

# Fiscal Note

State of Alaska  
2022 Legislative Session

Bill Version: HB 37  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB37-PF-PFD-1-24-22  
Title: INCOME TAX; PERMANENT FUND; EARNINGS  
RES.  
Sponsor: WOOL  
Requester: (H)STA

Department: Permanent Fund  
Appropriation: Permanent Fund Dividends  
Allocation: Permanent Fund Dividend Fund  
OMB Component Number: 2616

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous	763,800.0		790,800.0	818,100.0	828,300.0	853,000.0	876,800.0
<b>Total Operating</b>	<b>763,800.0</b>	<b>0.0</b>	<b>790,800.0</b>	<b>818,100.0</b>	<b>828,300.0</b>	<b>853,000.0</b>	<b>876,800.0</b>

## Fund Source (Operating Only)

1004 Gen Fund (UGF)	427,700.0		430,700.0	437,300.0	426,400.0	427,200.0	442,200.0
1041 PF ERA (UGF)	336,100.0		360,100.0	380,800.0	401,900.0	425,800.0	434,600.0
<b>Total</b>	<b>763,800.0</b>	<b>0.0</b>	<b>790,800.0</b>	<b>818,100.0</b>	<b>828,300.0</b>	<b>853,000.0</b>	<b>876,800.0</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 (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Updated to reflect changes to PFD formula in latest bill version.

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Division:	Office of Management and Budget	Date:	02/15/2022 12:00 AM
Approved By:	Neil Steininger, Director	Date:	01/24/22
Agency:	Office of Management and Budget		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2022 LEGISLATIVE SESSION

BILL NO. HB37

### Analysis

This legislation changes the amount calculated for the appropriation for the payment of permanent fund dividends to 10% of the 5% percent of market value (POMV) draw from the Permanent Fund under AS 37.13.140(b), and 30% of all oil and gas royalties.

Under the calculation proposed by this legislation, the fiscal year 2023 appropriation for permanent fund dividends is estimated to be \$763.8 million, equating to an estimated dividend of \$1,137.00 for eligible recipients. The table below shows estimated permanent fund dividends under the proposed statutory calculation based on projections from the Department of Revenue Fall 2021 Revenue Sources Book.

<i>Dollars in millions</i>	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
POMV Draw	3,360.7	3,600.2	3,807.8	4,019.3	4,257.8	4,346.0
<b>10% for PFD</b>	<b>336.1</b>	<b>360.0</b>	<b>380.8</b>	<b>401.9</b>	<b>425.8</b>	<b>434.6</b>
Oil and Gas Royalties	1,425.8	1,435.8	1,457.8	1,421.2	1,424.2	1,474.2
<b>30% for PFD</b>	<b>427.7</b>	<b>430.7</b>	<b>437.3</b>	<b>426.4</b>	<b>427.2</b>	<b>442.2</b>
Total PFD Appropriation	763.8	790.8	818.1	828.3	853.0	876.8
PFD/Recipient (dollars)	\$ 1,137.00	\$ 1,171.00	\$ 1,206.00	\$ 1,214.00	\$ 1,245.00	\$ 1,273.00