Revenue

Applicable Program
Multiple Tax Programs

Indirect Expenditure Name
Education Credit

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision

A non-transferable credit applicable to the Corporate Income Tax, Fisheries Business Tax, Fishery Resource Landing Tax, Insurance Premium Tax, Title Insurance Premium Tax, Mining License Tax, Oil and Gas Production Tax, and the Oil and Gas Property Tax. The credit is available for up to 50% of annual contributions up to $100,000, 100% of the next $200,000, and 50% of annual contributions beyond $300,000. The credit for any one taxpayer cannot exceed $5,000,000 annually across all eligible tax types. The credit is for contributions to qualified education purposes given in AS 43.20.014(a).

(2) Authorizing Statute Regulation or Other Authority

AS 21.20.014, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, AS 43.77.045

(3) Year Enacted

1987, last amended 2014

(4) Sunset or Repeal Date

12-31-18

(5) Legislative Intent

The Legislature intended to encourage private businesses to make charitable contributions to support Alaskan schools.

(6) Public Purpose

To encourage private businesses that pay tax to contribute to Alaska educational institutions and facilities.

(7) Estimated Revenue Impact

FY 2009 - $1,663,933
FY 2010 - $2,358,446
FY 2011 - $2,909,066
FY 2012 - $3,375,825
FY 2013 - $7,188,502

(8) Cost to Administer

(9) Number of Beneficiaries

Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

$7,188,502

(2) Estimate of Annual Benefit to Recipients

Unknown

(3) Legislative Intent Met?

Yes. The credit has resulted in significant donations to educational institutions.

(4) Should it be Continued, Modified or Terminated?

No recommendation based on recent legislative action.

Revenue

Applicable Program
Corporate Income Tax, Mining License Tax, Mineral Production Royalty

Indirect Expenditure Name
Minerals Exploration Credit

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
A non-transferable credit for eligible costs of non-petroleum mineral or coal exploration activities and must be used within 15 years. The credit is 100% of allowable exploration costs with a maximum of $20 million. The credit is limited to 50% of liability for the applicable tax type.

(2) Authorizing Statute Regulation or Other Authority
AS 27.30.030, AS 43.20.044

(3) Year Enacted
1995

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended to offer an incentive to encourage mineral exploration in Alaska.

(6) Public Purpose
To encourage mineral exploration.

(7) Estimated Revenue Impact
FY 2009 - $699
FY 2010 - $0
FY 2011 - $949,466
FY 2012 - $5,873,944
FY 2013 - $5,975,341

(8) Cost to Administer

(9) Number of Beneficiaries
Fewer than 4

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$5,975,341

(2) Estimate of Annual Benefit to Recipients
Assuming three tax payers, the benefit would be approximately $2 million each.

(3) Legislative Intent Met?
Unclear. While significant exploration is occurring, it is unclear that this credit is directly tied to new mining production.

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration of the mining license tax structure in its entirety. This credit was established 20 years ago and should be reexamined as to the effectiveness and benefit to the state and mining industry. This credit rewards the industry once production has started instead of directly reducing the cost of exploration. In contrast, oil and gas tax credits incentivize exploration by offsetting upfront costs.

Revenue

Applicable Program
Cigarette Tax

Indirect Expenditure Name
Personal exemption from cigarette tax

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
The first 400 cigarettes personally transported into the state by an individual for that individual's personal consumption during the calendar month are excluded from the cigarette tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.50.090 (d), AS 43.50.190 (c)

(3) Year Enacted
2003, amended 2004

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the personal use exemption to support efficient administration of the tax through a focus towards wholesalers and distributors rather than personal consumption by an individual.

(6) Public Purpose
To generate state revenue by efficient administration of tax.

(7) Estimated Revenue Impact
FY 2009 - Unknown. There is no reporting requirement for cigarettes personally transported into the state.

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. 400 matches federal rules, and adopting a separate number would be difficult to enforce.

Revenue

Applicable Program
Cigarette Tax

Indirect Expenditure Name
Uniformed Services Exemption from cigarette tax

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Cigarettes imported or acquired by one of the uniformed services of the United States are exempt from the cigarette tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.50.090(c)

(3) Year Enacted
1977

(4) Sunset or Repeal Date
None

(5) Legislative Intent
To comply with federal law.

(6) Public Purpose
To comply with federal law.

(7) Estimated Revenue Impact
FY 2009 - Unknown. There is no reporting requirement for cigarettes sold to uniformed services directly from the manufacturer.

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent.

Revenue

Applicable Program
Cigarette Tax

Indirect Expenditure Name
Indian Reservation Exemption from cigarette tax

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Cigarettes imported or acquired by one of the two federally recognized Indian reservations are exempt from the cigarette tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.50.090, AS 43.50.150

(3) Year Enacted
1983

(4) Sunset or Repeal Date
None

(5) Legislative Intent
To comply with federal law.

(6) Public Purpose
To comply with federal law.

(7) Estimated Revenue Impact
FY 2009 - $261,960
FY 2010 - $337,240
FY 2011 - $407,570
FY 2012 - $335,630
FY 2013 - $309,220

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$309,220

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent.

Revenue

Applicable Program
Tobacco Products Tax

Indirect Expenditure Name
Personal exemption from tobacco products tax

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Other tobacco products brought into the state or made in the state for personal consumption and not for sale are not subject to the tobacco products tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.300

(3) Year Enacted
1988

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended only to tax tobacco products at the point of sale.

(6) Public Purpose
To generate state revenue by efficient administration of tax.

(7) Estimated Revenue Impact
FY 2009 - Unknown. There is no reporting requirement for tobacco products personally transported into the state.
FY 2010 - Unknown. There is no reporting requirement for tobacco products personally transported into the state.
FY 2011 - Unknown. There is no reporting requirement for tobacco products personally transported into the state.
FY 2012 - Unknown. There is no reporting requirement for tobacco products personally transported into the state.
FY 2013 - Unknown. There is no reporting requirement for tobacco products personally transported into the state.

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent.

