



Chapter 7

Non-Petroleum Revenue

Introduction

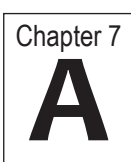
Revenue collections from in-state activities other than petroleum include non-petroleum taxes, charges for services, fines and forfeitures, licenses and permits, rents and royalties, and miscellaneous and transfer revenue sources such as dividends from public entities.

These sources are categorized as “Non-Petroleum Revenue, except federal and investment,” sometimes shortened to “Non-Petroleum Revenue.” Investment and Federal revenue are discussed in Chapters 4 and 5, respectively.

The non-petroleum revenue sources are each sub-categorized into unrestricted, designated general fund, and other restricted revenue in Table 7-1. Detail regarding each revenue type is reflected in Tables 7-2 through 7-7. This chapter also includes descriptions of each revenue source.

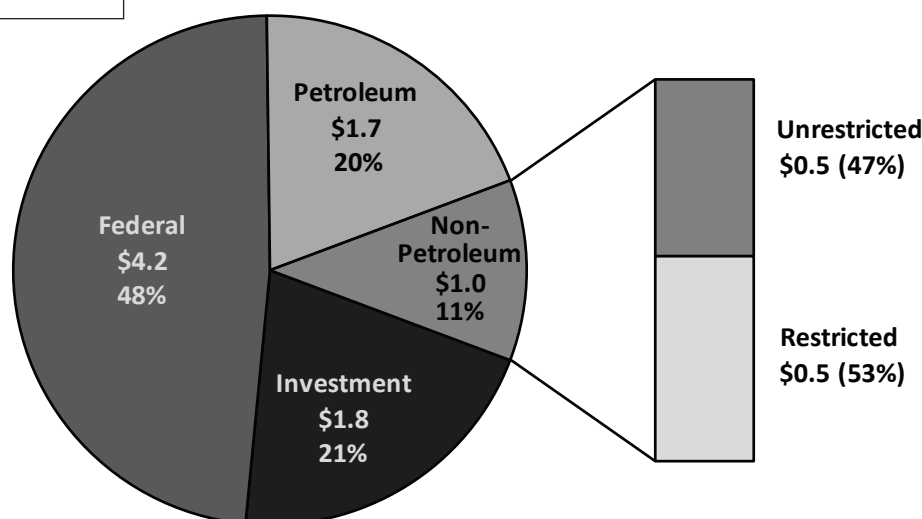
The Department of Revenue’s Tax Division website and the division’s annual report contain more comprehensive historical information about each type of tax the Tax Division collects. The Alaska Department of Administration’s *Comprehensive Annual Financial Report* contains more detail about many non-tax revenue sources.¹

¹ The Alaska Department of Administration’s *Comprehensive Annual Financial Report* can be found at <http://doa.alaska.gov/dof/reports/cafr.html>



FY 2020 Non-Petroleum Revenue

By restriction and type, in billions of dollars



Total Non-Petroleum Revenue

By restriction and category

		Millions of Dollars		
		History	Forecast	
Fiscal Year		2020	2021	2022
<u>Unrestricted</u>				
Unrestricted Non-Petroleum Revenue				
1	Taxes	323.5	215.9	228.4
2	Charges for Services	6.5	6.5	6.5
3	Fines and Forfeitures	15.1	12.8	12.8
4	Licenses and Permits	34.4	33.5	33.5
5	Rents and Royalties	5.6	6.1	6.5
6	Other	77.5	88.2	85.1
7	Total Unrestricted Non-Petroleum Revenue	462.7	363.0	372.8
<u>Restricted</u>				
Restricted Non-Petroleum Revenue				
Designated General Fund				
8	Taxes	137.6	138.7	139.8
9	Charges for Services	180.1	188.6	198.1
10	Fines and Forfeitures	5.5	5.8	5.6
11	Licenses and Permits	1.1	1.8	1.8
12	Rents and Royalties ¹	27.7	30.2	32.3
13	Other	33.6	38.1	42.2
14	Subtotal Designated General Fund	385.6	403.2	419.8
Other Restricted				
15	Taxes	36.6	27.5	39.2
16	Charges for Services	25.6	114.5	115.8
17	Fines and Forfeitures	16.1	17.0	16.2
18	Licenses and Permits	40.1	35.9	36.6
19	Rents and Royalties ¹	3.2	4.1	4.9
20	Other	8.6	10.0	10.0
21	Subtotal Other Restricted	130.2	209.1	222.7
22	Total Restricted Non-Petroleum Revenue	515.8	612.3	642.5
23	Total Non-Petroleum Revenue	978.4	975.3	1,015.3

