

# Fiscal Note

State of Alaska  
2020 Legislative Session

Bill Version: HB 311  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB311-DOR-TAX-3-23-2020  
Title: EXTENDING COVID 19 DISASTER EMERGENCY  
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)

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2020) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2021) 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If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version/comments:

Not applicable; Initial version.

Prepared By: Colleen Glover, Director  
Division: Tax  
Approved By: Brad Ewing, Administrative Services Director  
Agency: Office of Management and Budget

Phone: (907)269-1033  
Date: 03/23/2020  
Date: 03/23/20

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2020 LEGISLATIVE SESSION

BILL NO. HB 311

### Analysis

#### Background

This bill would extend the deadline for the filing of tax returns, including an amended return, information return, or report, or the payment of any taxes, fees, or other charges which would otherwise be due to be filed or paid after the effective date of the legislation, until July 15, 2020, except for taxes under AS 43.55 (Oil and Gas Production Tax) and AS 43.56 (Oil and Gas Property Tax).

#### Revenue Impact

DOR estimates that the impact will be a delay in the timing of receipts for the impacted tax programs. Based on the Fall 2019 Forecast, the estimated state share of payments from the impacted tax programs during this period would be ~\$150 million. This assumes that one quarter of these estimated receipts for these tax programs will be paid later than expected and close to the July 15, 2020 deadlines. Over 90% of these tax receipts are general fund receipts. There is a small portion that is either restricted or designated funds.

This does not assume any change in revenue forecast from the Fall 2019 forecast.

This is a zero fiscal note as this bill does not change the amount of revenue collected, it only impacts the timing of the revenue collected. DOR assumes that the delayed payments will be received during the FY 2020 Reappropriation period and would still be considered FY 2020 receipts.

#### Implementation Cost

This legislation would require the Department of Revenue to update its Tax Revenue Management System (TRMS) to change the due dates to avoid assessing incorrect interest and penalties for all impacted tax types. The update would consist of reprogramming TRMS and testing thoroughly to verify that it functions as expected. If the operating budget increment for FY 2021 for the Tax Division is approved, the Division would be fully funded for the ongoing operations and maintenance of TRMS, and would not need funding for this request. If the operating budget increment is not approved, then the Division would need \$50,000 capital funding to make the programming changes required by this bill.

The Division does not anticipate any continuing costs or additional staff needs.