

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version:	SB 218
Fiscal Note Number:	2
(S) Publish Date:	1/21/2026

Identifier: LL0063-DOR-TAX-1-19-26
 Title: TAX: ELECTRIC
 COOPS/GENERATION/STORAGE
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: GOVERNOR

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 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES	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

Fund Source (Operating Only)

None							
Total	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)	(50.0)		(50.0)	(50.0)	(50.0)	(50.0)	(50.0)
1261 Shared Tax (DGF)	(2,400.0)		(2,400.0)	(2,400.0)	(2,400.0)	(2,400.0)	(2,400.0)
Total	(2,450.0)	0.0	(2,450.0)	(2,450.0)	(2,450.0)	(2,450.0)	(2,450.0)

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 If yes, by what date are the regulations to be adopted, amended or repealed?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:

Initial analysis, not applicable.

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Division:	Tax Division	Date:	01/19/2026 03:00 PM
Approved By:	Janelle Earls, Acting Commissioner	Date:	01/19/26
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

Analysis**Analysis:**

This bill would repeal the current tax on electric cooperatives and prevent local governments from assessing any type of tax on electric cooperatives. Under current law, electric cooperatives pay a tax based on kilowatt hours (kWh) and the length of time the cooperative has furnished electricity to consumers as follows:

For cooperatives that have furnished electric energy and power to consumers for less than five years as of December 31 of the preceding calendar year, the tax is \$0.00025 per kWh; or

For cooperatives that have furnished electric energy and power to consumers for five years or longer as of the preceding calendar year, the tax is \$0.0005 per kWh.

The Department of Revenue's Tax Division deposits all revenue derived from electric cooperative taxes into the General Fund.

Revenue from cooperatives located in municipalities is shared 100% with the municipalities, less the amount of money that the State of Alaska spends on collecting the taxes.

The small amount of revenue collected from cooperatives outside municipalities is retained by the State of Alaska.

Change in Revenues:

This bill would have a negative impact on revenues--both UGF and DGF as shown in the table on page 1.

Costs to Implement:

There would be costs to make changes to our Tax Revenue Management System and Revenue Online Systems to remove or "turn off" the modules for this tax type. The Division would absorb these extra costs. This is a simple tax that has very little time spent on administering in the Tax Division. There are no cost savings from repealing this tax.