 per company per year as compensation for affixing stamps to packs of cigarettes. The discount is 3% if stamps purchased are \$1,000,000 or less, 2% if between \$1,000,000 and \$2,000,000, and 0% for amounts of stamps purchased over \$2,000,000

#### Legislative Intent, Public Purpose

The purpose is to provide a discount to compensate taxpayers for the cost of affixing stamps to each pack.

#### Who Benefits and Number of Beneficiaries

8 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Cigarette Tax*

---

#### Uniformed Services Exemption from Cigarette Tax

Type: Exclusion  
Statutory/Other Authority: AS 43.50.090(c)  
Year Enacted: 1977  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. There is no reporting requirement for cigarettes sold to uniformed services directly from the manufacturer.				

#### Description

Cigarettes imported or acquired by one of the uniformed services of the United States are exempt from the cigarette tax.

#### Legislative Intent, Public Purpose

The purpose is to comply with federal law.

#### Who Benefits and Number of Beneficiaries

Unknown.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Commercial Passenger Vessel Taxes*

---

#### 72 Hour Threshold Voyage Exemption

Type: Exemption

Statutory/Other Authority: AS 43.52.295(4)

Year Enacted: 2010

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. Only voyages that exceed 72 hours are required to report.				

#### Description

Voyages on the state's marine waters 72 hours or less are excluded from the tax.

#### Legislative Intent, Public Purpose

The purpose is to clarify the definition of "voyage" for purposes of the tax and to encourage cruise ship activity in Alaska.

#### Who Benefits and Number of Beneficiaries

Unknown.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

---

#### Large Passenger Vessel Gambling Tax Deduction

Type: Deduction

Statutory/Other Authority: AS 43.35.210

Year Enacted: 2006

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. There is no reporting requirement for federal and municipal taxes paid.				

#### Description

Allows a deduction of federal and municipal taxes paid from gambling gross income.

#### Legislative Intent, Public Purpose

This provision was part of a ballot measure and therefore has no legislative history. The public purpose is to prevent double taxation.

#### Who Benefits and Number of Beneficiaries

Unknown.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Commercial Passenger Vessel Taxes

---

#### Small Passenger Vessel Exemption

Type: Exemption  
Statutory/Other Authority: AS 32.52.295(1)(A)  
Year Enacted: 2006  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. There is no filing requirement for small passenger vessels.				

#### Description

Vessels with fewer than 250 berths are excluded from commercial passenger vessel taxes.

#### Legislative Intent, Public Purpose

This provision was part of a ballot measure and therefore has no legislative history. The public purpose is to avoid burdening small passenger vessels with tax.

#### Who Benefits and Number of Beneficiaries

Unknown.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

---

#### Tax Reduction for Local Levies

Type: Reduced Rate  
Statutory/Other Authority: AS 43.52.255  
Year Enacted: 2010  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$11,846,936	\$12,170,756	\$13,559,558	\$13,052,397	\$12,871,480

#### Description

The cost of local passenger fees is deducted from the state's passenger fee. This reduction is an offset for fees collected by the two communities (Juneau and Ketchikan) that had levies in effect prior to December 17, 2007.

#### Legislative Intent, Public Purpose.

The purpose is to encourage cruise ship activity in Alaska by limiting the total tax burden.

#### Who Benefits and Number of Beneficiaries

11 cruise lines.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Corporate Income Tax

---

#### "S" Corporation exclusion

Type: Exclusion  
Statutory/Other Authority: AS 43.20.021  
Year Enacted: N/A (See Description)  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unable to determine revenue impact.				

Note: While S Corporations doing business in Alaska are required to submit a tax return, they do not report any income or income tax on the returns, so the estimated revenue impact is unavailable.

#### Description

Under Alaska's adoption of the Internal Revenue Code, corporations that have elected S Corporation status ("S" corporations) are generally not subject to tax. Prior to 1980, the stakeholders' share of income was subject to Alaska's personal income tax. Since the 1980 repeal of the state's personal income tax, the income is taxed neither at the corporate level nor at the shareholder level.

#### Legislative Intent, Public Purpose

The exclusion is intended to support the efficient administration of the corporate income tax through uniformity with the federal income reporting.

#### Who Benefits and Number of Beneficiaries

Approximately 9000 companies submitted S-Corp returns. The number of companies that would pay tax without this exclusion is unknown.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Corporate Income Tax

---

#### Exclude Income from Certain Vessels from Tax

Type: Exclusion  
Statutory/Other Authority: AS 43.20.021 (h)  
Year Enacted: 1998, amended 2006  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. There are limited reporting requirements for foreign-flagged vessels.				

#### Description

Foreign-flagged vessels other than cruise ships operating in Alaska waters are excluded from tax.

#### Legislative Intent, Public Purpose

The intent of the exclusion adopted in 1998 was to exclude foreign-flagged vessels from tax. A 2006 ballot measure removed the exclusion for certain cruise ships.

#### Who Benefits and Number of Beneficiaries

Unknown.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Corporate Income Tax

---

#### Exempt Corporations from Tax that are Participants in Contract under Stranded Gas Development Act

Type: Exemption  
Statutory/Other Authority: AS 43.20.145 (g)  
Year Enacted: 1998  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

#### Description

Corporations that are a party to a contract under the Stranded Gas Development Act are exempt from corporate income tax filing requirements, if the agreement provides for a payment in lieu of income tax

#### Legislative Intent, Public Purpose

This provision is intended to allow the state to take payment in lieu of tax under the Stranded Gas Development Act and to promote the construction of a gas pipeline from the North Slope to export markets.

#### Who Benefits and Number of Beneficiaries

No beneficiaries because there is no contract under the Stranded Gas Development Act.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Corporate Income Tax*

---

#### Federal Tax Credits

Type: Credit  
Statutory/Other Authority: AS 43.20.021  
Year Enacted: 1975  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown, not tracked.		\$1,521,105	\$1,578,843	FY 2015 incomplete.

Note: All returns with tax periods beginning in FY 2015 have not yet been received, so FY 2015 data is incomplete.

#### Description

Under Alaska's adoption of the Internal Revenue Code, taxpayers can claim most federal incentive credits. Federal credits that refund other federal taxes are not allowed. Multi-state taxpayers apportion their total federal incentive credits. For most credits, the credit is limited to 18% of the amount of the credit determined for federal tax purposes which is attributable to Alaska.

#### Legislative Intent, Public Purpose

The adoption by reference of federal credits to support the efficient administration of the corporate income tax through uniformity with the federal incentive credits.

#### Who Benefits and Number of Beneficiaries

Approximately 620 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.



## Department of Revenue

### Corporate Income Tax

---

#### Foreign Royalty Exclusion

Type: Exclusion  
Statutory/Other Authority: AS 43.20.145(b)  
Year Enacted: 1991  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown, not tracked.		\$1,425,264	\$1,408,557	FY 2015 incomplete.

Note: All returns with tax periods beginning in FY 2015 have not yet been received, so FY 2015 data is incomplete.

#### Description

Excludes 80% of foreign royalties from apportionable income.

#### Legislative Intent, Public Purpose

The sponsor of the legislation stated in committee that the purpose was to encourage foreign investment in Alaska.

#### Who Benefits and Number of Beneficiaries

Approximately 250 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Corporate Income Tax*

---

#### Gas Exploration and Development Credit

Type: Credit  
Statutory/Other Authority: AS 43.20.043  
Year Enacted: 2003, amended 2010  
Sunset/Repeal Date: Repealed 1/1/16

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Confidential due to a small number of recipients.			\$0	FY 2015 incomplete.

Note: All returns with tax periods beginning in FY 2015 have not yet been received, so FY 2015 data is incomplete.

#### Description

A credit for qualified expenditures for the exploration and development of non-North Slope natural gas reserves. The credit is 25% of qualified expenditures; investments in existing units qualify. The credit is capped at 75% of tax liability as calculated before applying other credits.

#### Legislative Intent, Public Purpose

The purpose is to increase gas exploration and development outside the North Slope, leading to more production and gas supplies, in particular for SouthCentral Alaska.

#### Who Benefits and Number of Beneficiaries

Less than 5 companies per year.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Corporate Income Tax

---

#### Gas Storage Facility Credit

Type: Credit  
Statutory/Other Authority: AS 43.20.046  
Year Enacted: 2010  
Sunset/Repeal Date: 12/31/2015

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$15,000,000	\$0

#### Description

This credit was a refundable credit taken in FY 2014. It was a credit for the costs incurred to establish a natural gas storage facility. The credit was \$1.50 per thousand cubic feet of "working gas" storage capacity as determined by the Alaska Oil and Gas Conservation Commission and was only available to facilities used by public utilities. It did not apply to gas storage related to a gas pipeline on the North Slope. The maximum credit was the lesser of \$15 million or 25% of costs incurred to establish the facility.