Revenue

Applicable Program
Tobacco Products Tax

Indirect Expenditure Name
Uniformed Services Exemption from tobacco products tax

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Facilities operated by one of the uniformed services of the United States are exempt from the tobacco products tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.310 (a)

(3) Year Enacted
1988

(4) Sunset or Repeal Date
None

(5) Legislative Intent
To comply with federal law.

(6) Public Purpose
To comply with federal law.

(7) Estimated Revenue Impact
FY 2009 - Unknown. There is no reporting requirement for such facilities.
FY 2010 - Unknown. There is no reporting requirement for such facilities.
FY 2011 - Unknown. There is no reporting requirement for such facilities.
FY 2012 - Unknown. There is no reporting requirement for such facilities.
FY 2013 - Unknown. There is no reporting requirement for such facilities.

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent.

Revenue

Applicable Program
Tobacco Products Tax

Indirect Expenditure Name
Indian Reservation Exemption from tobacco products tax

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Federally recognized Indian tribes are exempt from the tobacco products tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.310(b)

(3) Year Enacted
1988

(4) Sunset or Repeal Date
None

(5) Legislative Intent
To comply with federal law.

(6) Public Purpose
To comply with federal law.

(7) Estimated Revenue Impact
FY 2009 - $53,723
FY 2010 - $56,378
FY 2011 - $58,649
FY 2012 - $49,945
FY 2013 - $46,239

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent.

Revenue

Applicable Program
Tobacco Products Tax

Indirect Expenditure Name
Commission

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Gives a four-tenths of one percent deduction to cover the expense of accounting and filing the return for the tobacco tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.50.330 (b)

(3) Year Enacted
1988, amended 1997

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The discount was intended to cover the cost of filing the return. The percentage was decreased in 1997 to reflect a higher tax rate than in the original statute.

(6) Public Purpose
To encourage timely filing of tax returns.

(7) Estimated Revenue Impact
FY 2009 - $40,767
FY 2010 - $41,500
FY 2011 - $46,852
FY 2012 - $48,182
FY 2013 - $50,056

(8) Cost to Administer

(9) Number of Beneficiaries
26-35

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$50,056

(2) Estimate of Annual Benefit to Recipients
$1,430 to $1,925

(3) Legislative Intent Met?
Unclear

(4) Should it be Continued, Modified or Terminated?
Recommend termination. Other state tax payers do not receive a discount to cover the cost of filing taxes. Online tax filing provides an efficient and cost effective method - the rate reduction may be obsolete.

Revenue

Applicable Program
Cigarette Tax

Indirect Expenditure Name
Tax stamp discount

Department of Revenue Submission per AS 43.05.095

(1) Decription 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.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Timely filing discount

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Gives a timely filing credit of 1% of the total monthly tax due to a maximum of $100.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.010 (c)

(3) Year Enacted
1951, last amended 1997

(4) Sunset or Repeal Date
None

(5) Legislative Intent
To encourage timely filing of motor fuel tax returns and provide an allowance to cover the accounting expense of filing timely monthly tax returns.

(6) Public Purpose
To encourage timely filing of tax returns.

(7) Estimated Revenue Impact
FY 2009 - $57,090
FY 2010 - $56,375
FY 2011 - $65,752
FY 2012 - $65,636
FY 2013 - $66,738

(8) Cost to Administer

(9) Number of Beneficiaries
81

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$66,738

(2) Estimate of Annual Benefit to Recipients
$100

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend termination. Instead of a break for timely filing, recommend a penalty for late filing. Other state tax payers do not receive a discount for timely tax filing.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Foreign Fuel Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fuel consigned to foreign countries is exempt from the motor fuel tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.100 (2)(A)

(3) Year Enacted
1949

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The exclusion is intended to focus the impetus of the tax on motor fuel sales in Alaska.

(6) Public Purpose
To encourage refueling activities in Alaska.

(7) Estimated Revenue Impact
FY 2009 - $6,188,366
FY 2010 - $4,429,096
FY 2011 - $5,248,283
FY 2012 - $6,324,097
FY 2013 - $4,162,190
Note: calculated assuming $0.08 per gallon tax rate.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$4,162,190

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Likely

(4) Should it be Continued, Modified or Terminated?
Recommend continuation. Excise taxes in theory are sales and "use" taxes. Use of the fuel would need to occur within Alaska to justify taxation.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Foreign Flight Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fuel used in flights going to foreign countries or continuing on foreign countries is exempt from the motor fuel tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.100 (2)(B)

(3) Year Enacted
1949, last amended 1997

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to allow the tax to generate revenue without impacting international flights.

(6) Public Purpose
To encourage refueling activities at Alaskan airports.

(7) Estimated Revenue Impact
FY 2009 - $3,410,961
FY 2010 - $4,487,751
FY 2011 - $4,413,074
FY 2012 - $4,647,267
FY 2013 - $5,970,327
Note: calculated assuming $0.08 per gallon tax rate.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$5,970,327

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration. Alaska is ideally located geographically as a fuel hub. Some form of tax revenue may be justified to compensate for wear and tear on airport facilities as a result of airplane refueling.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Stationary Power Plant Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public is exempt from the motor fuel tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.100 (2)(C)

(3) Year Enacted
1949

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to allow the motor fuel tax to generate revenue without impacting the public utilities.

(6) Public Purpose
To reduce the cost to the general public.

(7) Estimated Revenue Impact
FY 2009 - $120,330
FY 2010 - $194,347
FY 2011 - $195,191
FY 2012 - $263,949
FY 2013 - $455,894
Note: calculated assuming $0.08 per gallon tax rate. Total includes stationary power plants for home heating and small generators.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$455,894

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. The federal and state motor fuel taxes are intended to be used to construct and reconstruct road systems. Use of motor fuel for purposes other than motor travel should not be taxed.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Non-Profit Power Association Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fuel used by nonprofit power associations or corporations for generating electric energy for resale is exempt from the motor fuel tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.100 (2)(D)

(3) Year Enacted
1949

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to allow the motor fuel tax to generate revenue without impacting nonprofit power association or corporations, which serve a substantially similar purpose to public utilities

(6) Public Purpose
To reduce the cost of power provided by non-profit power associations.

