

CS FOR SENATE BILL NO. 164(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 3/4/26

Referred: Finance

Sponsor(s): SENATOR MERRICK

A BILL

FOR AN ACT ENTITLED

1 **"An Act eliminating deductions for the remittance of the motor fuel tax, tobacco taxes,**
2 **and tire fees; relating to discounts on cigarette stamps; and providing for an effective**
3 **date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 43.40.013 is amended to read:

6 **Sec. 43.40.013. Collection of the refined fuel surcharge and the motor fuel**
7 **tax.** Every dealer who sells or otherwise transfers refined or motor fuel in the state
8 shall collect the surcharge and tax required in this chapter at the time of sale, and remit
9 the total surcharge and tax collected during each calendar month of each year to the
10 department by the last day of each succeeding month. Every user shall likewise remit
11 the surcharge and tax required in this chapter and accrued on fuel actually used by the
12 user during each month. [IF THE MONTHLY RETURN IS TIMELY FILED, ONE
13 PERCENT OF THE TOTAL MONTHLY SURCHARGE AND TAX DUE,
14 LIMITED TO A MAXIMUM OF \$100, MAY BE DEDUCTED AND RETAINED

1 TO COVER THE EXPENSE OF ACCOUNTING AND FILING THE MONTHLY
 2 RETURN.] At the time the remittance is made, each dealer or user shall submit a
 3 statement to the department showing all fuel that the dealer or user has distributed or
 4 used during the month.

5 * **Sec. 2.** AS 43.50.330(b) is amended to read:

6 (b) The licensee shall remit with the return the tax due under AS 43.50.300 for
 7 the month covered by the return [, AFTER DEDUCTING FOUR-TENTHS OF ONE
 8 PERCENT OF THE TAX DUE, WHICH THE LICENSEE SHALL RETAIN TO
 9 COVER THE EXPENSE OF ACCOUNTING AND FILING THE RETURN].

10 * **Sec. 3.** AS 43.50.540(c) is amended to read:

11 (c) **Each** [EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,
 12 EACH] stamp shall be sold to a licensee at its denominated value [LESS THE
 13 DISCOUNT PROVIDED IN THIS SUBSECTION. THE DISCOUNT UNDER THIS
 14 SUBSECTION IS PROVIDED AS COMPENSATION FOR AFFIXING STAMPS
 15 TO PACKAGES AS REQUIRED BY AS 43.50.500 - 43.50.700. THE
 16 DEPARTMENT MAY REDUCE OR ELIMINATE THE DISCOUNT TO A
 17 LICENSEE UNDER THIS SUBSECTION IF THE LICENSEE FAILS TO MEET
 18 THE REQUIREMENTS OF AS 43.50.500 - 43.50.700. THE DISCOUNT UNDER
 19 THIS SUBSECTION IS EQUAL TO THE SUM OF THE AMOUNTS
 20 CALCULATED USING THE FOLLOWING PERCENTAGES OF
 21 DENOMINATED VALUE OF STAMPS PURCHASED BY A LICENSEE UNDER
 22 THIS SECTION IN A CALENDAR YEAR:

23 (1) \$1,000,000 OR LESS, THREE PERCENT;

24 (2) THE AMOUNT THAT IS MORE THAN \$1,000,000 BUT NOT
 25 MORE THAN \$2,000,000, TWO PERCENT;

26 (3) THE AMOUNT THAT IS OVER \$2,000,000, ZERO PERCENT].

27 * **Sec. 4.** AS 43.50.590(a) is amended to read:

28 (a) The department shall adopt procedures for a refund or credit to a licensee
 29 in the amount of the denominated value [, LESS THE DISCOUNT GIVEN UNDER
 30 AS 43.50.540,] for

31 (1) unused or damaged stamps;

1 (2) stamps affixed to cigarette packages that have become unfit for use
2 or sale, are destroyed, or are returned to the manufacturer for credit or replacement if
3 the licensee provides proof acceptable to the department that the cigarettes have not
4 been and will not be consumed in this state; or

5 (3) stamps affixed to cigarette packages that are sold or distributed
6 outside the state if the licensee provides proof acceptable to the department that the
7 cigarettes have not been and will not be consumed in this state and the licensee is
8 properly licensed in the jurisdictions outside the state where the sales or distributions
9 are made.

10 * **Sec. 5.** AS 43.50.540(h) and AS 43.98.025(e) are repealed.

11 * **Sec. 6.** This Act takes effect July 1, 2026.