#### Legislative Intent, Public Purpose

The purpose is to provide an incentive for the construction of natural gas storage facilities for the use of public utilities, thereby reducing the potential for gas shortages during peak demand.

#### Who Benefits and Number of Beneficiaries

1 beneficiary in FY 2014.

#### Estimated Cost to Administer

No additional cost; the credit was written to be used once and was administered with current resources.

## Department of Revenue

### Corporate Income Tax

---

#### In-State Refinery Tax Credit

Type: Credit  
Statutory/Other Authority: AS 43.20.053  
Year Enacted: 2014  
Sunset/Repeal Date: 12/31/2019

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Credit not in effect.				FY 2015 incomplete.

Note: All returns with tax periods beginning in FY 2015 have not yet been received, so FY 2015 data is incomplete.

#### Description

This is a credit for qualified infrastructure expenditures for in-state oil refineries. The credit may not exceed the lesser of 40% of total qualifying expenditures or \$10 million per refinery per tax year. The credit can be applied against corporate income tax liability and carried forward, or refunded.

#### Legislative Intent, Public Purpose

The purpose is to encourage investment in infrastructure improvements and help maintain economic viability of the in-state refining industry.

#### Who Benefits and Number of Beneficiaries

Unknown; this is a new credit program.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Corporate Income Tax

---

#### Liquid Natural Gas Storage Facility Credit

Type: Credit  
Statutory/Other Authority: AS 43.20.047  
Year Enacted: 2012  
Sunset/Repeal Date: 12/31/2019

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

#### Description

This is a credit for the costs incurred to establish a storage facility for liquefied natural gas. The credit is the lesser of \$15 million or 50% of costs incurred to establish the facility. It applies to facilities with a minimum storage capacity of 25,000 gallons of LNG and that are public utilities regulated by the Regulatory Commission of Alaska.

#### Legislative Intent, Public Purpose

The purpose is to encourage construction of LNG storage facilities, thereby reducing the potential for gas shortages during peak demand

#### Who Benefits and Number of Beneficiaries

0; potential beneficiaries in the future.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Corporate Income Tax

---

#### Oil and Gas Service Industry Expenditures Credit

Type: Credit  
Statutory/Other Authority: AS 43.20.049  
Year Enacted: 2013  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Credit not in effect.			Confidential due to small number of recipients.	FY 2015 incomplete.

Note: All returns with tax periods beginning in FY 2015 have not yet been received, so FY 2015 data is incomplete.

#### Description

A credit of 10% of qualified oil and gas industry service expenditures that are for in-state manufacture or in-state modification of oil and gas tangible personal property with a service life of three years or more. The credit may be applied to corporate income tax liabilities up to \$10 million per taxpayer per year. If the credit exceeds the taxpayer's liability it may be carried forward up to five years.

#### Legislative Intent, Public Purpose

The purpose is to encourage expansion of in-state service industry activity, in particular manufacturing of modules and equipment in Alaska.

#### Who Benefits and Number of Beneficiaries

Less than 4 companies in FY 2014.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Corporate Income Tax

---

#### Reduced Tax Rate on Capital Gains

Type: Rate reduction  
Statutory/Other Authority: AS 43.20.021 (c)  
Year Enacted: 1975  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Not tracked.			\$1,551,095	FY 2015 incomplete.

Note: All returns with tax periods beginning in FY 2015 have not yet been received, so FY 2015 data is incomplete.

#### Description

Long term capital gains are taxed at a maximum rate of 4.5%, while other income is taxed at a maximum rate of 9.4%.

#### Legislative Intent, Public Purpose

The rate differential reflects preferential treatment of capital gains in the federal tax code when Alaska's rate structure was adopted. The intent was to allow for efficient administration of taxes by basing Alaska's taxes on the federal code.

#### Who Benefits and Number of Beneficiaries

Approximately 130-230 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Corporate Income Tax

---

#### Small Corporation Exemption

Type: Exemption  
Statutory/Other Authority: AS 43.20.012  
Year Enacted: 2012  
Sunset/Repeal Date: 6/30/2022

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Not in effect.		\$348,837	\$348,967	FY 2015 incomplete.

Note: All returns with tax periods beginning in FY 2015 have not yet been received, so FY 2015 data is incomplete.

#### Description

Exempts businesses from tax that are C-corporations that are in certain industries identified in Section 1202 of the Internal Revenue Code, that have assets of under \$50 million, and that meet other requirements of AS 43.20.012.

#### Legislative Intent, Public Purpose

The purpose of the exemption is to encourage the development of high-growth technology and research companies in Alaska and to encourage small business development.

#### Who Benefits and Number of Beneficiaries

20-40 small corporations.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.



## Department of Revenue

### Corporate Income Tax

---

#### Utilities Exempted from Water's Edge Combination Reporting

Type: Filing Methodology  
Statutory/Other Authority: AS 43.19.010, Article IV, Sect. 2  
Year Enacted: 1970  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. Cannot be reported, information not collected.				

#### Description

Income from public utilities including telephone service is exempt from water's edge combination reporting requirements. These companies can instead pay tax only on Alaska net income, based on separate-entity reporting.

#### Legislative Intent, Public Purpose

This provision was adopted as part of the state's adoption of the multistate tax compact. The Legislature adopted the compact to promote the efficient collection of taxes.

#### Who Benefits and Number of Beneficiaries

Public utilities, but the number of public utilities using this methodology is not tracked because utilities are not required to report that information.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Corporate Income Tax

---

#### Veteran Employment Tax Credit

Type: Credit  
Statutory/Other Authority: AS 43.20.048  
Year Enacted: 2012  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Credit not in effect.		\$0	\$0	FY 2015 incomplete.

Note: All returns with tax periods beginning in FY 2015 have not yet been received, so FY 2015 data is incomplete.

#### Description

A credit for corporate income taxpayers that employ qualified veterans in the state. The credit is \$3,000 for a disabled veteran or \$2,000 for a veteran who is not disabled for employment for a minimum of 1,560 hours during 12 consecutive months following the veteran's employment date. For seasonal employment, the credit is \$1,000 for a veteran employed for a minimum of 500 hours during three consecutive months following the employment date.

#### Legislative Intent, Public Purpose

The purpose is to provide an incentive for businesses to hire veterans.

#### Who Benefits and Number of Beneficiaries

0.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Fisheries Business Tax*

---

#### Reduced Fisheries Business Tax Rate for Developing Fisheries

Type: Reduced Rate

Statutory/Other Authority: AS 43.75.015(b)

Year Enacted: 1979, amended 1981

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$105,675	\$133,873	\$102,010	\$99,480	\$17,181

Note: The revenue impact given is pre-credit and includes both the state and municipal share. It is based on fishing year data; actual tax payments may differ from this estimate.

#### Description

Fish species classified as "developing" are subject to tax rates of 1% for on-shore processors and 3% for floating processors instead of the regular rates of 3% and 5%, respectively. "Developing" species are annually designated by the commissioner of the department of fish and game under AS 16.05.050(a)(10).

#### Legislative Intent, Public Purpose

The Legislature intended to encourage the development of new fisheries.

#### Who Benefits and Number of Beneficiaries

24-31 on-shore or floating processors.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Fisheries Business Tax*

---

#### Reduced Tax Rate for Small Fish Processors

Type: Reduced Rate

Statutory/Other Authority: AS 43.75.015 (d), AS 43.75.020 (c)

Year Enacted: 2004

Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unable to Determine.				

#### Description

Fishers processing on vessels 65 feet or less are subject to a 3% tax rate instead of the regular floating rate of 5%. AS 43.75.020(c) states that the Department of Revenue may issue a direct marketing fisheries business license to a licensed commercial fisherman who processes fishery resources caught using a vessel that does not exceed 65 feet in length. The statute says the resources may be processed either on board the vessel or at a shore-based facility. However, the license holder pays the tax rate applicable to a shore-based facility and fills out his/her tax return as if (s)he were the operator of a shore-based processing facility. The taxpayer is only getting a “reduced rate” if the fish are processed off shore, but the Department of Revenue has no way of knowing whether the fish were processed on or off shore. Therefore, the revenue impact is indeterminate.

#### Legislative Intent, Public Purpose

The Legislature adopted the reduced rate provision to encourage direct marketing and the production of value-added products.

#### Who Benefits and Number of Beneficiaries

Unknown.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Fisheries Business Tax*

---

#### Salmon and Herring Product Development Credit

Type: Credit  
Statutory/Other Authority: AS 43.75.035  
Year Enacted: 2003, last amended 2014  
Sunset/Repeal Date: 12/31/2020

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,057,255	\$71,598	\$1,832,081	\$(397,376)	\$945,621

Note: The FY 2014 number is negative as a result of adjustments to prior year credits.

