Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: HB 182
Fiscal Note Number:
() Publish Date:

Identifier: HB182-DOR-TAX-4-23-21
Title: EXTEND FISHERY RESOURCE LAND. TAX CREDIT
Sponsor: EDGMON
Requester: (H) Fisheries

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)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2022**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
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**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1261 Shared Tax (DGF)	(1,160.0)		(794.8)	(810.7)	(826.9)	(843.4)	(860.3)
Total	**(1,160.0)**	**0.0**	**(794.8)**	**(810.7)**	**(826.9)**	**(843.4)**	**(860.3)**

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2022) 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If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division: Tax Division Date: 04/23/2021
Approved By: Brian Fechter, Administrative Services Director Date: 04/23/21
Agency: Department of Revenue

FISCAL NOTE ANALYSIS

STATE OF ALASKA **BILL NO.** HB 182
2021 LEGISLATIVE SESSION

Analysis

Background
Prior to December 31, 2020, Fisheries Resource Landing Tax (FRLT) taxpayers that harvested fisheries resources under a community development quota (CDQ) and that made contributions during the tax year to Alaska nonprofit corporations that are dedicated to fisheries industry-related education, research, and/or work were allowed to claim a credit of 100% of the contribution amount, up to 45.45% of the taxpayer's tax liability on fishery resources harvested under a CDQ. However, the CDQ Credit sunset on December 31, 2020.

This bill extends the sunset date of the CDQ credit to December 31, 2030, and provides for an immediate effective date. The bill is retroactive to December 30, 2020.

Revenue Impact
Proceeds from the FRLT are deposited into the General Fund and shared between the state and municipalities. Since the CDQ Credit can only be used against the municipal share of the FRLT tax proceeds, the state share of the proceeds reported in the Unrestricted General Fund (UGF) would remain the same. However, the municipal share of the proceeds reported in the Designated General Fund (DGF) would be reduced by the CDQ credit amount as reflected in this fiscal note.

This revenue estimate uses actual FY2020 CDQ credits as a baseline and assumes a 2% annual increase in credit value. For FY2022, the estimate is higher because it includes 1.5 years of impact – this assumes that impacts for the second half of FY2021 would be realized in revenue impact in FY2022 (since the extension of the CDQ credit is retroactive).

Implementation Cost
This legislation would require only minor changes to update the Department's Tax Revenue Management System (TRMS) and Revenue Online (ROL) which allows a taxpayer to file a return online. The Department will be able to make the changes with existing resources, and does not anticipate any continuing costs or additional staff needs.