(7) Estimated Revenue Impact
FY 2009 - $3,369,073
FY 2010 - $3,369,073
FY 2011 - $2,805,874
FY 2012 - $2,630,173
FY 2013 - $2,490,056
Note: calculated assuming $0.08 per gallon tax rate.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$2,490,056

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. The federal and state motor fuel taxes are intended to be used to construct and reconstruct road systems. Use of motor fuel for purposes other than motor travel should not be taxed.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Charitable Institution Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fuel used by charitable institutions is exempt from the motor fuel tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.100 (2)(E)

(3) Year Enacted
1949

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to allow the motor fuel tax to generate revenue without impacting charitable endeavors.

(6) Public Purpose
To reduce the cost of fuel for charitable institutions.

(7) Estimated Revenue Impact
FY 2009 - $49,292
FY 2010 - $66,263
FY 2011 - $63,299
FY 2012 - $64,353
FY 2013 - $59,690
Note: calculated assuming $0.08 per gallon tax rate.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$59,690

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. This exemption allows charitable institutions to operate at a lower cost and thereby provide a greater benefit to its beneficiaries.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Dealer Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fuel sold or transferred between qualified dealers is exempt from the motor fuel tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.100 (2)(F)

(3) Year Enacted
1982

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to encourage qualified dealers and to focus the impetus of the tax towards final use of the motor fuel.

(6) Public Purpose
To avoid double taxation of fuel.

(7) Estimated Revenue Impact
FY 2009 - Unknown. There is no reporting requirement for transfers between dealers.
FY 2010 - Unknown. There is no reporting requirement for transfers between dealers.
FY 2011 - Unknown. There is no reporting requirement for transfers between dealers.
FY 2012 - Unknown. There is no reporting requirement for transfers between dealers.
FY 2013 - Unknown. There is no reporting requirement for transfers between dealers.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. Typical excise taxes are sales and "use" taxes. To avoid double taxation, only the end user should incur the tax.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Government exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fuel sold to federal, state, and local government agencies for official use is exempt from the motor fuel tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.100 (2)(G)

(3) Year Enacted
1982

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to recognize the exempt status of sovereign powers.

(6) Public Purpose
To avoid taxing government sales.

(7) Estimated Revenue Impact
FY 2009 - $11,113,663
FY 2010 - $10,779,730
FY 2011 - $9,517,881
FY 2012 - $8,454,293
FY 2013 - $8,628,013
Note: calculated assuming $0.08 per gallon tax rate.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Stationary Power Plant Exemption for home heating

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fuel used in stationary power plants that generate electricity for private residential consumption is exempt from the motor fuel tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.100 (2)(H)

(3) Year Enacted
1982

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to focus the impetus of the tax away from of private residential use for electricity.

(6) Public Purpose
To generate state revenue without burdening private residential use of fuel for electricity.

(7) Estimated Revenue Impact
FY 2009 - Totals included in stationary power plant exemption.
FY 2010 - Totals included in stationary power plant exemption.
FY 2011 - Totals included in stationary power plant exemption.
FY 2012 - Totals included in stationary power plant exemption.
FY 2013 - Totals included in stationary power plant exemption.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. The federal and state motor fuel taxes are intended to be used to construct and reconstruct transportation systems. Use of motor fuel for purposes other than motor travel should not be taxed.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Heating fuel Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fuel used to heat private or commercial buildings or facilities is exempt from the motor fuel tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.100 (2)(I)

(3) Year Enacted
1982

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to focus the impetus of the tax away from fuel used for heating purposes.

(6) Public Purpose
To generate state revenue without increasing heating costs.

(7) Estimated Revenue Impact
FY 2009 - $10,252,383
FY 2010 - $8,950,815
FY 2011 - $9,684,210
FY 2012 - $9,544,146
FY 2013 - $9,179,682
Note: calculated assuming $0.08 per gallon tax rate.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$9,179,682

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. The federal and state motor fuel taxes are intended to be used to construct and reconstruct transportation systems. Use of motor fuel for purposes other than motor travel should not be taxed.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Small Generator Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fuel used in stationary power plants of 100 kilowatts or less that generate electrical power for commercial enterprises not for resale is exempt from the motor fuel tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.100 (2)(K)

(3) Year Enacted
1983

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to focus the impetus of the tax away from smaller power plants.

(6) Public Purpose
To generate state revenue without burdening small power plants.

(7) Estimated Revenue Impact
FY 2009 - Totals included in stationary power plant exemption.
FY 2010 - Totals included in stationary power plant exemption.
FY 2011 - Totals included in stationary power plant exemption.
FY 2012 - Totals included in stationary power plant exemption.
FY 2013 - Totals included in stationary power plant exemption.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. The federal and state motor fuel taxes are intended to be used to construct and reconstruct transportation systems. Use of motor fuel for purposes other than motor travel should not be taxed.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Bunker Fuel Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Bunker fuel is exempt from the motor fuel tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.100 (2)(L)

(3) Year Enacted
1997

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended to encourage the use of bunker fuel, which is a residual from the refining process.

(6) Public Purpose
To encourage the use of bunker fuel.

(7) Estimated Revenue Impact
FY 2009 - Under $1000
FY 2010 - $0
FY 2011 - $0
FY 2012 - Under $1000
FY 2013 - $0
Note: calculated assuming $0.08 per gallon tax rate.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. "Bunker Fuel" is No. 6 fuel oil; a dense, viscous oil produced by blending heavy residual oils with a lighter oil (often No. 2 fuel oil) to meet specifications for viscosity and pour point. It is for the most part not used as a motor fuel on the state transportation system and should arguably not be taxed under the Motor Fuel Tax.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Off-Highway Use Reduced Rate

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Refunds 6 cents per gallon of tax-paid motor fuel that was used for non-highway use.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.030 (a)

(3) Year Enacted
1955, last amended 1982

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to focus the impetus of the tax away from off-highway use as off-highway use does not contribute to highway maintenance cost.

(6) Public Purpose
To generate state revenue for the highway construction and maintenance without burdening non-highway users.

