

Revenue

Applicable Program

Motor Fuel Tax

Indirect Expenditure Name

Timely filing discount

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

Gives a timely filing credit of 1% of the total monthly tax due to a maximum of \$100.

(2) Type

Reduced Rate

(3) Authorizing Statute, Regulation or Other Authority

AS 43.40.013

(4) Year Enacted

1951, last amended 1997

(5) Sunset or Repeal Date

None

(6) Legislative Intent

To encourage timely filing of motor fuel tax returns and provide an allowance to cover the accounting expense of filing timely monthly tax returns.

(7) Public Purpose

To encourage timely filing of tax returns.

(8) Estimated Revenue Impact

FY 2015 - \$62,590

FY 2016 - \$65,074

FY 2017 - \$61,581

FY 2018 - \$58,842

FY 2019 - \$62,312

(9) Cost to Administer

No additional cost; is administered with current resources.

(10) Number of Beneficiaries / Who Benefits

86 companies

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

\$62,080

(2) Estimate of Annual Monetary Benefit to Recipients

Maximum of \$1,200 (\$100 per month).

(3) Legislative Intent Met?

Yes

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

Recommend termination. Instead of a break for timely filing, recommend a penalty for late filing. Other state tax

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Timely filing discount

Legislative Finance Analysis per AS 24.20.235

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

payers do not receive a discount for timely tax filing.

Motor Fuel Tax

Timely Filing Credit

Type: Credit
Statutory/Other Authority: [AS 43.40.013](#)
Year Enacted: 1951, last amended 2015
Sunset/Repeal Date: None

Revenue Impact				
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
\$63,899	\$63,162	\$65,227	\$70,500	\$67,863

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

FY19: 86; FY20: 84; FY21: 87; FY22: 84; FY23: 83.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Fund Code and Name

1004, Unrestricted General Fund Receipts

Departmental Direction/Additional Comments

Previously titled "Timely Filing Discount" in prior reports.

Revenue

Applicable Program
Tobacco Products Tax

Indirect Expenditure Name
Commission

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Gives a four-tenths of one percent deduction to cover the expense of accounting and filing the return for the tobacco tax. The percentage was decreased in 1997 to reflect a higher tax rate than in the original statute.

(2) Type

Reduced Rate

(3) Authorizing Statute, Regulation or Other Authority

AS 43.50.330 (b)

(4) Year Enacted

1988, amended 1997

(5) Sunset or Repeal Date

None

(6) Legislative Intent

The discount was intended to cover the cost of filing the return.

(7) Public Purpose

To encourage timely filing of tax returns.

(8) Estimated Revenue Impact

FY 2015 - \$54,053

FY 2016 - \$55,437

FY 2017 - \$55,848

FY 2018 - \$57,341

FY 2019 - \$58,370

(9) Cost to Administer

No additional cost; is administered with current resources.

(10) Number of Beneficiaries / Who Benefits

Between 10 and 40 companies.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$56,210

(2) Estimate of Annual Monetary Benefit to Recipients

\$2,248

(3) Legislative Intent Met?

Unclear

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

Recommend termination. Other state tax payers do not receive a discount to cover the cost of filing taxes. Online tax

Revenue

Applicable Program

Tobacco Products Tax

Indirect Expenditure Name

Commission

Legislative Finance Analysis per AS 24.20.235

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

filing provides an efficient and cost effective method - the rate reduction may be obsolete.

Tobacco Tax

Commission

Type: Deduction
Statutory/Other Authority: AS 43.50.330(b)
Year Enacted: 1988, amended 1997
Sunset/Repeal Date: None

Revenue Impact				
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
\$58,344	\$58,960	\$55,737	\$53,583	\$51,474

Description

Gives a four-tenths of one percent deduction to cover the expense of accounting and filing the return for the tobacco tax. The percentage was decreased in 1997 to reflect a higher tax rate than in the original statute.

Legislative Intent, Public Purpose

The discount was intended to cover the cost of filing the return to encourage timely filing of tax returns.

Who Benefits and Number of Beneficiaries

FY19: 31; FY20: 29; FY21: 30; FY22: 27; FY23: 30.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Fund Code and Name

1004, Unrestricted General Fund Receipts

Revenue

Applicable Program
Cigarette Tax

Indirect Expenditure Name
Tax Stamp Discount

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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.

(2) Type

Reduced Rate

(3) Authorizing Statute, Regulation or Other Authority

AS 43.50.540 (c)

(4) Year Enacted

2003

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Public Purpose

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

(8) Estimated Revenue Impact

FY 2015 - \$360,326

FY 2016 - \$312,544

FY 2017 - \$320,574

FY 2018 - \$306,628

FY 2019 - \$311,480

(9) Cost to Administer

No additional cost; is administered with current resources.

(10) Number of Beneficiaries / Who Benefits

8 companies

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$322,310

(2) Estimate of Annual Monetary Benefit to Recipients

\$40,289

(3) Legislative Intent Met?

Yes

Revenue

Applicable Program
Cigarette Tax

Indirect Expenditure Name
Tax Stamp Discount

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

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

Cigarette Tax

Tax Stamp Discount

Type: Discount
Statutory/Other Authority: AS 43.50.540(c)
Year Enacted: 2003
Sunset/Repeal Date: None

Revenue Impact				
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
\$311,533	\$281,884	\$333,412	\$305,445	\$293,682

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

FY19: 8; FY20: 9; FY21: 9; FY22: 8; FY23: 8.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Fund Code and Name

1004, Unrestricted General Fund Receipts

1030, School Fund

1168, Tobacco Use Education and Cessation Fund

Revenue

Applicable Program

Tire Fee

Indirect Expenditure Name

Timely filing credit

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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 a quarter.

(2) Type

Reduced Rate

(3) Authorizing Statute, Regulation or Other Authority

AS 43.98.025 (e)

(4) Year Enacted

2003, last amended in 2015

(5) Sunset or Repeal Date

None

(6) Legislative Intent

The discount was intended to encourage timely remittance of taxes and to cover the cost of collecting the fee and filing the return.

(7) Public Purpose

To encourage timely filing of tax returns.

(8) Estimated Revenue Impact

FY 2015 - \$48,675

FY 2016 - \$42,344

FY 2017 - \$40,399

FY 2018 - \$37,168

FY 2019 - \$34,935

(9) Cost to Administer

No additional cost; is administered with current resources.

(10) Number of Beneficiaries / Who Benefits

Between 55 and 70 companies.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$40,704

(2) Estimate of Annual Monetary Benefit to Recipients

\$651

(3) Legislative Intent Met?

Yes

Revenue

Applicable Program
Tire Fee

Indirect Expenditure Name
Timely filing credit

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend Termination. Instead of a break for timely filing, recommend a penalty for late filing. Other state tax payers do not receive a discount for timely tax filing.

Tire Fees

Timely Filing Credit

Type: Credit
Statutory/Other Authority: [AS 43.98.025\(e\)](#)
Year Enacted: 2003, last amended 2015
Sunset/Repeal Date: None

Revenue Impact				
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
\$36,330	\$37,207	\$39,612	\$39,745	\$38,067

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

FY 19: 60; FY20: 61; FY21: 60; FY22: 59; FY23: 56.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Fund Code and Name

1004, Unrestricted General Fund Receipts