#### Description

A non-transferable credit for eligible capital expenditures to expand value-added processing of Alaska salmon and herring. The credit is 50% of qualified investments up to 50% of tax liability incurred for processing salmon and herring during the tax year. The credit may be carried forward for three years. Herring was added to the credit in 2014.

#### Legislative Intent, Public Purpose

The Legislature intended to encourage the development of value-added salmon and herring products in Alaska and to increase the value of Alaskan fisheries.

#### Who Benefits and Number of Beneficiaries

Approximately 20 processors.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

**Department of Revenue**  
***Fisheries Business Tax, Fisheries Resource Landing Tax***

---

**Winn Brindle Scholarship Contribution Credit**

Type: Credit  
Statutory/Other Authority: AS 43.75.032, AS 43.77.035  
Year Enacted: 1986, amended 2014  
Sunset/Repeal Date: 12/31/2016

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$184,817	\$175,338	\$238,749	\$239,769	\$120,197

**Description**

A non-transferable credit for contributions to the A.W. "Winn" Brindle memorial education loan account. The credit is 100% of the contribution amount, up to a maximum of 5% of tax liability.

**Legislative Intent, Public Purpose**

The Legislature intended the credit to encourage contributions to the A.W. "Winn" Brindle memorial education loan account. This would promote education in the fisheries industry, an industry that is important to the Alaskan economy.

**Who Benefits and Number of Beneficiaries**

Less than 10 companies.

**Estimated Cost to Administer**

No additional cost; is administered with current resources.

**Department of Revenue**  
***Fisheries Resource Landing Tax***

---

**Community Development Quota Credit**

Type: Credit  
Statutory/Other Authority: AS 43.77.040  
Year Enacted: 1993, last amended 2014  
Sunset/Repeal Date: 12/31/2020

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$534,297	\$446,894	\$490,371	\$411,144	\$571,581

**Description**

A non-transferable credit for contributions to an Alaska nonprofit corporation that is dedicated to fisheries industry-related expenditures. The credit is available only for fishery resources harvested under a community development quota (CDQ). The credit is 100% of contribution amount up to a maximum of 45.45% of tax liability on fishery resources harvested under a CDQ.

**Legislative Intent, Public Purpose**

The Legislature intended to provide a tax credit to encourage CDQ programs to contribute to nonprofits that provide jobs and training in Western Alaska.

**Who Benefits and Number of Beneficiaries**

Approximately 25 corporations.

**Estimated Cost to Administer**

No additional cost; is administered with current resources.

**Department of Revenue**  
***Fisheries Resource Landing Tax***

---

**Reduced Fishery Resource Landing Tax Rate for Developing Fisheries**

Type: Reduced Rate  
Statutory/Other Authority: AS 43.77.010(1)  
Year Enacted: 1996  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$264,781	\$370,631	\$313,192	\$13,637	FY 2015 data incomplete.

Note: The revenue impact given is pre-credit and includes both the state and municipal share. It is based on fishing year data; actual tax payments may differ from this estimate.

**Description**

Fish species classified as "developing" are subject to a tax rate of 1% rather than the regular rate of 3%. "Developing" species are annually designated by the commissioner of the department of fish and game under AS 16.05.050(a)(10).

**Legislative Intent, Public Purpose**

The Legislature adopted the reduced rate provision to parallel a similar provision in the Fisheries Business Tax to encourage the development of new fisheries.

**Who Benefits and Number of Beneficiaries**

40-60 processors.

**Estimated Cost to Administer**

No additional cost; is administered with current resources.



## Department of Revenue

### *Mining License Tax*

---

#### **3.5-year Exemption**

Type: Exemption  
Statutory/Other Authority: AS 43.65.010 (a)  
Year Enacted: 1951  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown				

Note: Revenue impact is unknown. Those who are exempt from taxation and have been granted this 3.5 year exemption are required to file a mining license tax return under 15 AAC 65.010(a)(5) and 15 AAC 65.030, but are not required to fill out a complete return.

#### **Description**

New mining operations are exempt from the Mining License Tax for the first 3.5 years after production begins.

#### **Legislative Intent, Public Purpose**

The Legislature intended the exclusion to encourage new mining operations.

#### **Who Benefits and Number of Beneficiaries**

Fewer than 5.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Mining License Tax*

---

#### Depletion Deduction

Type: Deduction  
Statutory/Other Authority: AS 43.65.010 (e)  
Year Enacted: 1955  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Previously unreportable.			\$32,039,246	FY 2015 data incomplete.

#### Description

Depletion allows for mining companies to get value for the money they spent developing the mine in advance of taxable production. A percentage depletion deduction is allowed for certain types of mining, such as metal mining, sulfur mining and coal mining. Other types of mines must use cost depletion.

#### Legislative Intent, Public Purpose

To encourage the development of the state's resources; to generate state revenue by efficient administration of tax.

#### Who Benefits and Number of Beneficiaries

Between 40-45 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Mining License Tax*

---

#### **Sand and gravel exemption**

Type: Exemption  
Statutory/Other Authority: AS 43.65.060 (2)  
Year Enacted: 2012  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Exemption not in effect.	Unknown. There is no reporting requirement for exempt operations.			

#### **Description**

Sand, gravel, quarry rock and marketable earth operations are exempt from the Mining License Tax.

#### **Legislative Intent, Public Purpose**

The Legislature found that the tax cost nearly as much to administer as it brought in. To generate state revenue by efficient administration of tax and to reduce the burden on sand and gravel operators.

#### **Who Benefits and Number of Beneficiaries**

Not tracked.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Mining License Tax*

---

#### **Small Miner Exemption**

Type: Exemption  
Statutory/Other Authority: AS 43.65.010 (c)  
Year Enacted: 1955  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown	Unknown	\$33,815	\$39,915	FY 2015 data incomplete.

Note: This does not include taxpayers who filed a loss on their return or taxpayers who did not file at all.

#### **Description**

No tax is due if taxable income is \$40,000 or less. Taxpayers with taxable income of more than \$40,000 pay a tax rate of 3% on the first \$40,000 of their income.

#### **Legislative Intent, Public Purpose**

The Legislature intended the exclusion to encourage smaller mining operations.

#### **Who Benefits and Number of Beneficiaries**

Between 90-105 companies.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### **Bunker Fuel Exemption**

Type: Exemption  
Statutory/Other Authority: AS 43.40.100 (2)(L)  
Year Enacted: 1997  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$27	\$0	\$0	\$0

Note: Calculated assuming \$0.08 per gallon tax rate.

#### **Description**

Bunker fuel is exempt from the motor fuel tax.

#### **Legislative Intent, Public Purpose**

The Legislature intended to encourage the use of bunker fuel, which is a residual from the refining process.

#### **Who Benefits and Number of Beneficiaries**

0 in most years.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### Charitable Institution Exemption

Type: Exemption  
Statutory/Other Authority: AS 43.40.100 (2)(E)  
Year Enacted: 1949  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$66,590	\$65,883	\$61,400	\$72,131	\$117,425

Note: Calculated assuming \$0.08 per gallon tax rate.

#### Description

Fuel used by charitable institutions is exempt from the motor fuel tax.

#### Legislative Intent, Public Purpose

The Legislature intended the exclusion to allow the motor fuel tax to generate revenue without impacting charitable endeavors.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### Dealer Exemption

Type: Exemption  
Statutory/Other Authority: AS 43.40.100 (2)(F)  
Year Enacted: 1982  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. There is no reporting requirement for transfers between dealers.				

#### Description

Fuel sold or transferred between qualified dealers is exempt from the motor fuel tax.

#### Legislative Intent, Public Purpose

The Legislature intended the exclusion to encourage qualified dealers to focus the impetus of the tax towards final use of the motor fuel, and to avoid double taxation of fuel.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### Foreign Flight Exemption

Type: Exemption  
Statutory/Other Authority: AS 43.40.100 (2)(B)  
Year Enacted: 1949, last amended 1997  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$11,917,814	\$11,136,341	\$9,628,469	\$7,761,331	\$8,589,969

Note: Calculated assuming \$0.08 per gallon tax rate.

#### Description

Fuel used in flights to foreign countries or continuing on from foreign countries is exempt from the motor fuel tax.

#### Legislative Intent, Public Purpose

The Legislature intended the exclusion to allow the tax to generate revenue without impacting international flights, so as to encourage refueling activities at Alaskan airports.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.