¹ The constitutionally dedicated 25% of minerals-related royalties, bonuses, rents, and interest to the Permanent Fund is shown as Other Restricted revenue. Beginning with FY 2020, the additional 25% for leases issued after December 1, 1979, as referred to in AS 37.13.010(a), is shown as Designated General Fund revenue. Previously the additional 25% was shown as Other Restricted revenue; this change in presentation was made for conformity to budget documents.

Non-Petroleum Tax Revenue

By restriction and source

		Millions of Dollars		
		History	Forecast	
Fiscal Year		2020	2021	2022
<u>Unrestricted</u>				
1	Corporate Income Tax (Non-Petroleum)	102.4	30.0	25.0
Excise Tax				
2	Alcoholic Beverage	20.4	20.5	20.6
3	Tobacco Products – Cigarettes	29.4	23.3	22.4
4	Tobacco Products – Other	12.0	15.1	15.5
5	Electric and Telephone Cooperative	0.2	0.2	0.2
6	Insurance Premium Tax ¹	58.4	59.6	56.9
7	Marijuana ²	6.4	7.2	8.0
8	Motor Fuel Tax – Refined Fuel Surcharge	6.9	6.3	6.5
9	Tire Fee	1.4	1.4	1.4
10	Subtotal Excise Tax	135.0	133.6	131.5
Fish Tax				
11	Fisheries Business	24.1	13.5	14.5
12	Fishery Resource Landing	9.8	5.9	6.3
13	Subtotal Fish Tax	33.9	19.5	20.8
Other Tax				
14	Charitable Gaming	2.4	2.4	2.5
15	Large Passenger Vessel Gambling	13.1	0.0	5.3
16	Mining License	36.8	30.4	43.3
17	Subtotal Other Tax	52.2	32.9	51.1
18	Total Unrestricted Non-Petroleum Tax Revenue	323.5	215.9	228.4
<u>Restricted</u>				
Designated General Fund				
19	Alcoholic Beverage (Alcohol and Drug Treatment and Prevention Fund)	20.3	20.5	20.6
20	Electric and Telephone Cooperative (Municipal Share) ³	4.2	4.2	4.2
21	Fisheries Business (Municipal Share) ³	19.9	22.0	17.7
22	Fishery Resource Landing (Municipal Share) ³	5.0	7.0	6.5
23	Insurance Premium ^{1, 4}	7.2	6.5	6.2
24	Marijuana (Marijuana Education and Treatment Fund) ²	5.9	7.2	8.0
25	Marijuana (Recidivism Reduction Fund) ²	11.9	14.3	16.0
26	Motor Fuel Tax – Non-Aviation	36.5	33.4	34.7
27	Tobacco Products – Cigarettes (School Fund)	14.8	15.7	15.1
28	Tobacco Products – Cigarettes (Tobacco Use Education and Cessation Fund)	2.1	2.3	2.2
29	Vehicle Rental	9.7	5.7	8.6
30	Subtotal Designated General Fund	137.6	138.7	139.8

(Table continued, next page)

Non-Petroleum Tax Revenue

By restriction and source (*Continued*)

