



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Revenue
ADMINISTRATIVE SERVICES DIVISION

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March 15, 2021

The Honorable Adam Wool
House Finance Revenue Sub-Committee Chair
State Capitol, Rm.501
Juneau, Alaska 99801-1182

RE: HOUSE FINANCE SUBCOMMITTEE FOLLOW-UP

Chair Wool and committee members, below are responses to questions posed by the committee members at the March 8th, 2021, House Finance Revenue Subcommittee meeting:

1. Chair Wool asked for written explanation of the Tax Division's appeals process.

The Department is working with the Department of Law to provide a summary of the tax settlement process. We hope to complete the summary shortly and will provide it to the committee.

2. Representative Spohnholz identified an error on slide 7, where the 2015 totals were not displayed accurately.

Below is a corrected version of the table that appears on slide 7.

Corporate Income Tax Audits	2015	2016	2017	2018	2019	2020
	# Audits					
Oil & Gas Corporations	12	*	3	8	9	6
Non Oil & Gas Corporations	5	*	44	26	19	23
Totals	17	11	47	34	28	29
	Audit Assessments (\$ millions)					
Oil & Gas Corporation	\$ 66.5	*	\$ 67.5	\$ 4.2	\$ 117.4	\$ 107.7
Non Oil & Gas Corporations	\$ 1.8	*	\$ 13.5	\$ 11.0	\$ 3.7	\$ 14.6
Totals	\$ 68.3	\$ 34.2	\$ 81.0	\$ 15.2	\$ 121.1	\$ 122.3

3. Chair Wool asked if the Tax Division has the amount of corporate income tax that has been settled in addition to the audit assessments shown on slide 8.

The items in the table show the amount of the total collections per year including audit assessments. This information can also be found on our website, under Annual Reports.

Corporate Income Tax	2015	2016	2017	2018	2019	2020
Total Collections by Tax Type (\$ Millions)						
Oil & Gas Corporations	\$ 108.7	\$ (26.1)	\$ 2.4	\$ 76.8	\$ 217.7	\$ 60.2
Non Oil & Gas Corporations	136.2	90.2	85.4	119.6	114.8	102.4
Totals	\$ 244.9	\$ 64.1	\$ 87.8	\$ 196.3	\$ 332.5	\$ 162.6
Total Collections by Fund Type (\$ Millions)						
General Fund (1)	\$ 231.0	\$ 31.4	\$ 27.2	\$ 185.9	\$ 327.0	\$ 102.3
CBRF (2)	13.9	32.7	60.6	10.4	5.5	60.3
Totals	\$ 244.9	\$ 64.1	\$ 87.8	\$ 196.3	\$ 332.5	\$ 162.6

(1) This includes all corporate income tax return collections and Non Oil & Gas Corporate Income Tax Audit Assessments, Appeals and Settlements

(2) This includes Oil & Gas Corporate Income Tax Audit Assessments, Appeals and Settlements

4. Representative McCarty asked if the Child Support Services Division (CSSD) charges fees and if there are any non-federal match funds in the Division's budget.

CSSD's FY2022 Governor's proposed budget contains \$50.0 in general fund program receipt authority that is used to collect fees for the cost of conducting genetic testing of putative fathers. CSSD's proposed budget also contains \$478.9 of unrestricted general funds that do not leverage federal match and are only utilized for unallowable costs under CSSD's federal program such as the fee charged by the IRS to garnish tax returns.

Thank you,



Brian Fechter

Administrative Services Director

CC: Miles Baker, Legislative Director
 Lucinda Mahoney, Commissioner
 Ken Alper, Committee Aide
 Amy Moselle, Office of Management and Budget
 Mike Barnhill, Deputy Commissioner
 Genevieve Wojtusik, Legislative Liaison