

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version:	SB 63
Fiscal Note Number:	2
(S) Publish Date:	2/18/2019

Identifier: 2019200089-DOR-TAX-2-12-2019
 Title: FISH TAX: REPEAL MUNI REFUNDS/REV. SHARE
 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)

	FY2020	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2020 Request	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
OPERATING EXPENDITURES	FY 2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
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						

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1004 Gen Fund (UGF)	29,100.0		29,700.0	30,400.0	31,100.0	31,800.0	32,500.0
Total	29,100.0	0.0	29,700.0	30,400.0	31,100.0	31,800.0	32,500.0

Estimated SUPPLEMENTAL (FY2019) cost: 50.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2020) 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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/19

Why this fiscal note differs from previous version/comments:

Not applicable, initial version based on the 2-13-19 Governor's FY2020 request.

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Division:	Tax Division	Date:	02/12/2019 12:00 AM
Approved By:	Brad Ewing, Administrative Services Director	Date:	02/12/19
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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Analysis

Background

This bill would repeal the current 50% revenue sharing of fisheries business taxes and fishery resource landing taxes with municipalities where the fish are either processed or landed. The bill would be effective retroactive to January 1, 2019. Therefore, if this bill were to become law, the Department of Revenue would not share fisheries business taxes and fisheries landing taxes in October of 2019 with municipalities even though the taxable event took place in tax year 2018.

Revenue Impact

The Department of Revenue estimates that this legislation will increase fisheries business tax revenue and fisheries landing tax revenue by the following amounts each year between FY20 through FY25:

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Fish Business	22,200.0	22,700.0	23,200.0	23,700.0	24,300.0	24,800.0
Fish Landing	6,900.0	7,000.0	7,200.0	7,400.0	7,500.0	7,700.0
Total	29,100.0	29,700.0	30,400.0	31,100.0	31,800.0	32,500.0

Implementation Cost

This legislation would require the Department of Revenue to update its Tax Revenue Management System (TRMS). The update would consist of reprogramming the sharing rules in TRMS and the interface between TRMS and IRIS. We would need to test the new rules and interface thoroughly to verify that they function as expected. The supplemental fiscal note figure of \$50.0 in FY19 is to cover the costs of having our contractor update TRMS. We do not anticipate any continuing costs or additional staff needs. After the implementation of the changes, this legislation would not cause any additional administrative burden on the Tax Division.