		Millions of Dollars		
		History	Forecast	
	Fiscal Year	2020	2021	2022
Other Restricted				
31	Commercial Passenger Vessel Tax (State Share)	-5.1	5.0	5.2
32	Commercial Passenger Vessel Tax (Municipal Share)	21.2	0.0	10.7
33	Common Property Fisheries Assessment	0.0	0.0	0.0
34	Dive Fishery Management Assessment (designated management areas)	0.5	0.5	0.5
35	Motor Fuel Tax – Aviation (State Share)	5.0	4.0	4.5
36	Motor Fuel Tax – Aviation (Municipal Share)	0.1	0.1	0.1
37	Salmon Enhancement Tax (Aquaculture Association Share)	6.7	6.8	7.0
38	Seafood Development Tax (qualifying regional associations)	3.3	3.4	3.5
39	Seafood Marketing Assessment (seafood marketing programs)	6.3	7.7	7.8
40	Settlements to Constitutional Budget Reserve Fund (Non-Petroleum taxes and royalties)	-1.3	0.0	0.0
41	Subtotal Other Restricted	36.6	27.5	39.2
42	Total Restricted Non-Petroleum Tax Revenue	174.3	166.3	179.0
43	Total Non-Petroleum Tax Revenue	497.8	382.2	407.5

¹ In FY 2016, House Bill 374 reclassified the previously unrestricted portion of the insurance premium tax to designated general fund revenue. Under current law, this portion of the insurance premium tax reverted to unrestricted revenue beginning in FY 2019.

² Fifty percent of marijuana tax revenue is deposited into the Recidivism Reduction Fund and treated as designated restricted revenue. Beginning in October 2018, an additional 25% of marijuana tax is deposited into the Marijuana Education and Treatment Fund, bringing the total designated general fund share of the marijuana tax to 75%.

³ Beginning in FY 2019, shared taxes and fees are considered designated general fund revenue.

⁴ In addition to the workers' compensation insurance premiums for the insurance premium tax, this amount also includes service fees from employers who are self-insured.

Taxes

as restricted in this forecast. The other half of the receipts are treated as unrestricted in this forecast.

Alcoholic Beverages Tax

Alcoholic beverages taxes imposed under AS 43.60 are collected primarily from wholesalers and distributors of alcoholic beverages sold in Alaska.

The per-gallon tax rates on alcoholic beverages are \$1.07 for beer, \$2.50 for wine, and \$12.80 for liquor. Beer from qualifying small breweries is taxed at a rate of \$0.35 per gallon.

Revenue from the alcoholic beverages tax is deposited into Alaska's general fund. Half of the receipts from this tax are deposited into a subfund of the general fund, the Alcohol and Other Drug Abuse Treatment and Prevention Fund and are treated

Charitable Gaming

Municipalities and qualified organizations may conduct certain gaming activities including pull-tabs, bingo, and raffles to support themselves and their mission. Qualified organizations include, but are not limited to, charitable, civic, fraternal, non-profit, and veterans' organizations.

The state imposes permit and license fees under AS 05.15.020(a) and (c) of between \$20 and \$100, a 1% net proceeds fee on gross receipts over \$20,000 under AS 05.15.020(b), and a 3% pull-tab tax under AS 05.15.184. While all charitable gaming receipts are shown as unrestricted revenue in this forecast, a

portion is actually classified as program receipts in the budget, as the Tax Division is responsible for regulating charitable gaming in the state.

Commercial Passenger Vessel Tax

The commercial passenger vessel (CPV) tax is imposed under AS 43.52.200 – 43.52.295 and is a tax of \$34.50 on each passenger aboard a commercial passenger vessel with 250 or more berths that spends more than 72 hours in Alaska waters over the course of one voyage. If a commercial passenger vessel visits a port that levies a tax or fee on a passenger traveling on a commercial passenger vessel and that local tax or fee was in place before December 17, 2007, the local tax or fee imposed on a passenger is used to reduce the amount of CPV tax imposed on a passenger. Only Juneau and Ketchikan had qualifying taxes or fees in place at that time. Juneau's fee is \$8 per passenger. Ketchikan's fee is \$7 per passenger for docking at city owned or leased facilities and \$4 per passenger for docking at non-city owned facilities.² Additionally, \$5 of the net CPV tax collected per passenger may be appropriated by the Legislature to each of the first seven ports of call, for a maximum appropriation of \$35 per passenger. All funds received from the CPV tax must be spent on port facilities, harbor infrastructure, and other services provided to commercial passenger vessels and the passengers on board those vessels. All revenue from the tax is considered restricted and is deposited into a subfund of the general fund, the Commercial Passenger Vessel tax account.

