

Revenue

Applicable Program

Cigarette Tax

Indirect Expenditure Name

Tax stamp discount

Department of Revenue Submission per AS 43.05.095**(1) Description of Provision**

Gives a discount of up to \$50,000 as compensation for affixing stamps to packs of cigarettes.

(2) Authorizing Statute Regulation or Other Authority

AS 43.50.540 (c)

(3) Year Enacted

2003

(4) Sunset or Repeal Date

None

(5) Legislative Intent

To provide a discount to compensate taxpayers for the cost of affixing stamps to each pack.

(6) Public Purpose

To compensate taxpayers for the cost of affixing stamps to packs of cigarettes.

(7) Estimated Revenue Impact

FY 2009 - \$346,341

FY 2010 - \$322,403

FY 2011 - \$320,918

FY 2012 - \$307,838

FY 2013 - \$313,192

(8) Cost to Administer**(9) Number of Beneficiaries**

10-13

Legislative Finance Analysis per AS 24.20.235**(1) Estimate of Annual Revenue Foregone by the State**

\$313,192

(2) Estimate of Annual Benefit to Recipients

\$24,092

(3) Legislative Intent Met?

Yes

(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.