## Department of Revenue

### *Motor Fuel Tax*

---

#### Foreign Fuel Exemption

Type: Exemption  
Statutory/Other Authority: AS 43.40.100 (2)(A)  
Year Enacted: 1949  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$5,248,283	\$6,324,097	\$4,610,073	\$5,244,944	\$6,483,070

Note: Calculated assuming \$0.08 per gallon tax rate.

#### Description

Fuel consigned to foreign countries is exempt from the motor fuel tax.

#### Legislative Intent, Public Purpose

The exclusion is intended to focus the impetus of the tax on motor fuel sales in Alaska, so as to encourage refueling activities in Alaska.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### Government Exemption

Type: Exemption  
Statutory/Other Authority: AS 43.40.100 (2)(G)  
Year Enacted: 1982  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$9,724,890	\$8,734,334	\$8,944,236	\$8,100,266	\$9,664,348

Note: Calculated assuming \$0.08 per gallon tax rate.

#### Description

Fuel sold to federal, state, and local government agencies for official use is exempt from the motor fuel tax.

#### Legislative Intent, Public Purpose

The Legislature intended the exclusion to recognize the exempt status of sovereign powers.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

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#### Heating fuel Exemption

Type: Exemption  
Statutory/Other Authority: AS 43.40.100 (2)(I)  
Year Enacted: 1982  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$9,936,646	\$9,906,970	\$9,372,754	\$8,501,853	\$8,781,768

Note: Calculated assuming \$0.08 per gallon tax rate.

#### Description

Fuel used to heat private or commercial buildings or facilities is exempt from the motor fuel tax.

#### Legislative Intent, Public Purpose

To generate state revenue without increasing heating costs.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### Non-Profit Power Association Exemption

Type: Exemption  
Statutory/Other Authority: AS 43.40.100 (2)(D)  
Year Enacted: 1949  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,817,440	\$2,630,275	\$2,509,634	\$1,645,380	\$3,565,112

Note: Calculated assuming \$0.08 per gallon tax rate.

#### Description

Fuel used by nonprofit power associations or corporations for generating electric energy for resale is exempt from the motor fuel tax.

#### Legislative Intent, Public Purpose

The Legislature intended the exclusion to allow the motor fuel tax to generate revenue without impacting nonprofit power associations or corporations, which serve a substantially similar purpose to public utilities and to reduce the cost of power provided by non-profit power associations.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### Off-Highway Use Reduced Rate

Type: Reduced Rate  
Statutory/Other Authority: AS 43.40.030 (a)  
Year Enacted: 1955, last amended 1982  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$5,219,513	\$5,155,887	\$5,062,179	\$4,167,655	\$6,356,609

Note: Calculated assuming \$0.08 per gallon tax rate.

#### Description

Refunds 6 cents per gallon of tax-paid motor fuel that was used for non-highway use.

#### Legislative Intent, Public Purpose

The Legislature intended the exclusion to focus the impetus of the tax away from off-highway use as off-highway use does not contribute to highway maintenance cost.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### Reduced Rate for Aviation Gasoline

Type: Reduced Rate  
Statutory/Other Authority: AS 43.40.010 (a)(1)  
Year Enacted: 1955, last amended 1994  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$418,265	\$369,685	\$330,876	\$329,120	\$336,457

Note: Calculated assuming \$0.08 per gallon tax rate.

#### Description

Aviation gasoline is taxed at a rate of 4.7 cents per gallon rather than the rate of 8 cents per gallon for other fuel.

#### Legislative Intent, Public Purpose

The Legislature intended the separate rate to make the tax on aviation gasoline comparable to the amount of revenue that would be derived from imposition of landing fees at rural state operated airports.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### Reduced Rate for Jet Fuel

Type: Reduced Rate  
Statutory/Other Authority: AS 43.40.010 (a)(3)  
Year Enacted: 1957, last amended 1994  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$5,749,280	\$5,979,674	\$6,206,054	\$6,241,507	\$6,122,121

Note: Calculated assuming \$0.08 per gallon tax rate.

#### Description

Jet fuel is taxed at a rate of 3.2 cents per gallon rather than the rate of 8 cents per gallon for other fuel.

#### Legislative Intent, Public Purpose

The Legislature intended to make the tax on aviation fuels comparable to the amount of revenue that would be derived from imposition of landing fees at rural state operated airports.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### Reduced Rate for Marine Fuel

Type: Reduced Rate  
Statutory/Other Authority: AS 43.40.010 (a)(2)  
Year Enacted: 1957, last amended 1977  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,671,705	\$3,076,442	\$3,384,044	\$3,083,113	\$3,213,059

Note: Calculated assuming \$0.08 per gallon tax rate.

#### Description

Marine fuel is taxed at a rate of 5 cents per gallon rather than the rate of 8 cents per gallon for other fuel.

#### Legislative Intent, Public Purpose

The Legislature intended the separate rate to provide revenue for construction and maintenance of boat harbors. This expense is presumably less than that required for highway maintenance as reflected by the reduced rate for marine fuel.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### Small Generator Exemption

Type: Exemption  
Statutory/Other Authority: AS 43.40.100 (2)(K)  
Year Enacted: 1983  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Totals included in stationary power plant exemption.				

#### Description

Fuel used in stationary power plants of 100 kilowatts or less that generate electrical power for commercial enterprises not for resale is exempt from the motor fuel tax.

#### Legislative Intent, Public Purpose

To generate state revenue without burdening small power plants.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.



## Department of Revenue

### *Motor Fuel Tax*

---

#### **Stationary Power Plant Exemption**

Type: Exemption  
Statutory/Other Authority: AS 43.40.100 (2)(C)  
Year Enacted: 1949  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$196,207	\$268,374	\$635,267	\$878,795	\$290,571

Note: Calculated assuming \$0.08 per gallon tax rate. Total includes stationary power plants for home heating and small generators.

#### **Description**

Fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public is exempt from the motor fuel tax.

#### **Legislative Intent, Public Purpose**

The Legislature intended the exclusion to allow the motor fuel tax to generate revenue without impacting the public utilities, so as to reduce the cost of fuel to the general public.

#### **Who Benefits and Number of Beneficiaries**

Not tracked.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### **Stationary Power Plant Exemption for home heating**

Type: Exemption  
Statutory/Other Authority: AS 43.40.100 (2)(H)  
Year Enacted: 1982  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Totals included in stationary power plant exemption.				

#### **Description**

Fuel used in stationary power plants that generate electricity for private residential consumption is exempt from the motor fuel tax.

#### **Legislative Intent, Public Purpose**

To generate state revenue without burdening private residential use of fuel for electricity.

#### **Who Benefits and Number of Beneficiaries**

Not tracked.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Motor Fuel Tax*

---

#### Timely Filing Discount

Type: Reduced Rate  
Statutory/Other Authority: AS 43.40.010 (c)  
Year Enacted: 1951, last amended 1997  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$65,752	\$65,636	\$66,738	\$64,600 (see note)	\$62,590

Note: Due to incomplete data from converting to a new data management system, the revenue impact for FY 2014 is estimated.

#### Description

Gives a timely filing credit of 1% of the total monthly tax due to a maximum of \$100.

#### Legislative Intent, Public Purpose

To encourage timely filing of motor fuel tax returns and provide an allowance to cover the accounting expense of filing timely monthly tax returns.

#### Who Benefits and Number of Beneficiaries

81 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Multiple Tax Programs

---

#### Education Credit

Type: Credit

Statutory/Other Authority: AS 21.96.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, AS 43.77.045

Year Enacted: 1987, last amended 2014

Sunset/Repeal Date: On 1/1/2021, credit will partially sunset

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$2,909,066	\$3,375,825	\$7,188,502	\$7,498,403	Incomplete FY 15 data.

#### Description

A non-transferable credit applicable to the Corporate Income Tax, Fisheries Business Tax, Fishery Resource Landing Tax, Insurance Premium Tax, Title Insurance Premium Tax, Mining License Tax, Oil and Gas Production Tax, and the Oil and Gas Property Tax. The credit is available for up to 50% of annual contributions up to \$100,000, 100% of the next \$200,000, and 50% of annual contributions beyond \$300,000. The credit for any one taxpayer cannot exceed \$5,000,000 annually across all eligible tax types. The credit is for contributions to qualified education purposes given in AS 43.20.014(a). On 1/1/2021. The credit will be 50% of annual contributions up to \$100,000, then 50% of annual contributions of the next \$200,000, then 0% for additional credits.

#### Legislative Intent, Public Purpose

The Legislature intended to encourage private businesses to make charitable contributions to support Alaskan schools.

