

# Fiscal Note

State of Alaska  
2023 Legislative Session

Bill Version: SB 137  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB137-DOR-TAX-04-28-23  
Title: REFINED FUEL SURCHARGE  
Sponsor: GIESSEL  
Requester: (S) RESOURCES

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)

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
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

1272 Oil/HazRev (DGF)			3,650.0	3,610.0	3,580.0	3,550.0	3,520.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>3,650.0</b>	<b>3,610.0</b>	<b>3,580.0</b>	<b>3,550.0</b>	<b>3,520.0</b>

**Estimated SUPPLEMENTAL (FY2023) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2024) 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If yes, by what date are the regulations to be adopted, amended or repealed?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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Agency: Department of Revenue

Phone: (907)279-6736  
Date: 04/28/2023  
Date: 04/28/23

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2023 LEGISLATIVE SESSION

BILL NO. SB 137

### Analysis

#### Background Information

On September 10, 2015, then HB 158 was signed into law which added a surcharge of \$0.0095 a gallon on refined fuel sold, transferred, or used in Alaska. Refined fuels exempt from the surcharge when sold are liquefied petroleum gas and aviation fuel, as well as refined fuels for use by federal, state, and municipal government agencies; to be sold or transferred between qualified dealers; fuel sold to electric coops; and fuel sold to be refined and used outside the United States. The surcharge is collected in the same manner as the motor fuel tax.

This bill would change the surcharge from \$0.0095 per gallon to \$0.015 per gallon. The effective date for this change is July 1, 2024.

#### Revenue Impact

The estimates in this fiscal note begins with the estimated fuel consumption that was the basis for our motor fuel surcharge revenue in the Department of Revenue's Spring 2023 Revenue Forecast and applies the new rate to the estimated gallons. The difference between that number and the number in our forecast is the estimated change in revenues.

#### Implementation Cost

This legislation would require the Department to make minor changes to its Tax Revenue Management System (TRMS). Resources required to implement this bill would include staff time to updated tax forms, TRMS, and Revenue Online, and other miscellaneous costs when applicable. These costs will be absorbed by the Tax Division using existing resources.