Corporate Income Tax

Alaska levies a corporate income tax on certain corporations doing business in the state under AS 43.19 and 43.20. Corporate tax rates are graduated, with a maximum rate of 9.4% applying to Alaska taxable income above \$222,000. S-corporations and limited liability companies (LLCs) that file federally as partnerships are generally exempt from Alaska's corporate income tax.

A non-oil and gas corporation computes its tax liability based on the federal taxable income of its water's edge combined report (a measure of income earned in the United States), with Alaska adjustments – for

² Ketchikan's passenger fees are scheduled to increase in April 2021. However, only the amount of the fee in place before December 17, 2007 (\$7 per passenger for docking at city owned or leased facilities and \$4 per passenger for docking at non-city owned facilities) will be eligible to offset the state Commercial Passenger Vessel tax.

example, Alaska tax code allows special treatment for certain dividends and royalties received from foreign corporations.

U.S. income is apportioned to Alaska based on three factors – sales, property, and payroll. Alaska taxable income is determined by applying the apportionment factor to the corporation's modified federal taxable income. Corporate income tax for oil and gas corporations is calculated differently and reported separately in Chapter 6.

Generally, a corporation is subject to tax on its current-year Alaska taxable income and any net operating losses may be carried-forward indefinitely to offset future tax liabilities. However, as part of the federal CARES Act passed in 2020, corporations may "carry back" net operating losses from tax years 2018, 2019, and 2020 up to five years and receive refunds for previous federal taxes paid. Alaska adopts most provisions of the federal corporate income tax code by reference, including the provision allowing the five-year carry back for net operating losses from tax years 2018, 2019, and 2020. Thus, this carry back provision applies to Alaska corporate income tax as well. For tax years 2021 and beyond, corporations will once again only be able to carry forward net operating losses.

Electric and Telephone Cooperative Taxes

The electric cooperative tax is imposed on qualified electric cooperatives under AS 10.25.555. The tax is based on kilowatt hours and the applicable rate is based on the number of years an electric cooperative has furnished electric energy and power to consumers.

The telephone cooperative gross revenue tax is imposed on qualified telephone cooperatives under AS 10.25.550. The tax is based on gross revenue and the applicable rate is based on the number of years a telephone cooperative has furnished telephone service to consumers.

Revenue from cooperatives located in municipalities is treated as designated general fund revenue in this forecast because it is shared 100% with the municipalities. The small amount of revenue collected from cooperatives outside municipalities as well as the cost expended by the state to collect the taxes are retained by the State of Alaska and treated as unrestricted revenue.

Fisheries Business Tax

The fisheries business tax imposed under AS 43.75.011 – 43.75.290 is levied on businesses that process fishery resources in Alaska or export unprocessed fishery resources from Alaska. Although the tax is usually levied on the act of processing, the tax is often referred to as a “raw fish tax” because it is based on the value of the raw, unprocessed fishery resource.

Tax rates vary from 1% to 5%, depending on whether a fish species is classified as “established” or “developing” in the geographic area where it was caught and whether it was processed by a shore-based processor, a floating processor, or a salmon cannery.

Revenue from the tax is deposited into the general fund. Half of that revenue (before credits) is shared with qualified municipalities and is treated as designated general fund revenue. The remainder (after credits) is treated as unrestricted revenue.

Tax credits for the fisheries business tax, including the Salmon and Herring Product Development Credit, apply only to the state portion of the tax.

Fishery Resource Landing Tax

The fishery resource landing tax imposed under AS 43.77.010 – 43.77.200 is levied on fishery resources processed outside Alaska, but first landed in Alaska. Tax liability is based on the statewide average price of unprocessed fish for each fish species. The tax is collected primarily from factory trawlers and floating processors that process fishery resources outside the state’s three-nautical mile limit and bring their products into Alaska for shipment.

The tax rates vary from 1% to 3%, based on whether the species is classified as “established” or “developing.”

Revenue from the tax is deposited into the general fund. Half of the revenue (before credits) is shared with qualified municipalities and is treated as designated general fund revenue.

As with the fisheries business tax, most tax credits apply only to the state share. The exception is the Community Development Quota Credit, which

applies only to the municipal share. The remaining revenue after credits and municipal share is treated as unrestricted revenue.