#### Who Benefits and Number of Beneficiaries

Approximately 25-35 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Multiple Tax Programs*

---

#### **Film Production Credit**

Type: Credit  
Statutory/Other Authority: AS 43.98.030, AS 44.25.100-190  
Year Enacted: 2008, last amended 2014  
Sunset/Repeal Date: Repealed 7/1/2015

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$193,765	\$2,702,514	\$6,011,541	\$22,086,306	\$9,198,042

#### **Description**

A transferable credit for expenditures on eligible film production activities in Alaska. The credit percentage is between 30% and 58% depending on the activity. The credits must be used within six years. The program is capped at \$200 million of credits for all projects. Prior to FY2013, the credit was only applicable to the corporate income tax. Beginning in FY 2013, the credit is also applicable to the insurance premium tax, title insurance tax, oil and gas production tax, oil and gas property tax, mining license tax, fisheries business tax, and fishery resource landing tax.

#### **Legislative Intent, Public Purpose**

The purpose is to encourage production of film and television in Alaska.

#### **Who Benefits and Number of Beneficiaries**

17-24 credits issued per year.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### Multiple Tax Programs

---

#### Minerals Exploration Credit

Type: Credit  
Statutory/Other Authority: AS 27.30.030, AS 43.20.044  
Year Enacted: 1995  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$949,466	\$5,873,944	\$5,975,341	Confidential due to a small number of recipients.	FY 2015 incomplete.

Note: This credit has been claimed only against the Mining License Tax and not the Corporate Income Tax. All returns with tax periods beginning in FY 2015 have not yet been received, so FY 2015 data is incomplete.

#### Description

This is a non-transferable credit for eligible costs of non-petroleum mineral or coal exploration activities and must be used within 15 years. The credit is 100% of allowable exploration costs with a maximum of \$20 million per mining operation. The credit is limited to 50% of liability for the applicable tax type, which includes Corporate Income Tax, Mining License Tax, and Mineral Production Royalty.

#### Legislative Intent, Public Purpose

The purpose is to encourage mineral exploration in Alaska.

#### Who Benefits and Number of Beneficiaries

Fewer than 4.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Oil and Gas Production Tax*

---

#### Alternative Credit for Exploration

Type: Credit

Statutory/Other Authority: AS 43.55.025 (a)(1)-(4)

Year Enacted: 2003, last amended 2013

Sunset/Repeal Date: 6/30/2016 for North Slope and Cook Inlet, 12/31/2021 for Middle Earth

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$19,000,000	\$57,000,000	\$11,000,000	\$60,000,000	Between \$42,000,000 & \$50,000,000

Note: These numbers are approximated. The FY 2014 and 2015 numbers also include any credits taken under AS 43.55.025(a)(6-7), The FY 2015 revenue impact is presented as a range to protect confidentiality due to a small number of recipients.

#### Description

A transferable credit for expenditures for certain oil and gas exploration activities. The credit is 40% for seismic costs outside an existing unit, 30% for drilling costs greater than 25 miles (10 miles in Cook Inlet) from an existing unit, 30% for pre-approved new targets, and 40% for drilling costs that are greater than 3 miles (10 miles in Cook Inlet) from an existing unit and pre-approved new targets.

#### Legislative Intent, Public Purpose

To increase oil and gas exploration, leading to more production.

#### Who Benefits and Number of Beneficiaries

Approximately 10 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Oil and Gas Production Tax

---

#### Carried-Forward Annual Loss Credit

Type: Credit  
Statutory/Other Authority: AS 43.55.023 (b)  
Year Enacted: 2006, last amended 2013  
Sunset/Repeal Date: 1/1/18 for Cook Inlet

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Totals included in Qualified Capital Expenditure Credits.				

#### Description

A transferable credit for a carried-forward annual loss, defined as a producer or explorer's adjusted lease expenditures that are not deductible in calculating production tax values for the calendar year. From 2008 until 2014, the credit was 25% for all regions of the state. Beginning in 2014, the credit remained 25% for areas outside the North Slope and increased to 45% on the North Slope. In 2016, the credit decreased to 35% for the North Slope.

House Bill 247, passed during the 2016 Legislative Session, reduces the credit to 15% on January 1, 2017 for Cook Inlet and Middle Earth, and on January 1, 2018 the credit is eliminated for Cook Inlet and maintained in Middle Earth at the lower rate. The credit for the North Slope remains at 35%.

#### Legislative Intent, Public Purpose

The credit was intended to allow producers that incur a loss but do not have tax liability to carry the loss forward to future years. This credit was originally part of the PPT tax legislation and was changed under the Alaska's Clear and Equitable Share (ACES) legislation and Senate Bill 21 to match the base tax rate. It was increased above the base tax rate for 2014 and 2015 to hold taxpayers harmless for the expiration of the qualified capital expenditure credit, then decreases to match the base tax rate. The overall purpose is to increase oil and gas exploration and production.

#### Who Benefits and Number of Beneficiaries

Included in Qualified Capital Expenditure Credits.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.



## Department of Revenue

### *Oil and Gas Production Tax*

---

#### **Cook Inlet Jack-Up Rig Credit**

Type: Credit  
Statutory/Other Authority: AS 43.55.025 (a)(5)  
Year Enacted: 2010  
Sunset/Repeal Date: 6/30/2016

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

#### **Description**

A credit for exploration expenses for the first three wells drilled by the first jack-up rig brought in to Cook Inlet. It is only for expenses incurred in drilling wells that test pre-Tertiary; all three wells must be drilled by unaffiliated parties using the same rig. The credit is 100% of costs for the first well up to \$25 million, 90% of costs for the second well up to \$22.5 million, and 80% of costs for the third well up to \$20 million. If the exploration well is brought into production, the operator repays 50% of the credit over ten years following production start-up.

#### **Legislative Intent, Public Purpose**

The intent of the credit is to encourage the use of jack-up rigs in Cook Inlet, so as to increase oil and gas exploration and production in Cook Inlet.

#### **Who Benefits and Number of Beneficiaries**

0. Although jack-up rigs were brought into Cook Inlet following the passage of this credit, companies chose not to utilize this particular credit.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Oil and Gas Production Tax*

---

#### Exploration Incentive Credit

Type: Credit  
Statutory/Other Authority: AS 38.05.180 (i)  
Year Enacted: 1978  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

#### Description

A non-transferrable credit for the cost of drilling or seismic work performed under a limited time period established by the Commissioner of the Department of Natural Resources. Credit may be granted for up to 50% of the cost of drilling or seismic work, not to exceed 50% of the tax liability to which it is being applied.

#### Legislative Intent, Public Purpose

The Legislature intended the credit to encourage geophysical work on state lands, so the state can manage their lands more effectively and to increase oil and gas exploration.

#### Who Benefits and Number of Beneficiaries

0.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Oil and Gas Production Tax*

---

#### Frontier Basin Credit

Type: Credit  
Statutory/Other Authority: AS 43.55.025 (a)(6)-(7)  
Year Enacted: 2012  
Sunset/Repeal Date: 6/30/2017

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Credit not in effect.		\$0	Reported with Alternative Credit for Exploration.	

#### Description

A credit for expenses for the first four persons to drill exploration wells and the first four persons to conduct seismic projects within an area designated in AS 43.55.025(p), also called the "Frontier Basins." The credit is for lesser of 80% of qualified exploration drilling expenses or \$25 million per well; or for seismic projects, credit is for lesser of 75% of qualified seismic exploration expenditures or \$7.5 million per seismic project. The credit is available for expenditures incurred for work performed after June 1, 2012.

The sunset for this credit originally stipulated that wells must be completed by July 1, 2016; however House Bill 247, passed by the Legislature in 2016, extended the deadline to allow wells spudded by July 1, 2016 and completed by July 1, 2017 to qualify for the credit.

#### Legislative Intent, Public Purpose

The Legislature intended to provide a tax credit to encourage hydrocarbon exploration in certain remote areas of the state outside the North Slope and Cook Inlet

#### Who Benefits and Number of Beneficiaries

Confidential due to a small number of recipients.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Oil and Gas Production Tax*

---

#### **New Area Development Credit**

Type: Credit

Statutory/Other Authority: AS 43.55.024 (a)

Year Enacted: 2006

Sunset/Repeal Date: 12/31/2015 or nine years after first production

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$0	\$0	\$0	\$0	\$0

#### **Description**

A nonrefundable credit of up to \$6 million per company annually, for oil or gas produced from leases outside Cook Inlet and the North Slope, providing the producer has a positive tax liability on that production before the application of credits.

#### **Legislative Intent, Public Purpose**

The purpose is to encourage companies to explore and develop prospects outside the two primary petroleum basins (the North Slope and Cook Inlet).

#### **Who Benefits and Number of Beneficiaries**

0.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### Oil and Gas Production Tax

---

#### Per-Taxable-Barrel Credit for GVR-eligible Production

Type: Credit  
Statutory/Other Authority: AS 43.55.024 (i)  
Year Enacted: 2013  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Credit not in effect.			Due to Confidentiality, the Per-Taxable-Barrel credits are combined for reporting purposes.	

