



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Revenue

TAX DIVISION

550 W. Seventh Ave., Suite 500
Anchorage, Alaska 99501-3555
Main: 907.269.6620
Fax: 907.269.6644

February 26, 2020

The Honorable Zack Fields
Alaska House of Representatives
Co-Chair, House State Affairs Committee
State Capitol Room 412
Juneau, AK 99801

The Honorable Jonathan Kreiss-Tomkins
Alaska House of Representatives
Co-Chair, House State Affairs Committee
State Capitol, Room 411
Juneau, AK 99801

Dear Co-Chairs Fields and Kreiss-Tomkins:

The purpose of this letter is to provide you with a response to a question asked of the Department of Revenue (DOR) during the hearing on HB 239 in the House State Affairs Committee on February 25, 2020. Please see the question in italics and our response immediately below the question.

1. Provide information about the cost of administration for the state's current charitable gaming program.

In the Fiscal Year 2020 budget, the direct cost to the Tax Division for charitable gaming administration is approximately \$400,000, which includes the three positions for the Charitable Gaming Group. Including allocation for Division overhead (administrative, information technology, management, etc.), and for the annual costs for the state's Tax Revenue Management System it is approximately \$870,000 per year.

Costs to the state for administering the charitable program are separate and distinct for operational costs for gaming operators. According to the Tax Division's "Charitable Gaming 2018 Annual Report," there was approximately \$376.9 million of gross receipts for charitable gaming, with \$54.1 million of total expenses and \$35.2 million of net proceeds to qualified organizations.

I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Colleen M. Glover".

Colleen M. Glover
Director, Tax Division

Attachment: Tax Division's "Charitable Gaming 2018 Annual Report"