Insurance Premium Tax

Insurance companies in Alaska pay an insurance premium tax instead of corporate income tax or other taxes under AS 21.09.210. The tax is levied as a percentage of the total insurance premiums for policies in the state and varies by the type of insurance. Except for a portion of the insurance premium tax on worker’s compensation insurance, as discussed below, this *Revenue Sources Book* does not separately report the various components of insurance premium tax.

Revenue from the insurance premium tax on workers’ compensation insurance is deposited into a subfund of the general fund, the Workers’ Safety and Compensation Fund, and is reflected as restricted in this forecast. The restricted component also includes service fees paid into the Workers’ Safety and Compensation Fund by employers who are uninsured or self-insured.

Prior to FY 2017, non-workers’ compensation insurance premium tax was considered unrestricted revenue. For FY 2017 and FY 2018, non-workers’ compensation insurance premium tax was deposited into a subfund of the general fund, the Alaska Comprehensive Health Insurance Fund, and was reflected as restricted in this forecast. However, beginning in FY 2019, this revenue reverted to unrestricted revenue and is reflected as such in this forecast.

Large Passenger Vessel Gambling Tax

The large passenger vessel gambling (LPV) tax is imposed under AS 43.35.200 – 43.35.220 and is a tax of 33% on the adjusted gross income from gaming or gambling activities aboard large passenger vessels in the state. Gambling activities include the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used for gaming or gambling, and any other gambling activities aboard large passenger vessels in Alaska. The tax is imposed on the operator of gaming or gambling activities.

All proceeds from the LPV gambling tax are deposited into the Large Passenger Vessel Gaming & Gambling Tax Account, which is a subaccount of the Commercial Passenger Vessel Tax Account. The Commercial Passenger Vessel Tax Account, in turn, is a subfund in the General Fund. All revenue from the LPV gambling tax is considered unrestricted.

Marijuana Tax

Marijuana cultivation facilities in Alaska pay a tax on marijuana under AS 43.61. The tax rate is \$50 per ounce on marijuana bud/flower, \$25 per ounce on immature, seedy, or failed marijuana bud/flower, and \$15 per ounce on other parts of the marijuana plant ("trim"). Clones are taxed at a flat rate of \$1 per marijuana plant. The tax is due the month after the sale of the product to a retail marijuana store or marijuana product manufacturing facility.

Fifty percent of the revenue from the marijuana tax is deposited into a subfund of the general fund, the Recidivism Reduction Fund, and is treated as restricted in this forecast. Beginning in October 2018, 25% of marijuana tax revenue is deposited into the Marijuana Education and Treatment Fund and is also treated as restricted in this forecast. The remaining 25% of marijuana tax revenue is considered unrestricted revenue.

Mining License Tax

The mining license tax imposed under AS 43.65 is Alaska's severance tax on mining. Alaska's large metal mines are subject to the mining license tax, as are numerous smaller mining operations. Many of these smaller operations generate sufficient income to pay mining license tax in any given year. In addition to the mining operations themselves, Alaska also receives mining license tax for royalty income received by private landowners (including Alaska Native corporations) for mining operations that are located on private land. Quarry rock, sand and gravel, and marketable earth-mining operations are not subject to the mining license tax.

The tax is based on mining net income and royalties received in connection with mining properties and activities in Alaska. Tax rates range from 0% to 7% of the net income of mining operations in the state, with the top tax rate applying to mining net income above \$100,000. No tax is due when mining

net income is \$40,000 or less. There is a 3½-year exemption period after production begins before new mining operations are subject to this tax.

Motor Fuel Tax

A motor fuel tax is imposed under AS 43.40.010 – 43.40.100 on motor fuel sold, transferred, or used within Alaska with some exemptions. Motor fuel tax is primarily collected from wholesalers and distributors licensed as qualified dealers. Various fuel uses are exempt from the tax, including fuel used by federal, state and local government agencies, charitable institutions, for heating, or for international flights.