Note: See Per-Taxable-Barrel Credit for Non-GVR-Eligible Production (AS 43.55.024(j)) for Non-GVR Eligible Production credits.

#### Description

A per-taxable-barrel credit for oil production on the North Slope that qualifies for a GVR, as defined in AS 43.55.160(f). The credit is \$5 per taxable barrel and cannot be transferred, carried forward, or used to reduce the producer's tax liability to less than zero (however, it can be used to reduce the producer's tax liability to less than the minimum tax established under AS 43.55.011(f)).

#### Legislative Intent, Public Purpose

To provide a direct incentive for oil production. This credit was part of the Senate Bill 21 tax legislation and is not a stand-alone credit.

#### Who Benefits and Number of Beneficiaries

Due to Confidentiality, the Per-Taxable-Barrel credits are combined.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Oil and Gas Production Tax*

---

#### Per-Taxable-Barrel Credit for Non-GVR-Eligible Production

Type: Credit  
Statutory/Other Authority: AS 43.55.024 (j)  
Year Enacted: 2013  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Credit not in effect.			\$516,000,000	\$523,000,000

Note: This revenue impact is approximated and rounded to the nearest million dollars and also includes amounts from Per-Taxable-Barrel Credit for GVR-Eligible Production (AS 43.55.024(i)) due to a small number of recipients.

#### Description

A sliding scale credit for areas of the North Slope that are not eligible for a gross value reduction (GVR), as defined by AS 43.55.160(f). It is a dollar-per-taxable-barrel credit ranging from zero dollars per taxable barrel at per-barrel gross value at point of production (GVPP) values greater than or equal to \$150 to \$8 per taxable barrel at per-barrel GVPP values less than \$80. The credit may not reduce the producer's tax liability to less than the minimum tax established under AS 43.55.011(f) and may not be transferred or carried forward.

#### Legislative Intent, Public Purpose

To provide a direct incentive for oil production; the sliding scale is intended to introduce a progressive element that reduces government take when oil prices are low and increases government take when oil prices are high. This credit was part of the Senate Bill 21 tax package and is not a stand-alone credit.

#### Who Benefits and Number of Beneficiaries

Between 4-8 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Oil and Gas Production Tax*

---

#### Qualified Capital Expenditure Credit

Type: Credit  
Statutory/Other Authority: AS 43.55.023 (a)  
Year Enacted: 2006, last amended 2013  
Sunset/Repeal Date: 12/31/2013 for North Slope, 12/31/17 for Cook Inlet

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$761,000,000	\$613,000,000	\$854,000,000	\$862,000,000	Between \$587,000,000 and \$607,000,000

Note: This revenue impact is approximated and rounded to the nearest million dollars and includes the Well Lease Expenditures Credit and the Net Operating Loss Credit under AS 43.55.023. It includes the total fiscal impact, including reductions in tax liability and the amount that is refunded through the operating budget. Due to confidentiality, the FY 2015 revenue impact is presented as a range.

#### Description

A transferable tax credit for qualified oil and gas capital expenditures outside the North Slope. The credit was available to North Slope companies until 2014. It can be taken in lieu of exploration incentive credits under AS 43.55.025 and gas exploration credits under AS 43.20.043. Prior to 2014, this tax credit was applicable to all areas of the state. The credit is 20% of qualified capital expenditures.

House Bill 247, passed during the 2016 Legislative Session, reduces the credit to 10% on January 1, 2017 for Cook Inlet and Middle Earth, and on January 1, 2018 the credit is eliminated for Cook Inlet and maintained in Middle Earth at the lower rate.

#### Legislative Intent, Public Purpose

The credit was intended to encourage taxpayers to invest in capital expenditures and to increase oil and gas exploration and production. It was implemented as part of the broader Petroleum Profits Tax (PPT) legislation.

#### Who Benefits and Number of Beneficiaries

Approximately 60 - 100 companies for all credits under AS 43.55.023.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Oil and Gas Production Tax*

---

#### Small Producer Credit

Type: Credit

Statutory/Other Authority: AS 43.55.024 (c)

Year Enacted: 2006

Sunset/Repeal Date: 12/31/2015 or nine years after first production

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$52 million	\$53 million	\$58 million	\$58,000,000	Between \$40,000,000 and \$50,000,000

Note: This revenue impact is approximated and rounded to the nearest million dollars. Due to confidentiality, the FY 2015 revenue impact is presented as a range.

#### Description

A non-transferable, nonrefundable credit for oil and gas produced by small producers, defined as having average taxable oil and gas production of less than 100,000 BTU equivalent barrels per day. The small producer credit is capped at \$12 million annually for producers with no more than 50,000 BTU equivalent barrels per day. The credit then phases to zero for producers with 100,000 or more BTU equivalent barrels per day.

#### Legislative Intent, Public Purpose

The purpose is to attract new companies to Alaska's oil and gas industry, to explore and develop prospects not being pursued by major producers. This credit was part of the PPT tax legislation.

#### Who Benefits and Number of Beneficiaries

Currently less than 15 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.



## Department of Revenue

### *Oil and Gas Production Tax*

---

#### Transitional Investment Expenditure Credit

Type: Credit

Statutory/Other Authority: AS 43.55.023 (i)

Year Enacted: 2006, amended 2007

Sunset/Repeal Date: Repealed 12/31/2013

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Confidential due to small number of recipients.			\$0	\$0

#### Description

A non-transferable credit for qualified oil and gas capital expenditures incurred between March 31, 2001 and April 1, 2006. It is available only to companies that did not have production in commercial quantities prior to January 1, 2008. The credit is 20% of qualified oil and gas capital expenditures incurred between March 31, 2001 and April 1, 2006, not to exceed 10% of the capital expenditures incurred between March 31, 2006 and January 1, 2008.

#### Legislative Intent, Public Purpose

When the 20% capital credit was introduced in 2006, this credit was intended to provide some benefit for companies that had recently made capital investments that did not receive a credit. This credit was part of the PPT and ACES tax packages.

#### Who Benefits and Number of Beneficiaries

0.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### Oil and Gas Production Tax

---

#### Well Lease Expenditure Credit

Type: Credit  
Statutory/Other Authority: AS 43.55.023 (I)  
Year Enacted: 2010  
Sunset/Repeal Date: 12/31/17 for Cook Inlet.

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Totals included in Qualified Capital Expenditure Credits.				

**Note:** Please note that the description and information does not include any provisions of legislation enacted during the 2016 Legislative Session.

#### Description

A transferable tax credit for intangible qualified oil and gas capital expenditures related to a well or seismic inside a unit in areas outside the North Slope. It can be taken in lieu of exploration incentive credits under AS 43.55.025 and gas exploration credits under AS 43.20.043. The credit is 20% of qualified well lease expenditures and can be taken in conjunction with the Qualified Capital Expenditure Credit for a total benefit of 40% for qualifying expenditures.

House Bill 247, passed during the 2016 Legislative Session, reduces the credit to 10% on January 1, 2017 for Cook Inlet and Middle Earth, and on January 1, 2018 the credit is eliminated for Cook Inlet and maintained in Middle Earth at the lower rate.

#### Legislative Intent, Public Purpose

The Legislature intended to stimulate redevelopment and exploration in the Cook Inlet basin, while limiting the incentive only to activities that were viewed to be directly tied to exploration and production.

#### Who Benefits and Number of Beneficiaries

Included in Qualified Capital Expenditure Credits.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Oil and Gas Property Tax*

---

#### **Excluded from taxation is the value of intangible drilling expenses and exploration expenses**

Type: Exclusion as taxable property under 43.56  
Statutory/Other Authority: AS 43.56.060 (f)  
Year Enacted: 1973  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Not Tracked.				

#### **Description**

The value of intangible drilling expenses and exploration expenses are not subject to property tax.

#### **Legislative Intent, Public Purpose**

The Legislature intended the exclusion to support the efficient administration of tax as intangible drilling expenses and exploration expenses would be difficult to assess. Additionally, the Legislature intended to promote drilling for the continued development of state resources.

#### **Who Benefits and Number of Beneficiaries**

Approximately 12 companies.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Tire Fee*

---

#### Exemption from Studded Tire Fee for Lightweight Studs

Type: Exclusion  
Statutory/Other Authority: AS 43.98.025 (b)  
Year Enacted: 2003  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. Filers do not have to report the number of tires sold with lighter-weight studs.				

#### Description

Excludes tires that are studded with studs weighing less than 1.1 grams each from the \$5 fee.