(7) Estimated Revenue Impact
FY 2009 - $3,878,311
FY 2010 - $2,435,332
FY 2011 - $5,510,077
FY 2012 - $5,025,439
FY 2013 - $2,276,484
Note: calculated assuming $0.08 per gallon tax rate.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$2,276,484

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. The federal and state motor fuel taxes are intended to be used to construct and reconstruct transportation systems. Use of motor fuel for transportation off the transportation system should not be taxed.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Reduced Rate for Aviation Gasoline

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Aviation gasoline is taxed at a rate of 4.7 cents per gallon rather than the rate of 8 cents per gallon for other fuel.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.010 (a)(1)

(3) Year Enacted
1955, last amended 1994

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the separate rate to make the tax on aviation gasoline comparable to the amount of revenue that would be derived from reimposition of landing fees at rural state operated airports.

(6) Public Purpose
The purpose of the separate rate is to generate state revenue comparable to the reimposition of landing fees.

(7) Estimated Revenue Impact
FY 2009 - $433,574
FY 2010 - $407,417
FY 2011 - $410,014
FY 2012 - $374,832
FY 2013 - $330,876
Note: calculated assuming $0.08 per gallon tax rate.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$330,876

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Indeterminate--would require an analysis of operating costs of rural airports and a discussion of intent.

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration of tax rates for all motor fuels. Compared to other state's motor fuel taxes/fees, Alaska is the lowest in the nation at 8 cents per gallon. The national average is 24 cents with a high just over 40 cents per gallon. A tripling of the base motor fuel tax rate to the national average of 24 cents would not be unjustified given Alaska's immense size and commensurately high costs of maintenance and construction. The reduced rate for Av Gas, Jet Fuel and Marine Fuel could then be adjusted to a level deemed appropriate for those transpiration modes.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Reduced Rate for Marine Fuel

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Marine fuel is taxed at a rate of 5 cents per gallon rather than the rate of 8 cents per gallon for other fuel.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.010 (a)(2)

(3) Year Enacted
1957, last amended 1977

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the separate rate to provide revenue for construction and maintenance of boat harbors. This expense is presumably less than that required for highway maintenance as reflected by the reduced rate for marine fuel.

(6) Public Purpose
The purpose of the separate rate is to generate revenue for the construction and maintenance of boat harbors.

(7) Estimated Revenue Impact
FY 2009 - $2,763,913
FY 2010 - $2,788,962
FY 2011 - $3,066,358
FY 2012 - $3,267,356
FY 2013 - $3,384,044
Note: calculated assuming $0.08 per gallon tax rate.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$3,384,044

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Indeterminate--would require an analysis of costs of constructing marine facilities and a discussion of intent.

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration of tax rates for all motor fuels. Compared to other state's motor fuel taxes/fees, Alaska is the lowest in the nation at 8 cents per gallon. The national average is 24 cents with a high just over 40 cents per gallon. A tripling of the base motor fuel tax rate to the national average of 24 cents would not be unjustified given Alaska's immense size and commensurately high costs of maintenance and construction. The reduced rate for Av

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Reduced Rate for Marine Fuel

Legislative Finance Analysis per AS 24.20.235

(4) Should it be Continued, Modified or Terminated? (cont.)

Gas, Jet Fuel and Marine Fuel could then be adjusted to a level deemed appropriate for those transportation modes.

Revenue

Applicable Program
Motor Fuel Tax

Indirect Expenditure Name
Reduced Rate for Jet Fuel

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Jet fuel is taxed at a rate of 3.2 cents per gallon rather than the rate of 8 cents per gallon for other fuel.

(2) Authorizing Statute Regulation or Other Authority
AS 43.40.010 (a)(3)

(3) Year Enacted
1957, last amended 1994

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended to make the tax on aviation fuels comparable to the amount of revenue that would be derived from reimposition of landing fees at rural state operated airports.

(6) Public Purpose
The purpose of the separate rate is to generate state revenue comparable to the reimposition of landing fees.

(7) Estimated Revenue Impact
FY 2009 - $6,831,868
FY 2010 - $5,518,494
FY 2011 - $6,108,068
FY 2012 - $5,865,352
FY 2013 - $6,206,054
Note: calculated assuming $0.08 per gallon tax rate.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$6,206,054

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration of tax rates for all motor fuels. Compared to other state's motor fuel taxes/fees, Alaska is the lowest in the nation at 8 cents per gallon. The national average is 24 cents with a high just over 40 cents per gallon. A tripling of the base motor fuel tax rate to the national average of 24 cents would not be unjustified given Alaska's immense size and commensurately high costs of maintenance and construction. The reduced rate for Av Gas, Jet Fuel and Marine Fuel could then be adjusted to a level deemed appropriate for those transportation modes.

Revenue

Applicable Program
Commercial Passenger Vessel Taxes

Indirect Expenditure Name
Small Passenger Vessel Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Vessels with fewer than 250 berths are excluded from commercial passenger vessel taxes.

(2) Authorizing Statute Regulation or Other Authority
AS 43.52.295(1)(A)

(3) Year Enacted
2006

(4) Sunset or Repeal Date
None

(5) Legislative Intent
This provision was part of a ballot measure and therefore has no legislative history.

(6) Public Purpose
To avoid burdening small passenger vessels with tax.

(7) Estimated Revenue Impact
FY 2009 - Unknown. There is no filing requirement for small passenger vessels.
FY 2010 - Unknown. There is no filing requirement for small passenger vessels.
FY 2011 - Unknown. There is no filing requirement for small passenger vessels.
FY 2012 - Unknown. There is no filing requirement for small passenger vessels.
FY 2013 - Unknown. There is no filing requirement for small passenger vessels.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. This exemption defines the tax base and is arguably not foregone revenue.

Revenue

Applicable Program
Commercial Passenger Vessel Taxes

Indirect Expenditure Name
72 Hour Threshold Voyage Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Voyages on the state's marine waters 72 hours or less are excluded from the tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.52.295(4)

(3) Year Enacted
2010

(4) Sunset or Repeal Date
None

(5) Legislative Intent
To clarify the definition of "voyage" for purposes of the tax.

(6) Public Purpose
To encourage cruise ship activity in Alaska.