The per-gallon tax rates are \$0.08 for highway use, \$0.05 for marine fuel, \$0.047 for aviation gasoline, \$0.032 for jet fuel, and \$0.08 or \$0.02 for gasohol, depending on the season, location, and U.S. Environmental Protection Agency mandate.

The federal government requires that all aviation fuel tax revenue be used in direct support of the airports where the revenue is generated. As a result, both aviation gasoline and jet fuel revenue are shown as other restricted revenue. This includes the 60% of revenue attributable to aviation fuel sales at municipal airports that is shared with the respective municipalities under AS 43.40.010(e). This shared amount excludes the amount determined by the state that it spent in its collection of the tax.

Remaining motor fuel tax revenue is considered designated in the budget process, as AS 43.40.010(f), (g), and (j) designates motor fuel taxes for specific infrastructure maintenance accounts.

An additional refined fuel surcharge is imposed under AS 43.40.005 – 43.40.007 of \$0.0095 per gallon on non-aviation fuel as well as certain non-motor fuels such as home heating oil. Municipalities and certain cooperatives are exempt from the surcharge. While the surcharge is shown as unrestricted revenue in this forecast, it is set aside for appropriation for the benefit of the Alaska Department of Environmental Conservation's Spill Prevention and Response Division.

Seafood Assessments and Taxes

In addition to the fisheries taxes discussed above, the department administers five programs that collect funds through seafood assessments and taxes.

The rates for these assessments and taxes are determined by a vote of the appropriate association within the seafood industry, by members of the Alaska Seafood Marketing Institute (ASMI), or by the department. The five programs are:

- The Common Property Fishery Assessment imposed under 15 AAC 116.410 – 15 AAC 116.490, which allows hatcheries to establish an annual cost recovery rate. The rate is set based on individual hatchery data in accordance with regulation.
- The Dive Fishery Management Assessment imposed under AS 43.76.150 – 43.76.210, which is levied on the value of fishery resources taken using dive gear in a designated management area.
- The Salmon Enhancement Tax imposed under AS 43.76.001 – 43.76.040, which is levied on salmon sold or exported from designated aquaculture regions.
- The Seafood Development Tax imposed under AS 43.76.350 – 43.76.399, which is levied on the value of fishery resources in a designated management area.
- The Seafood Marketing Assessment imposed under AS 16.51.120 – 16.51.180, which applies to all seafood products made or first landed in Alaska and all unprocessed products exported from Alaska. This assessment is a 0.5% levy on resources processed, landed, or exported from Alaska when the taxpayer has \$50,000 or more value in a calendar year. Taxpayers with reportable value under \$50,000 are not subject to the tax. This assessment supports the operations of the ASMI.

The revenue received under these five assessments and taxes is deposited into the general fund and is treated as other restricted revenue in this forecast. It is set aside for appropriation for the benefit of the seafood industry, either in marketing, or for management and development of the industry.

Settlements to CBRF

Payments received from settlements of mining tax and royalty disputes between the state and producers are deposited into the CBRF, after accounting for any applicable share of royalty settlements deposited into the Permanent Fund and Public School Trust Fund.

Tire Fee

The tire fee imposed under AS 43.98.025 has two components. The first component is a \$2.50 per tire fee on all new tires sold in Alaska for motor vehicles intended for highway use. The second component is either an additional \$5 per tire fee on all new tires with heavy studs for motor vehicles intended for highway use, or a \$5 per tire fee on the installation of heavy studs on a previously un-studded tire for motor vehicles intended for highway use. Heavy studs are defined as being made of metal and weighing more than 1.1 grams each.

Tires sold to federal, state, or local government agencies for official use are exempt from the tire fees, as well as certain tires with lightweight studs or tires for motor vehicles not intended for highway use.

Tobacco Tax

Alaska levies a tax on cigarettes and other tobacco products under AS 43.50.

AS 43.50.090 – 43.50.180 levies a tax of 38 mills on each cigarette imported into the state for sale or personal consumption. Under AS 43.50.140, the receipts from this tax are deposited into the School Fund, a subfund of the general fund, and are considered designated restricted revenue. Money deposited into the School Fund is to be used for the rehabilitation, construction, repair, and associated insurance costs of state school facilities.

