

FISCAL NOTE

**STATE OF ALASKA
2010 LEGISLATIVE SESSION**

Fiscal Note Number:	1
Bill Version:	CSSB 117(L&C)
(S) Publish Date:	3/4/10

Identifier (file name): SB117-REV-TAX-02-05-10	Dept. Affected: Revenue
Title _____	Price of Cigarettes RDU Taxation and Treasury
Sponsor _____	Senator McGuire Component Tax Division
Requester _____	(S) Labor and Commerce Component Number 2476

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

	Appropriation Required	Information					
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()							
FUND SOURCE	(Thousands of Dollars)						
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill would amend Alaska's current cigarette minimum price statutes by removing the ability for a cigarette distributor or retailer to present evidence to the Department of Revenue that their actual cost of selling cigarettes is below the state mandated mark-ups of 4.5% for wholesale and 6% for retail. There would be no effect on state revenues as a result of this bill. There also would be no effect on the operating costs incurred by the Department of Revenue. However, the Department would be able to divert the resources currently expended on auditing a distributor or retailer's actual cost to cigarette tax audits. The Department will still continue to expend resources to update the minimum price of cigarettes on its website and conduct investigations to insure distributors and retailers are not selling cigarettes below state mandated minimums.

Prepared by: Johanna Bales, Deputy Director	Phone (907) 269-6628
Division Tax Division	Date/Time 02-05-10; 1:23pm
Approved by: Ginger Blaisdell, Director	Date 02-05-10; 9:19pm
Administrative Services Division	