(7) Estimated Revenue Impact
FY 2009 - Exemption not in effect
FY 2010 - Exemption not in effect
FY 2011 - $1,414,500
FY 2012 - Unknown. Only voyages that exceed 72 hours are required to report.
FY 2013 - Unknown. Only voyages that exceed 72 hours are required to report.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Unclear

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration. This exemption defines a voyage in Alaska. However, it has altered commercial passenger vessel behavior and created a loophole that reduces potential revenue to the state and municipalities.

Revenue

Applicable Program
Commercial Passenger Vessel Taxes

Indirect Expenditure Name
Tax Reduction for Local Levies

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
The cost of local passenger fees is deducted from the state's passenger fee.

(2) Authorizing Statute Regulation or Other Authority
AS 43.52.255

(3) Year Enacted
2010

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended to reduce the passenger fee to limit the total tax burden on passenger vessels.

(6) Public Purpose
To encourage cruise ship activity in Alaska by limiting the total tax burden.

(7) Estimated Revenue Impact
FY 2009 - Reduction not in effect
FY 2010 - Reduction not in effect
FY 2011 - $11,846,936
FY 2012 - $12,170,756
FY 2013 - $13,559,558

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$13,559,558

(2) Estimate of Annual Benefit to Recipients
In FY 2013, the benefit to Juneau was $7.3 million and the benefit to Ketchikan was $6.2 million.

(3) Legislative Intent Met?
Yes, to the extent that the head tax for most voyages is capped at $34.50.

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration. Allowing Juneau and Ketchikan to retain the local tax proceeds and receive the $5 port of call payment leaves the state with as little as $4.50 per passenger to spread among other ports of call. If this "grandfathered" tax reduction is retained, Juneau's and Ketchikan's eligibility for port of call payments should be reconsidered. If the deduction is eliminated, Juneau and Ketchikan would be on the same basis as other communities--they would have to determine whether the market will bear additional taxation.

Revenue

Applicable Program
Commercial Passenger Vessel Taxes

Indirect Expenditure Name
Large Passenger Vessel Gambling Tax Deduction

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Allows a deduction of federal and municipal taxes paid from gambling gross income.

(2) Authorizing Statute Regulation or Other Authority
AS 43.35.210

(3) Year Enacted
2006

(4) Sunset or Repeal Date
None

(5) Legislative Intent
This provision was part of a ballot measure and therefore has no legislative history.

(6) Public Purpose
To prevent double taxation.

(7) Estimated Revenue Impact
FY 2009 - Unknown. There is no reporting requirement for federal and municipal taxes paid.
FY 2010 - Unknown. There is no reporting requirement for federal and municipal taxes paid.
FY 2011 - Unknown. There is no reporting requirement for federal and municipal taxes paid.
FY 2012 - Unknown. There is no reporting requirement for federal and municipal taxes paid.
FY 2013 - Unknown. There is no reporting requirement for federal and municipal taxes paid.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Indeterminate - This was part of the initial ballot measure and not addressed in 2010 during the tax revision.

(4) Should it be Continued, Modified or Terminated?
Recommend termination. This provision allows federal tax liability to be deducted from state taxes. Typically, state taxes are deductible at the federal level.

Revenue

Applicable Program
Tire Fee

Indirect Expenditure Name
Exemption from Studded Tire Fee for Lightweight Studs

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Excludes tires that are studded with studs weighing less than 1.1 grams each from the $5 fee.

(2) Authorizing Statute Regulation or Other Authority
AS 43.98.025 (b)

(3) Year Enacted
2003

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended to provide an incentive to encourage the widespread use lightweight studs to reduce road damage.

(6) Public Purpose
To encourage use of light-weight studs to prevent possible road damage.

(7) Estimated Revenue Impact
FY 2009 - Unknown. Filers do not have to report the number of tires sold with lighter-weight studs.
FY 2010 - Unknown. Filers do not have to report the number of tires sold with lighter-weight studs.
FY 2011 - Unknown. Filers do not have to report the number of tires sold with lighter-weight studs.
FY 2012 - Unknown. Filers do not have to report the number of tires sold with lighter-weight studs.
FY 2013 - Unknown. Filers do not have to report the number of tires sold with lighter-weight studs.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. Stud weight has been directly related to pavement wear in numerous studies.

Revenue

Applicable Program
Tire Fee

Indirect Expenditure Name
Government exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Tires and services sold to federal, state or local government agencies for official use are exempt from the fee.

(2) Authorizing Statute Regulation or Other Authority
AS 43.98.025 (g)(1)

(3) Year Enacted
2003

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to recognize the exempt status of sovereign powers.

(6) Public Purpose
To avoid taxing government sales.

(7) Estimated Revenue Impact
FY 2009 - $148,578
FY 2010 - $137,578
FY 2011 - $181,013
FY 2012 - $187,773
FY 2013 - $173,110
Note: total includes resale exemption.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$173,110

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent.

Revenue

Applicable Program
Tire Fee

Indirect Expenditure Name
Resale exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Tires intended for resale are exempt from the tire fee. The department will consider a tire to be a tire for resale in a transaction between the manufacturer of a tire and a distributor of the tire; a distributor of the tire and a retail dealer of the tire; or a retail dealer and another retail dealer of the tire.

(2) Authorizing Statute Regulation or Other Authority
AS 43.98.025 (g)(2), 15 AAC 98.060

(3) Year Enacted
2003

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature included the exemption in order to prevent the double taxation of tires.

(6) Public Purpose
To prevent double taxation of tires.

(7) Estimated Revenue Impact
FY 2009 - Total included in government exemption.
FY 2010 - Total included in government exemption.
FY 2011 - Total included in government exemption.
FY 2012 - Total included in government exemption.
FY 2013 - Total included in government exemption.

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. The tire fee is in effect a specified sales tax. Sales taxes are in theory sales and "use" taxes. To avoid double taxation, only the end user should incur the tax.

Revenue

Applicable Program
Tire Fee

Indirect Expenditure Name
Timely filing credit

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Sellers that remit the fees collected to the department within 30 days after the last day of the preceding calendar quarter may retain five percent of the amount collected, not to exceed $900 a quarter.

(2) Authorizing Statute Regulation or Other Authority
AS 43.98.025 (d)

(3) Year Enacted
2003

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The discount was intended to encourage timely remittance of taxes and to cover the cost of collecting the fee and filing the return.

(6) Public Purpose
To encourage timely filing of tax returns.

(7) Estimated Revenue Impact
FY 2009 - $77,712
FY 2010 - $75,845
FY 2011 - $74,985
FY 2012 - $71,427
FY 2013 - $65,684

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$65,684

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend Termination. Instead of a break for timely filing, recommend a penalty for late filing. Other state tax payers do not receive a discount for timely tax filing.

Revenue

Applicable Program
Vehicle Rental taxes

Indirect Expenditure Name
Reduced rate for RVs

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Recreational vehicles (RVs) are taxed at a rate of 3% while other vehicle rentals are taxed at a rate of 10%.

(2) Authorizing Statute Regulation or Other Authority
AS 43.52.040

(3) Year Enacted
2003

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature adopted the reduced rate for RVs to reflect the higher per-day rental cost of RVs compared to other vehicles. The rate was intended to make the tax relatively even on a dollar-per-day basis.

(6) Public Purpose
To equalize the tax incidence on RVs and other vehicles.

(7) Estimated Revenue Impact
FY 2009 - $849,690
FY 2010 - $703,740
FY 2011 - $791,446
FY 2012 - $837,671
FY 2013 - $841,825

(8) Cost to Administer

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$841,825

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration of reduced tax rate. The Vehicle Rental Tax is a sales tax on vehicle rentals only. Sales taxes are typically applied to the total dollar value of the sale. Justification should be provided to support the need for a reduced rate in the RV market.

Revenue

Applicable Program
Vehicle Rental taxes

Indirect Expenditure Name
Taxicab Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Excludes taxicab rentals from the vehicle rental tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.52.030

(3) Year Enacted
2004

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended only to tax visitors renting vehicles and did not intend to tax taxicabs.

(6) Public Purpose
To generate state revenue from short-term vehicle rentals without burdening taxis.

(7) Estimated Revenue Impact
FY 2009 - Unknown. There is no reporting requirement for taxicabs.
FY 2010 - Unknown. There is no reporting requirement for taxicabs.
FY 2011 - Unknown. There is no reporting requirement for taxicabs.
FY 2012 - Unknown. There is no reporting requirement for taxicabs.
FY 2013 - Unknown. There is no reporting requirement for taxicabs.

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. The Vehicle Rental Tax is intended to tax personal vehicle rentals as opposed to hired transport. This tax is likely aimed at tourism. This exemption defines the tax base and is arguably not foregone revenue.

Revenue

Applicable Program
Vehicle Rental taxes

Indirect Expenditure Name
Moving Truck Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Exempts moving trucks from the vehicle rental tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.52.099 (2)(F)

(3) Year Enacted
2006

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended only to tax visitors renting vehicles and did not intend to tax moving trucks.

(6) Public Purpose
To limit the vehicle rental tax to the tourism industry.

(7) Estimated Revenue Impact
FY 2009 - Unknown. There is no reporting requirement for moving trucks.
FY 2010 - Unknown. There is no reporting requirement for moving trucks.
FY 2011 - Unknown. There is no reporting requirement for moving trucks.
FY 2012 - Unknown. There is no reporting requirement for moving trucks.
FY 2013 - Unknown. There is no reporting requirement for moving trucks.

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. The Vehicle Rental Tax is intended to tax personal vehicle rentals. This tax is likely aimed at tourism. This exemption defines the tax base and is arguably not foregone revenue.

Revenue

Applicable Program
Vehicle Rental taxes

Indirect Expenditure Name
Warranty Work Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Exempts a vehicle provided by an automobile dealer to a customer as replacement transportation from the vehicle rental tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.52.099 (2)(G)

(3) Year Enacted
2006

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended only to tax visitors renting vehicles and did not intend to tax vehicles provided as replacements by dealers.

(6) Public Purpose
To limit the vehicle rental tax to the tourism industry.

(7) Estimated Revenue Impact
FY 2009 - Unknown. There is no reporting requirement for warranty work rentals.
FY 2010 - Unknown. There is no reporting requirement for warranty work rentals.
FY 2011 - Unknown. There is no reporting requirement for warranty work rentals.
FY 2012 - Unknown. There is no reporting requirement for warranty work rentals.
FY 2013 - Unknown. There is no reporting requirement for warranty work rentals.

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. The Vehicle Rental Tax is intended to tax personal vehicle rentals. This tax is likely aimed at tourism. This exemption defines the tax base and is arguably not foregone revenue.

Revenue

Applicable Program
Vehicle Rental taxes

Indirect Expenditure Name
Motorcycle Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Excludes motorcycles and motor-driven cycles from the vehicle rental tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.52.099(2)(H)

(3) Year Enacted
2013

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The legislature intended only to tax the rentals of cars, light trucks, vans and SUVs and did not intend to tax motorcycle rentals.

(6) Public Purpose
To specifically exclude motorcycles from the passenger vehicle rental tax.

(7) Estimated Revenue Impact
FY 2009 - Exemption not in effect
FY 2010 - Exemption not in effect
FY 2011 - Exemption not in effect
FY 2012 - $17,953
FY 2013 - $33,844

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$33,844

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on recent legislative action.

Revenue

Applicable Program
Alcoholic Beverages Tax

Indirect Expenditure Name
Small Brewery Reduced Rate

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Brewers who have qualified with the federal government per 26 U.S.C. 5051(a)(2) and have been approved fiscally by DOR, pay a reduced rate of tax of 35 cents per us gallon on beer and malt beverages instead of the full tax rate of $1.07 per us gallon.

(2) Authorizing Statute Regulation or Other Authority
AS 43.60.010 (c)

(3) Year Enacted
2002

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The intent was to foster the development of breweries and brewpubs in Alaska.

(6) Public Purpose
To support in-state small breweries and brewpubs.

(7) Estimated Revenue Impact
FY 2009 - $1,745,356
FY 2010 - $2,045,142
FY 2011 - $2,278,933
FY 2012 - $2,451,673
FY 2013 - $2,602,999

(8) Cost to Administer
None

(9) Number of Beneficiaries
39

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$2,602,999

(2) Estimate of Annual Benefit to Recipients
$66,744

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent. However, the rate could be revisited.