AS 43.50.190 levies an additional tax of 62 mills on each cigarette imported or acquired in the state, except the tax does not apply to the first 400 cigarettes personally transported into the state by an individual for personal use. Under AS 43.50.190, the receipts from this additional tax are deposited into the general fund, with 8.9% of the total receipts going to the Tobacco Use Education and Cessation subfund. These receipts are treated as designated restricted revenue.

For most cigarettes sold in the state, the total tax is 100 mills per cigarette, or \$2.00 per standard pack of 20 cigarettes.

AS 43.50.200 levies a tax of 12.5 mills on each cigarette imported or acquired in the state from a tobacco product manufacturer that is not a participating manufacturer in the multi-state tobacco settlement, often referred to as the Master Settlement Agreement. Under AS 43.50.200, the receipts from this tax are deposited into the general fund.

AS 43.50.300 levies a tax of 75% of the wholesale price on other tobacco products (other than cigarettes) imported into the state for sale. Under AS 43.50.350, the receipts from this tax are deposited entirely into the general fund, and are unrestricted revenue. While this tax is shown as unrestricted revenue in this forecast, it is set aside for appropriation for health care, health research, health promotion, and health education.

Certain cigarettes and tobacco products are exempt from the taxes outlined above. For example, sales to authorized military personnel by a military exchange, commissary, or ship store, and sales by an Indian reservation business located within an Indian reservation to members of the reservation are exempt from the taxes.

Electronic cigarettes and “vaping” products are not subject to Alaska tobacco taxes under current statute.

Under federal law, the legal age for purchasing tobacco products was raised to 21, effective December 2019. The legal age in Alaska statutes remains at 19, however forecasts in this *Revenue Sources Book* assume that consumption will be based on the federal legal age. Reasons for this assumption include that the state has adopted the minimum age of 21 for tobacco licensing purposes, that most if not all major retailers have conformed their policies to the federal law, and that several municipalities have changed their laws as well to reflect the minimum age of 21.

Vehicle Rental Tax

The vehicle rental tax imposed under AS 43.52.010 – 43.52.020 is 10% on most passenger vehicle rentals of 90 days or less. The recreational vehicle rental tax imposed under AS 43.52.030 – 43.52.040 is 3% on recreational vehicle rentals of 90 days or less.

Exemptions include taxis, rentals to government agencies, motorcycles, and trucks used for transporting personal property.

Revenue from the vehicle rental tax is deposited into a vehicle rental tax subaccount within the general fund. The Alaska Legislature may appropriate the balance of that account for tourism development and marketing. In this forecast, the revenue is shown as restricted revenue, in the designated general fund category.

Charges for Services

Charges for services include fees and other program charges for state services. Revenues reported in this category do not include all charges for state services. This category only includes those services that do not fit into other categories in this report.

Most of these receipts are considered restricted revenue because they are returned to the program where they were collected. The only unrestricted revenue listed in this category comes from charges that do not have program receipt designations or are not otherwise segregated and appropriated back to a program. Many of the charges for services are small amounts that the department has grouped into the broad category, “general government.”

Marine Highway Fund

The Alaska Marine Highway Fund under AS 19.65.050 – 19.65.100 is a subfund of the general fund and receives revenue from state ferry system operations. Because this revenue is customarily appropriated for Alaska Marine Highway operations, it is considered restricted revenue for this forecast.

Environmental Compliance Fund

Commercial passenger vessel fees paid into the Environmental Compliance Fund come from two sources – environmental compliance fees imposed under AS 46.03.480(a)-(c) and Ocean Ranger Program fees imposed under AS 46.03.480(d). All fees paid into the fund are considered restricted for the purpose of this forecast and are based on estimated cruise ship passenger levels.

Environmental compliance fees are levied on commercial passenger vessels with more than 50 berths. Fees range from \$75 to \$3,750 per vessel based on the number of berths and funds are used to support environmental compliance programs.

The Ocean Ranger Program fee is levied on each voyage in Alaska by commercial passenger vessels with 250 or more berths at a rate of \$4 per berth. This fee was imposed as part of a broader commercial passenger vessel-related initiative passed by Alaska voters in August 2006.