

Senate Bill 164, 34-LS0763/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.

