



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Revenue
PFD DIVISION

State Office Building
333 Willoughby Avenue, 11th Floor
PO Box 110400
Juneau, Alaska 99811-0400
Main: 907.465.2300
Fax: 907.465.2389

February 13, 2023

The Honorable Ben Carpenter
House Ways & Means Committee, Chair
Alaska State Legislature
State Capitol Rooms 024
Juneau, AK 99801

Dear Chair Carpenter,

The purpose of this letter is to provide you with responses to questions asked on February 8, 2023, in the House Ways and Means Committee hearing on House Bill 45. Please find below the questions and corresponding answers.

1. The committee asked how many Alaskans have donated their permanent fund dividend back to state government.

Currently, less than 10 Alaskans a year return their dividend back to the state.

2. The committee asked if a donation to the General Fund would be tax deductible?

To the Division's knowledge, the PFD would remain federally taxable income and Alaskans would need to consult with their tax professional for further guidance.

3. The committee asked if advertising about this in outgoing years would be possible?

Currently, the bill as written does not have language that would allocate funds for the Division to advertise this program. When the PFD Education Raffle was created, statutory language included:

"43.23.064. Dividend raffle fund; dividend donations to the dividend raffle fund; drawing. (a) The dividend raffle fund is established as an account in the general fund. The commissioner shall manage the fund. