



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Revenue

TAX DIVISION

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October 28, 2021

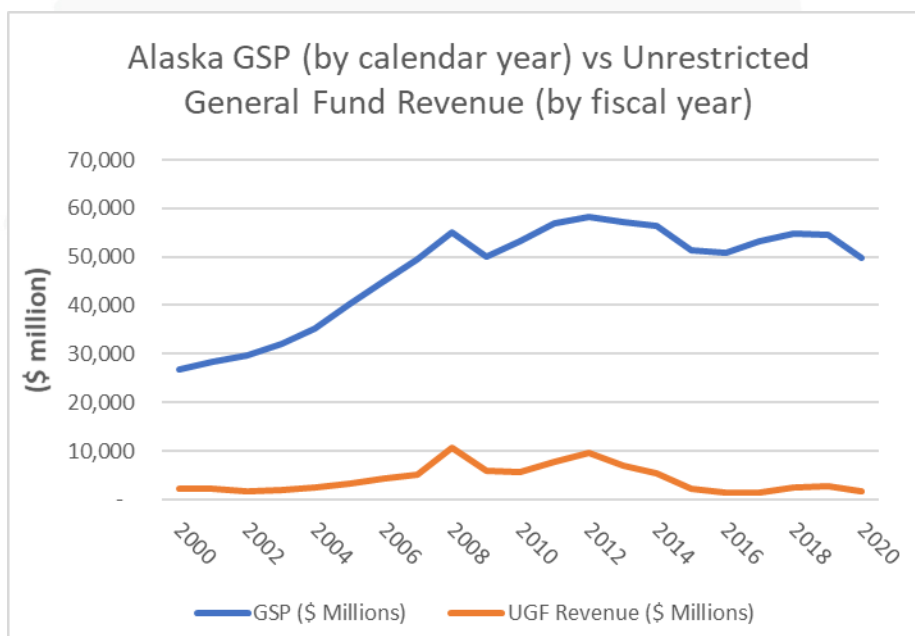
The Honorable Ivy Spohnholz
Chair, House Ways and Means Committee
Anchorage LIO, Room 425
Anchorage, AK, 99503

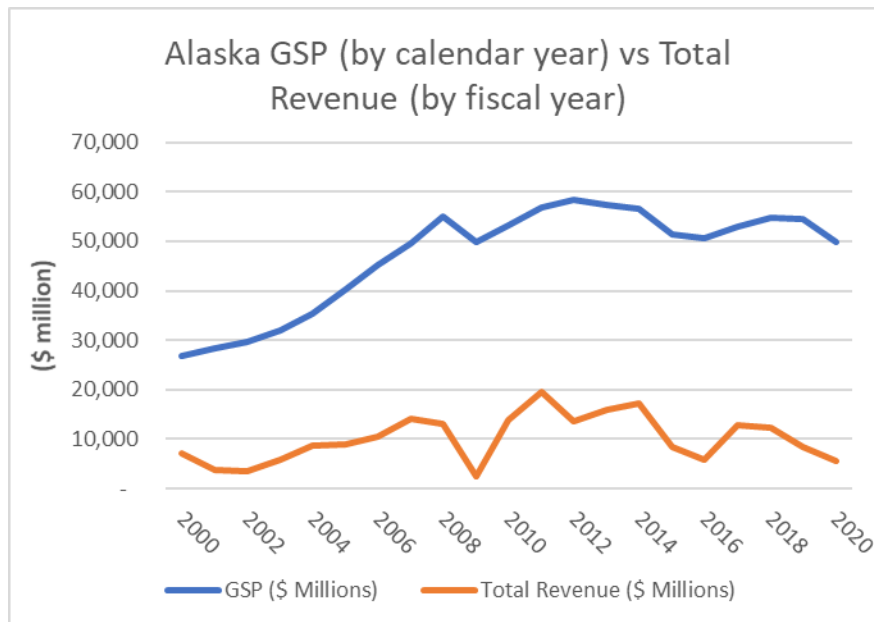
Dear Chair Spohnholz,

This letter is in response to the question asked of the Department of Revenue (DOR) during the House Ways and Means Committee on October 14, 2021.

1. Please provide a comparison of historical Gross State Product (GSP) and state revenue.

Following are charts comparing Alaska Gross State Product (GSP) with state revenue. Note, GSP is sometimes referred to as "state GDP." State revenue data are shown by fiscal year and are taken from the 2018, 2019, and 2020 Revenue Sources Books. GSP data are shown by calendar year and are taken from the Federal Reserve Economic Database (FRED) for "Gross Domestic Product: All Industry Total in Alaska, Millions of Dollars, Annual, Not Seasonally Adjusted."





From 2000 to 2020, nominal GSP increased from \$26.8 to \$49.8 billion. Over a similar time period, FY 2000 to FY 2020, total state revenue fluctuated significantly, ranging from \$2.5 to \$19.5 billion. Unrestricted general fund revenue was also volatile, ranging from \$1.4 to \$10.7 billion.

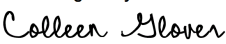
In terms of share of GSP, from FY 2000 to FY 2020, total state revenue ranged from 4.9 percent to 34.3 percent of GSP, with an average of 21.0 percent. For FY 2020, this metric was 11.5 percent. Note, this compares fiscal year revenue data with calendar year GSP data.

In terms of share of GSP, from FY 2000 to FY 2020, unrestricted general fund revenue ranged from 2.6 percent to 19.5 percent of GSP, with an average of 8.4 percent. For FY 2020, this metric was 3.2 percent. Note, this compares fiscal year revenue data with calendar year GSP data.

Please note, the GDP information presented by the Alaska Municipal League in the same committee hearing (Slide 3) excluded the oil sector, while DOR's information includes this sector. The state revenue information in the charts includes petroleum revenue and DOR felt it was best to include the petroleum sector to be a similar comparison.

I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions.

Sincerely,

DocuSigned by:

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Colleen M. Glover
 Tax Division Director