Senate Bill 164, version I Sponsor Statement

“An Act eliminating deductions for the remittance of the motor fuel tax, tobacco taxes, and tire fees; relating to discounts on cigarette stamps; and providing for an effective date.”

Alaskans have taken more interest than ever in looking into the details of individual state programs to maximize efficiency in government. Luckily, the Department of Revenue (DOR) and the Division of Legislative Finance (LFD) audit a variety of programs, department by department, as part of the Indirect Expenditure Report. DOR and LFD look into the origin of programs, legislative intent in their creation, history of updates, and usage, and include recommendations on whether to continue, reconsider, or terminate these items.

Senate Bill 164 is not the first attempt to incorporate those recommendations into statute, but like so many pieces of legislation, they are not exciting and do not rise to the same significance as other work we do and have not passed into state law. This bill is another attempt to streamline government, level the playing field, and add new drops to the revenue bucket in our time of financial uncertainty.

This bill makes the following small changes within Alaska’s tax statutes:

- Eliminates the timely filing credit for motor fuel and tire fee taxes
- Eliminates the tax deduction for filing tobacco product taxes
- Eliminates the Stamp Tax Discount

These are not big pieces in the Indirect Expenditure Report, they are no where near the entirety of the Indirect Expenditure Report, and they are not glamorous. But hopefully they are steps that are easy for the Legislature to support as we continue toward more departmental government efficiency, auditing the programs the State of Alaska already has and ensuring they are still serving Alaskans.

Senate Bill 164, version I Sectional Analysis

“An Act eliminating deductions for the remittance of the motor fuel tax, tobacco taxes, and tire fees; relating to discounts on cigarette stamps; and providing for an effective date.”

Section 1: Eliminates the timely filing credit for remitting motor fuel tax established in AS 43.40.013 for the collection for the motor fuel tax.

Section 2: Eliminates the timely filing discount for taxes relating to tobacco products established in AS 43.50.330(b), excise tax returns for certain tobacco products.

Sections 3 & 4: Eliminates the cigarette stamp tax discount in AS 43.50.540(c), the cigarette stamp tax discount section, and AS 43.50.590(a), refunds or credits for unused or damaged cigarette stamps.

Section 5: Repeals statutes for the cigarette stamps definition and the tire fee timely filing discount.

Section 6: Provides an effective date of July 1, 2026.



Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version:	CSSB 164(L&C)
Fiscal Note Number:	1
(S) Publish Date:	3/4/2026

Identifier: SB164-DOR-TAX-2-21-26
 Title: ELIMINATE TAX DISCOUNTS
 Sponsor: MERRICK
 Requester: (S) L&C

Department: Department of Revenue
 Appropriation: Taxation and Treasury
 Allocation: Tax Division
 OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2027 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

1004 Gen Fund (UGF)	265.0		265.0	265.0	265.0	265.0	265.0	265.0
1252 DGF Temp (DGF)	202.7		202.7	202.7	202.7	202.7	202.7	202.7
Total	467.7	0.0	467.7	467.7	467.7	467.7	467.7	467.7

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Brandon Spanos, Acting Director
 Division: Tax Division
 Approved By: Janelle Earls, Acting Commissioner
 Agency: Department of Revenue

Phone: (907)269-6736
 Date: 02/21/2026
 Date: 02/21/26

REPORTED OUT OF
SFC 03/24/2026

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

Analysis

Background

This bill eliminates four tax collection incentives currently provided to businesses that collect and remit taxes on behalf of the State of Alaska. Specifically, the bill removes:

1. Timely Filing Credit (AS 43.40.013) - Motor Fuel Tax: One percent of the total monthly tax due to cover the expense of accounting and filing the monthly return, capped at \$100 per monthly return. Additional revenue would be Other Restricted revenue (aviation related, including a state share and municipal share) or Designated General Funds (all other fuels).
2. Commission (AS 43.50.330) - Tobacco Products Tax: Four-tenths of one percent (0.4%) deduction to cover the expenses of accounting and filing the return, with no cap. Additional revenue would be Unrestricted General Funds.
3. Tax Stamp Discount (AS 43.50.540) - Cigarette Tax: Tiered discount structure calculated annually per licensee at three percent on the first \$1 million, two percent on \$1-2 million, and zero percent above \$2 million in denominated value, capped at \$50,000 per company per calendar year. Additional revenue would be split between the Unrestricted General Fund and two designated funds, the School Fund and Tobacco Use Education and Cessation Fund (TECF).
4. Timely Filing Credit (AS 43.98.025) - Tire Fee: Five percent of the amount collected for sellers that remit the fee within 30 days after the last day of the preceding calendar quarter, capped at \$600 per quarter. Additional revenue would accrue to the Unrestricted General Fund.

