

ALASKA STATE LEGISLATURE

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SENATOR BILL WIELECHOWSKI

Explanation of Changes of SB 29 From Version "A" to S STA CS Version "I"

- **Page 1, lines 5-7:** Added a new section that makes the short title of the bill the "Alaska Tax Break Transparency Act."
- **Page 1, lines 8-11:** Added a new section to require the legislature to state the rationale and purpose of each new tax expenditure created through legislation.
- **Page 1, line 13; Page 3, lines 13-14; Page 3, line 21; Page 4, lines 10-11:** Changed the language from "the tax expenditure report" to "the revenue and tax expenditure report" to more clearly refer to the annual Fall Revenue Sourcebook.
- **Page 3, line 13:** Replaced "address any" with "consider" to better reflect the sponsor's intent.
- **Page 3, lines 18-19:** Changed the language from "and a report analyzing tax revenue losses due to tax expenditures" to ", including an analysis of tax revenue losses due to tax expenditures" to explicitly refer to the annual Fall Revenue Sourcebook.
- **Page 3, line 22:** Removed "and a summary of the legislative history of the statute" to decrease the research burden on the Department.

- **Page 3, line 28:** Removed “and private” so that the Department would only be directed to estimate the public costs of administering the tax expenditures.
- **Page 3, line 30 to Page 4, line 1:** Removed subsections 5 through 7 to decrease the annual burden on the Department and the potential for subjectivity in the reports.
- **Page 3, line 30 to Page 4, line 9:** Added a new subsection requiring the Department to conduct a single analysis (as opposed to annual) of any tax expenditure type that exceeds \$1 million in a fiscal year to determine if a tax expenditure has achieved its purpose.
- **Page 4, line 14:** Removed “deferral” and “or local” to reduce the scope and cost of the legislation.
- **Page 4, lines 16-17:** Added language to exempt an analysis of federal tax expenditures since it is beyond the state’s purview.
- **Page 4, line 18:** Changed the effective date from July 1, 2013, to July 1, 2015, to give the Department time to implement an automated system for processing and evaluating tax returns.