#### Legislative Intent, Public Purpose

The Legislature intended to provide an incentive to encourage the widespread use lightweight studs to reduce road damage.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Tire Fee*

---

#### Government Exemption

Type: Exclusion  
Statutory/Other Authority: AS 43.98.025 (g)(1)  
Year Enacted: 2003  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$181,013	\$187,773	\$173,110	\$112,038	\$132,808

Note: Total includes resale exemption. Assuming 2.50 tax rate on new tires.

#### Description

Tires and services sold to federal, state or local government agencies for official use are exempt from the fee.

#### Legislative Intent, Public Purpose

The Legislature intended the exclusion to recognize the exempt status of sovereign powers.

#### Who Benefits and Number of Beneficiaries

Approximately 20 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Tire Fee*

---

#### **Resale exemption**

Type: Exclusion  
Statutory/Other Authority: AS 43.98.025 (g)(2), 15 AAC 98.060  
Year Enacted: 2003  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total included in government exemption.				

#### **Description**

Tires intended for resale are exempt from the tire fee. The department will consider a tire to be a tire for resale in a transaction between the manufacturer of a tire and a distributor of the tire; a distributor of the tire and a retail dealer of the tire; or a retail dealer and another retail dealer of the tire.

#### **Legislative Intent, Public Purpose**

The Legislature included the exemption in order to prevent the double taxation of tires.

#### **Who Benefits and Number of Beneficiaries**

Included in government exemption.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Tire Fee*

---

#### Timely Filing Credit

Type: Reduced Rate  
Statutory/Other Authority: AS 43.98.025 (e)  
Year Enacted: 2003  
Sunset/Repeal Date: None, last amended in 2015

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$74,985	\$71,427	\$65,684	\$57,200 (see note)	\$48,675

Note: To due transitioning to a new data management system, data for FY 2014 is incomplete and the revenue impact is estimated.

#### Description

Sellers that remit the fees collected to the department within 30 days after the last day of the preceding calendar quarter may retain five percent of the amount collected, not to exceed \$600 per quarter.

#### Legislative Intent, Public Purpose

The discount was intended to encourage timely remittance of taxes and to cover the cost of collecting the fee and filing the return.

#### Who Benefits and Number of Beneficiaries

Between 50-60 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Tobacco Products Tax*

---

#### Commission

Type: Reduced Rate  
Statutory/Other Authority: AS 43.50.330 (b)  
Year Enacted: 1988, amended 1997  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$46,852	\$48,182	\$50,056	\$51,288	\$54,053

#### Description

Gives a four-tenths of one percent deduction to cover the expense of accounting and filing the return for the tobacco tax.

#### Legislative Intent, Public Purpose

The discount was intended to cover the cost of filing the return. The percentage was decreased in 1997 to reflect a higher tax rate than in the original statute. The intent is to encourage timely filing of tax returns.

#### Who Benefits and Number of Beneficiaries

30-40 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.



## Department of Revenue

### *Tobacco Products Tax*

---

#### Indian Reservation Exemption from tobacco products tax

Type: Exclusion  
Statutory/Other Authority: AS 43.50.310(b)  
Year Enacted: 1988  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$58,649	\$49,945	\$46,239	\$47,116	\$45,419

#### Description

Federally recognized Indian tribes are exempt from the tobacco products tax.

#### Legislative Intent, Public Purpose

To comply with federal law.

#### Who Benefits and Number of Beneficiaries

One federally recognized tribe.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Tobacco Products Tax*

---

#### Personal exemption from tobacco products tax

Type: Exclusion  
Statutory/Other Authority: AS 43.50.300  
Year Enacted: 1988  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. See note.				

Note: There is no reporting requirement for tobacco products personally transported into the state.

#### Description

Other tobacco products brought into the state or made in the state for personal consumption and not for sale are not subject to the tobacco products tax.

#### Legislative Intent, Public Purpose

The Legislature intended only to tax tobacco products at the point of sale. The public purpose is to generate state revenue by efficient administration of tax.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Tobacco Products Tax*

---

#### Uniformed Services Exemption from tobacco products tax

Type: Exclusion  
Statutory/Other Authority: AS 43.50.310 (a)  
Year Enacted: 1988  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. See note.				

Note: There is no reporting requirement for such facilities.

#### **Description**

Facilities operated by one of the uniformed services of the United States are exempt from the tobacco products tax.

#### **Legislative Intent, Public Purpose**

To comply with federal law.

#### **Who Benefits and Number of Beneficiaries**

Not tracked.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Vehicle Rental Tax*

---

#### **Motorcycle Exemption**

Type: Exemption  
Statutory/Other Authority: AS 43.52.099(2)(H)  
Year Enacted: 2013  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Not in effect.	\$17,953	\$33,844	Unavailable. See note.	

Note: Effective 5/10/13, the legislature excluded motorcycles and motor-driven cycles from the tax, so the exemption is no longer tracked.

#### **Description**

Excludes motorcycles and motor-driven cycles from the vehicle rental tax.

#### **Legislative Intent, Public Purpose**

The legislature intended only to tax the rentals of cars, light trucks, vans and SUVs and did not intend to tax motorcycle rentals.

#### **Who Benefits and Number of Beneficiaries**

Not tracked.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Vehicle Rental Tax*

---

#### **Moving Truck Exemption**

Type: Exemption  
Statutory/Other Authority: AS 43.52.099 (2)(F)  
Year Enacted: 2006  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. There is no reporting requirement for moving trucks.				

#### **Description**

Exempts moving trucks from the vehicle rental tax.

#### **Legislative Intent, Public Purpose**

The Legislature intended only to tax visitors (tourists) renting vehicles and did not intend to tax moving trucks. To limit the vehicle rental tax to the tourism industry.

#### **Who Benefits and Number of Beneficiaries**

Not tracked.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Vehicle Rental Tax*

---

#### Reduced rate for Recreational Vehicles (RVs)

Type: Reduced Rate  
Statutory/Other Authority: AS 43.52.040  
Year Enacted: 2003  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$791,446	\$837,671	\$841,825	\$961,368	\$1,077,414

Note: Applied the 7% tax rate differential to taxable fees and costs to determine foregone revenue.

#### Description

Recreational vehicles (RVs) are taxed at a rate of 3% while other vehicle rentals are taxed at a rate of 10%.

#### Legislative Intent, Public Purpose

The Legislature adopted the reduced rate for RVs to reflect the higher per-day rental cost of RVs compared to other vehicles. The rate was intended to make the tax relatively even on a dollar-per-day basis.

#### Who Benefits and Number of Beneficiaries

Approximately 25 companies.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.

## Department of Revenue

### *Vehicle Rental Tax*

---

#### **Taxicab Exemption**

Type: Exemption  
Statutory/Other Authority: AS 43.52.030  
Year Enacted: 2004  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. See note.				

Note: There is no reporting requirement for taxicabs.

#### **Description**

Excludes taxicab rentals from the vehicle rental tax.

#### **Legislative Intent, Public Purpose**

To generate state revenue from short-term vehicle rentals without burdening taxis.

#### **Who Benefits and Number of Beneficiaries**

Not tracked.

#### **Estimated Cost to Administer**

No additional cost; is administered with current resources.

## Department of Revenue

### *Vehicle Rental Tax*

---

#### Warranty Work Exemption

Type: Exemption  
Statutory/Other Authority: AS 43.52.099 (2)(G)  
Year Enacted: 2006  
Sunset/Repeal Date: None

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Unknown. See note.				

Note: There is no reporting requirement for warranty work rentals.

#### Description

Exempts a vehicle provided by an automobile dealer to a customer as replacement transportation from the vehicle rental tax.

#### Legislative Intent, Public Purpose

The Legislature intended only to tax visitors renting vehicles (tourists) and did not intend to tax vehicles provided as replacements by dealers.

#### Who Benefits and Number of Beneficiaries

Not tracked.

#### Estimated Cost to Administer

No additional cost; is administered with current resources.



## Department of Transportation

### Alaska Marine Highway System

---

#### Alcohol Board Passes

Type: Pass

Statutory/Other Authority: AMHS Policy and Procedure # 7-4 No known contract or agreement

Year Enacted: Not Provided

Sunset/Repeal Date: Contract expired early FY14

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$836	\$2,416	\$2,342	\$332	\$0

#### Description

These are issued to qualified employees of the Alcoholic Beverage Control Board (in exchange for waiving fees related to alcohol permits).

#### Legislative Intent, Public Purpose

The purpose is to mitigate the cost of State Government programs that provide services to Alaska.

#### Who Benefits and Number of Beneficiaries

This program has expired.

#### Estimated Cost to Administer

Not Provided.