NOTE: This fiscal note assumes the effective date will be amended during the legislative process to July 1, 2026, delaying implementation by one year. Therefore, the first year of revenue impact is projected to occur in FY2027. This assumption accounts for the typical legislative timeline and allows adequate notice to affected licensees and dealers to adjust their accounting systems and procedures.

Revenue Impact

Elimination of these deductions is projected to generate approximately \$467,800 in additional annual revenue beginning in FY2027, based on the five-year average. The following table provides additional detail.

Tax	Name of Expenditure	Statute Reference	2021	2022	2023	2024	2025	5-year average
Motor Fuel Tax	Timely Filing Credit	43.40.013	\$ 65.2	\$ 70.5	\$ 67.9	\$ 68.4	\$ 69.8	\$ 68.3
Tobacco Products Tax	Commission	43.50.330	\$ 55.7	\$ 53.6	\$ 51.5	\$ 52.1	\$ 49.8	\$ 52.5
Tire Fee	Timely Filing Credit	43.98.025	\$ 39.6	\$ 39.7	\$ 38.1	\$ 36.9	\$ 36.3	\$ 38.1
Cigarette Tax	Tax Stamp Discount	43.50.540	\$ 333.4	\$ 305.4	\$ 293.7	\$ 268.9	\$ 342.5	\$ 308.8
Total			\$ 494.0	\$ 469.3	\$ 451.1	\$ 426.2	\$ 498.3	\$ 467.8

amounts shown in \$ thousands

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. SB 164

Analysis

Of the total, approximately \$265,000 would be Unrestricted General Fund revenue, and \$202,700 would be Designated General Fund or Other Restricted Revenue. The multiple non-Unrestricted General Fund impacts are not broken out due to the limitations of the fiscal note system and are combined into a single "DGF Temp" line in this note. The following table provides additional detail.

CHANGE IN REVENUES (\$ thousands)		FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
	<i>UGF Motor Fuel Tax</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>UGF Tobacco Products Tax</i>	\$ 52.5	\$ 52.5	\$ 52.5	\$ 52.5	\$ 52.5	\$ 52.5
	<i>UGF Tire Fee</i>	\$ 38.1	\$ 38.1	\$ 38.1	\$ 38.1	\$ 38.1	\$ 38.1
	<i>UGF Cigarette Tax</i>	\$ 174.4	\$ 174.4	\$ 174.4	\$ 174.4	\$ 174.4	\$ 174.4
1004	Gen Fund (UGF)	\$ 265.0	\$ 265.0	\$ 265.0	\$ 265.0	\$ 265.0	\$ 265.0
	<i>DGF Motor Fuel Tax - non aviation</i>	\$ 59.0	\$ 59.0	\$ 59.0	\$ 59.0	\$ 59.0	\$ 59.0
	<i>Other Motor Fuel Tax - aviation state share</i>	\$ 9.0	\$ 9.0	\$ 9.0	\$ 9.0	\$ 9.0	\$ 9.0
	<i>Other Motor Fuel Tax - aviation muni share</i>	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3
	<i>DGF Cigarette Tax - School Fund</i>	\$ 117.3	\$ 117.3	\$ 117.3	\$ 117.3	\$ 117.3	\$ 117.3
	<i>DGF Cigarette Tax - TECF</i>	\$ 17.0	\$ 17.0	\$ 17.0	\$ 17.0	\$ 17.0	\$ 17.0
1252	DGF Temp (DGF)	\$ 202.7	\$ 202.7	\$ 202.7	\$ 202.7	\$ 202.7	\$ 202.7
	TOTAL CHANGE IN REVENUES	\$ 467.8	\$ 467.8	\$ 467.8	\$ 467.8	\$ 467.8	\$ 467.8

Implementation Cost

This bill would require the Department to make changes to update its Tax Revenue Management System (TRMS) and Revenue Online System (ROL). Both systems would require reprogramming to ensure that the credits and discounts are no longer computed when filing a return electronically. Additionally, we would need to update forms to remove those lines. Resources required to implement the changes would include staff and contractor time to reprogram the system for the new share amounts as well as other miscellaneous costs. These costs would be absorbed by the Tax Division using existing resources.

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