Revenue

Applicable Program
Mining License Tax

Indirect Expenditure Name
Sand and gravel exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Sand, gravel, quarry rock and marketable earth operations are exempt from the Mining License Tax.

(2) Authorizing Statute Regulation or Other Authority
AS 43.65.060 (2)

(3) Year Enacted
2012

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature found that the tax cost nearly as much to administer as it brought in.

(6) Public Purpose
To generate state revenue by efficient administration of tax and to reduce the burden on sand and gravel operators.

(7) Estimated Revenue Impact
FY 2009 - Exemption not in effect
FY 2010 - Exemption not in effect
FY 2011 - Exemption not in effect
FY 2012 - Unknown. There is no reporting requirement for exempt operations.
FY 2013 - Unknown. There is no reporting requirement for exempt operations.

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on recent legislative action.

Revenue

Applicable Program
Mining License Tax

Indirect Expenditure Name
Small Miner Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
No tax is due for if taxable income is $40,000 or less. Taxpayers with taxable income of more than $40,000 pay a tax rate of 3% on the first $40,000 of their income.

(2) Authorizing Statute Regulation or Other Authority
AS 43.65.010 (c)

(3) Year Enacted
1955

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to encourage smaller mining operations.

(6) Public Purpose
To support small mining operations and for efficiency.

(7) Estimated Revenue Impact
FY 2009 - $12,890
FY 2010 - $8,414
FY 2011 - Unknown
FY 2012 - Unknown
FY 2013 - $33,815

(8) Cost to Administer
None

(9) Number of Beneficiaries
71. Note: this does not include taxpayers who filed a loss on their return or taxpayers who did not file at all.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$33,815

(2) Estimate of Annual Benefit to Recipients
$483

(3) Legislative Intent Met?
Unclear

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration of the mining license tax structure in its entirety. Established pre-statehood, the effectiveness of the tax and exemptions may be obsolete. Considering inflation, the $40,000 threshold may no longer be the appropriate level.

Revenue

Applicable Program
Mining License Tax

Indirect Expenditure Name
3.5-year Exemption

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
New mining operations are exempt from the Mining License Tax for the first 3.5 years after production begins.

(2) Authorizing Statute Regulation or Other Authority
AS 43.65.010 (a)

(3) Year Enacted
1951

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the exclusion to encourage new mining operations.

(6) Public Purpose
To encourage new mining operations by

(7) Estimated Revenue Impact
FY 2009 - Unknown
FY 2010 - Unknown
FY 2011 - Unknown
FY 2012 - Unknown
FY 2013 - Unknown
Unknown. Those who are exempt from taxation and have been granted this 3.5 year exemption are required to file a mining license tax return under 15 AAC 65.010(a)(5) and 15 AAC 65.030, but are not required to fill out a complete return.

(8) Cost to Administer
None

(9) Number of Beneficiaries
Fewer than 5

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Unclear

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration of the mining license tax structure in its entirety. Established pre-statehood, the effectiveness of the tax and exemptions may be obsolete. Given the Mining License Tax is based on business profits, the legislature should evaluate whether the 3.5 year exemption is appropriate or necessary.

Revenue

Applicable Program
Mining License Tax

Indirect Expenditure Name
Depletion Deduction

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
A percentage depletion deduction is allowed for certain types of mining, such as metal mining, sulfur mining and coal mining. Other types of mines must use cost depletion.

(2) Authorizing Statute Regulation or Other Authority
AS 43.65.010 (e)

(3) Year Enacted
1955

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended the deduction for percentage depletion to encourage resource development.

(6) Public Purpose
To encourage the development of the state's resources; to generate state revenue by efficient administration of tax.

(7) Estimated Revenue Impact
FY 2009 - Unknown
FY 2010 - Unknown
FY 2011 - Unknown
FY 2012 - Unknown
FY 2013 - Unknown

(8) Cost to Administer
None

(9) Number of Beneficiaries
Unknown

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Indeterminate

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Unclear

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration of the mining license tax structure in its entirety. Established pre-statehood, the effectiveness of the tax and exemptions may be obsolete. The reasons for the deduction rate differentiation between the various minerals is unclear and should be evaluated for effectiveness.

Revenue

Applicable Program
Fisheries Resource Landing Tax

Indirect Expenditure Name
Community Development Quota Credit

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
A non-transferable credit for contributions to an Alaska nonprofit corporation that is dedicated to fisheries industry-related expenditures. The credit is available only for fishery resources harvested under a community development quota (CDQ). The credit is 100% of contribution amount up to a maximum of 45.45% of tax liability on fishery resources harvested under a CDQ.

(2) Authorizing Statute Regulation or Other Authority
AS 43.77.040

(3) Year Enacted
1993, last amended 2014

(4) Sunset or Repeal Date
12-31-20

(5) Legislative Intent
The Legislature intended to provide a tax credit to encourage CDQ programs to contribute to nonprofits that provide jobs and training in Western Alaska.

(6) Public Purpose
To provide jobs and training in Western Alaska.

(7) Estimated Revenue Impact
FY 2009 - $-16,758
FY 2010 - $764,668
FY 2011 - $534,297
FY 2012 - $446,894
FY 2013 - $490,371
Note: FY 2009 fiscal impact includes assessments resulting from audits of credits claimed in previous years.

(8) Cost to Administer

(9) Number of Beneficiaries
14-26

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$490,371

(2) Estimate of Annual Benefit to Recipients
$19,000 to $35,000

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
HB 306 added a sunset provision to this credit. Review by the legislature will be required in the 2019 session. The legislature might want to consider evaluating the benefit to nonprofits and Western Alaska. Metrics should be

Revenue

Applicable Program
Fisheries Resource Landing Tax

Indirect Expenditure Name
Community Development Quota Credit

Legislative Finance Analysis per AS 24.20.235

(4) Should it be Continued, Modified or Terminated? (cont.)

established and reported to the legislature to determine the effectiveness of this credit.