---

#### Children's Discounted Tariffs

Type: Discount

Statutory/Other Authority: Not Provided

Year Enacted: Not Provided

Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$620,615	\$665,913	\$654,394	\$646,974	\$638,574

#### Description

Children aged 6-11 receive a 50% discount on the route based Adult passenger tariff.

#### Legislative Intent, Public Purpose

The purpose is to benefit families with children while traveling for any purpose.

#### Who Benefits and Number of Beneficiaries

On average 8,200 individuals use this per year.

#### Estimated Cost to Administer

Not Provided.

## Department of Transportation

### Alaska Marine Highway System

---

#### Disability Pass

Type: Pass

Statutory/Other Authority: AMHS Policy and Procedure # 7-8

Year Enacted: Not Provided

Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$22,468	\$13,500	\$13,307	\$45,891	\$33,792

#### Description

Qualified disabled individuals receive a 50% discount on the route specific adult passenger tariff - in State passage only.

#### Legislative Intent, Public Purpose

The purpose is to reduce transportation costs for qualified disabled Americans.

#### Who Benefits and Number of Beneficiaries

On average 100 individuals use this pass each year.

#### Estimated Cost to Administer

Not Provided.

---

#### Employee Annual Passes

Type: Pass

Statutory/Other Authority: CBA with MMP, MEBA, IBU-AMHS P&P # 7-1

Year Enacted: Not Provided

Sunset/Repeal Date: Current CBA's terminate 6/30/2017

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,183,180	\$1,091,976	\$1,026,931	\$1,320,775	\$1,254,827

#### Description

Qualified Alaska Marine Highway System employees and their immediate families can get free passenger/vehicle travel space based on availability. \$100 annual fee negotiated into contracts and being implemented.

#### Legislative Intent, Public Purpose

This is a provision of collective Bargaining Agreement with Vessel Employees Unions.

#### Who Benefits and Number of Beneficiaries

On average 650 employees use this benefit per year.

#### Estimated Cost to Administer

Not Provided.

## Department of Transportation

### Alaska Marine Highway System

---

#### Employee Trip Passes

Type: Pass

Statutory/Other Authority: Collective Bargaining Agreements with MMP, MEBA, IBU-AMHS P&P # 7-2

Year Enacted: Not Provided

Sunset/Repeal Date: Current Collective Bargaining Agreements terminate 6/30/2017

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$350,957	\$329,261	\$293,892	\$192,771	\$139,515

#### Description

Qualified Alaska Marine Highway System employees are allowed free passage when traveling to and from work including workers who have not obtained annual pass privileges through trip passes.

#### Legislative Intent, Public Purpose

This is a provision of collective Bargaining Agreement with Vessel Employees Unions.

#### Who Benefits and Number of Beneficiaries

On average 80 employees use this benefit per year.

#### Estimated Cost to Administer

Not Provided.

---

#### Interpretive Passes

Type: Pass

Statutory/Other Authority: See various Memorandums of Agreement re: intergovernmental exchange of services

Year Enacted: Not Provided

Sunset/Repeal Date: Contract expired beginning FY 2014

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$49,159	\$20,996	\$14,592	\$282	\$0

#### Description

Contractual agreements with Federal Government Agencies (USFS, USFG) for interpretive services.

#### Legislative Intent, Public Purpose

The purpose is to provide added passenger enjoyment on selected AMHS vessels.

#### Who Benefits and Number of Beneficiaries

This program has expired.

#### Estimated Cost to Administer

Not Provided.

## Department of Transportation

### Alaska Marine Highway System

---

#### Marine Transportation Advisory Board Member Passes

Type: Pass  
Statutory/Other Authority: AS 19.65.150 AMHS P&P #7-4  
Year Enacted: 2008  
Sunset/Repeal Date: No Sunset Clause

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$518	\$352	\$120	\$467	\$0

#### Description

These are issued to current board members for official MTAB business travel - (Offsets to AMHS Budget)

#### Legislative Intent, Public Purpose

The purpose is to mitigate the cost of SOA sponsored board members' better understanding of system.

#### Who Benefits and Number of Beneficiaries

This program has expired.

#### Estimated Cost to Administer

Not Provided.

---

#### National/Guard Militia Passes

Type: Pass  
Statutory/Other Authority: AS 19.65.035 AMHS P&P # 7-10  
Year Enacted: 2000  
Sunset/Repeal Date: No Sunset Clause

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$551	\$1,582	\$1,927	\$971	\$166

#### Description

These are issued to qualified members traveling to and from training exercises on a space available basis.

#### Legislative Intent, Public Purpose

The purpose is to assist the Alaska National Guard and Militia with transportation.

#### Who Benefits and Number of Beneficiaries

At least one person used this benefit.

#### Estimated Cost to Administer

Not Provided.

## Department of Transportation

### *Alaska Marine Highway System*

---

#### Senior Citizen Discounted Tariffs

Type: Discount

Statutory/Other Authority: AMHS Policy and Procedure # 3-14

Year Enacted: Not Provided

Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$543,803	\$561,015	\$773,791	\$626,203	\$611,598

#### Description

Seniors aged 65 and older receive a 25% discount on the route based Adult passenger tariff, valid for Alaska ports only.

#### Legislative Intent, Public Purpose

The purpose is to reduce transportation costs.

#### Who Benefits and Number of Beneficiaries

Recent Average usage of 18,500 individuals use this per year.

#### Estimated Cost to Administer

Not Provided.

## Department of Transportation

### Alaska Marine Highway System

---

#### Trooper/USFS Enforcement Passes

Type: Pass

Statutory/Other Authority: See various Memorandums of Agreement re: intergovernmental exchange of services

Year Enacted: Not Provided

Sunset/Repeal Date: 9/30/2013; Reinstated for AK State Troopers only on 3/1/2016

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$20,959	\$15,096	\$10,751	\$0	\$0

#### Description

These are contractual agreements with State and Federal Government Agencies (State Troopers, United States Forest Service) for enforcement presence.

#### Legislative Intent, Public Purpose

The purpose is to provide added law enforcement presence on board AMHS vessels.

#### Who Benefits and Number of Beneficiaries

This program expired in 2013 however it was reinstated for AK State Troopers only in FY 2016.

#### Estimated Cost to Administer

Not Provided.

---

#### Underage Discounted Tariffs

Type: Discount

Statutory/Other Authority: Not Provided

Year Enacted: Not Provided

Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$1,391,097	\$1,372,220	\$1,379,649	\$1,380,898	\$1,371,757

#### Description

Children aged 5 & under travel free (passage only).

#### Legislative Intent, Public Purpose

The purpose is to benefit families with children while traveling for any purpose.

#### Who Benefits and Number of Beneficiaries

On average 6,500 individuals use this per year.

#### Estimated Cost to Administer

Not Provided.

## Department of Transportation

### Alaska Marine Highway System

---

#### United States Coast Guard Sea Marshall Passes

Type: Pass

Statutory/Other Authority: AMHS Policy and Procedure # 7-4

Year Enacted: Not Provided

Sunset/Repeal Date: 4/1/2015

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$356	\$0	\$0	\$460	\$0

#### Description

These are issued to qualified members traveling to and from official Sea Marshall business - Pass #90040.

#### Legislative Intent, Public Purpose

The purpose is to mitigate the cost of Federal Government programs that provide services to Alaska

#### Who Benefits and Number of Beneficiaries

This program has expired.

#### Estimated Cost to Administer

Not Provided.

---

#### Veteran Disability Pass

Type: Pass

Statutory/Other Authority: AMHS Policy and Procedure # 7-9

Year Enacted: Not Provided

Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$33,352	\$52,561	\$30,080	\$12,956	\$10,919

#### Description

Qualified disabled veterans receive a 50% discount on the route specific adult passenger tariff - In state passage only.

#### Legislative Intent, Public Purpose

The purpose is to reduce transportation costs for qualified disabled American Veterans.

#### Who Benefits and Number of Beneficiaries

On average 50 individuals each year.

#### Estimated Cost to Administer

Not Provided.

## Department of Transportation

### *Alaska Marine Highway System*

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#### **Youth Group Discounted Tariffs**

Type: Discount

Statutory/Other Authority: AMHS Policy and Procedure # 3-18

Year Enacted: Not Provided

Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$686,890	\$688,513	\$736,645	\$704,016	\$699,006

#### **Description**

Organized Youth Groups receive a 50% discount on the route based adult passenger tariff - in State passage only.

#### **Legislative Intent, Public Purpose**

The purpose is to provide youth with the academic and social development that travel provides at a discounted cost.

#### **Who Benefits and Number of Beneficiaries**

On average 6,500 individuals use this per year.

#### **Estimated Cost to Administer**

Not Provided.





## **Alaska Indirect Expenditure Report**

**Preliminary Report for FY 2011-FY 2015**

### **Alaska Department of Revenue | Tax Division**

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