Revenue

Applicable Program
Fisheries Business Tax, Fishery Resource Landing Tax

Indirect Expenditure Name
Winn Brindle Scholarship Contribution Credit

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
A non-transferable credit for contributions to the A.W. "Winn" Brindle memorial education loan account. The credit is 100% of the contribution amount, up to a maximum of 5% of tax liability.

(2) Authorizing Statute Regulation or Other Authority
AS 43.75.032, AS 43.77.035

(3) Year Enacted
1986, amended 2014

(4) Sunset or Repeal Date
12-31-16

(5) Legislative Intent
The Legislature intended the credit to encourage contributions to the A.W. "Winn" Brindle memorial education loan account. This would promote education in the fisheries industry, an industry that is important to the Alaskan economy.

(6) Public Purpose
To promote education in the fisheries industry.

(7) Estimated Revenue Impact
FY 2009 - $192,792
FY 2010 - $123,060
FY 2011 - $184,817
FY 2012 - $175,338
FY 2013 - $238,749

(8) Cost to Administer

(9) Number of Beneficiaries
6-7 companies

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$238,749

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
HB 306 added a sunset provision to this credit. Review by the legislature will be required this session as the credit will sunset 12/31/16. Legislative intent appears to be met, but metrics should be established and reported to the legislature if this credit is to be extended.

Revenue

Applicable Program
Fisheries Business Tax

Indirect Expenditure Name
Salmon and Herring Product Development Credit

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
A non-transferable credit for eligible capital expenditures to expand value-added processing of Alaska salmon and herring. The credit is 50% of qualified investments up to 50% of tax liability incurred for processing salmon and herring during the tax year. The credit may be carried forward for three years. Herring was added to the credit in 2014.

(2) Authorizing Statute Regulation or Other Authority
AS 43.75.035

(3) Year Enacted
2003, last amended 2014

(4) Sunset or Repeal Date
12-31-20

(5) Legislative Intent
The Legislature intended to encourage the development of value-added salmon and herring products in Alaska and to increase the value of Alaskan fisheries.

(6) Public Purpose
To encourage the production of value-added seafood products in Alaska and increase the value of Alaskan fisheries.

(7) Estimated Revenue Impact
FY 2009 - $3,121,697
FY 2010 - $4,074,071
FY 2011 - $2,057,255
FY 2012 - $71,598
FY 2013 - $1,832,081

(8) Cost to Administer

(9) Number of Beneficiaries
28-42

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$1,832,081

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
No recommendation based on recent legislative action.

Revenue

Applicable Program
Fisheries Business Tax

Indirect Expenditure Name
Reduced Tax Rate for Small Fish Processors

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fishers processing on vessels 65 feet or less are subject to a 3% tax rate instead of the regular floating rate of 5%.

(2) Authorizing Statute Regulation or Other Authority
AS 43.75.015 (d), AS 43.75.020 (c)

(3) Year Enacted
2004

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature adopted the reduced rate provision to encourage direct marketing and the production of value-added products.

(6) Public Purpose
To support small business development and direct marketers.

(7) Estimated Revenue Impact
FY 2009 - $80,928
FY 2010 - $51,704
FY 2011 - $70,314
FY 2012 - $75,549
FY 2013 - $72,503
Note: the revenue impact given is pre-credit and includes both the state and municipal share. It is based on fishing year data; actual tax payments may differ from this estimate.

(8) Cost to Administer

(9) Number of Beneficiaries
88-111

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$72,503

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Likely

(4) Should it be Continued, Modified or Terminated?
Recommend revisiting the reduced rate to evaluate its effectiveness at supporting small processors. Metrics should be established and reported to the legislature to determine the effectiveness of this credit.

Revenue

Applicable Program
Fisheries Business Tax

Indirect Expenditure Name
Reduced Fisheries Business Tax Rate for Developing Fisheries

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fish species classified as "developing" are subject to tax rates of 1% for on-shore processors and 3% for floating processors instead of the regular rates of 3% and 5%, respectively. "Developing" species are annually designated by the commissioner of the department of fish and game under AS 16.05.050(a)(10).

(2) Authorizing Statute Regulation or Other Authority
AS 43.75.015(b)

(3) Year Enacted
1979, amended 1981

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature intended to encourage the development of new fisheries.

(6) Public Purpose
To encourage the development of new fisheries.

(7) Estimated Revenue Impact
FY 2009 - $99,279
FY 2010 - $123,870
FY 2011 - $105,675
FY 2012 - $133,873
FY 2013 - $102,010
Note: the revenue impact given is pre-credit and includes both the state and municipal share. It is based on fishing year data; actual tax payments may differ from this estimate.

(8) Cost to Administer

(9) Number of Beneficiaries
24-31

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$102,010

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Likely

(4) Should it be Continued, Modified or Terminated?
Recommend revisiting the reduced rate to evaluate its effectiveness at developing new fisheries. Metrics should be established and reported to the legislature to determine the effectiveness of this credit.

Revenue

Applicable Program
Fisheries Resource Landing Tax

Indirect Expenditure Name
Reduced Fishery Resource Landing Tax Rate for Developing Fisheries

Department of Revenue Submission per AS 43.05.095

(1) Decription of Provision
Fish species classified as "developing" are subject to a tax rate of 1% rather than the regular rate of 3%. "Developing" species are annually designated by the commissioner of the department of fish and game under AS 16.05.050(a)(10).

(2) Authorizing Statute Regulation or Other Authority
AS 43.77.010(1)

(3) Year Enacted
1996

(4) Sunset or Repeal Date
None

(5) Legislative Intent
The Legislature adopted the reduced rate provision to parallel a similar provision in the Fisheries Business Tax.

(6) Public Purpose
To encourage the development of new fisheries.

(7) Estimated Revenue Impact
FY 2009 - $239,079
FY 2010 - $200,790
FY 2011 - $279,138
FY 2012 - $264,781
FY 2013 - $351,339
Note: the revenue impact given is pre-credit and includes both the state and municipal share. It is based on fishing year data; actual tax payments may differ from this estimate.

(8) Cost to Administer

(9) Number of Beneficiaries
44-61

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$351,339

(2) Estimate of Annual Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Likely

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration of the reduced rate to evaluate its effectiveness at developing new fisheries. Metrics should be established and reported to the legislature to determine the effectiveness of this credit.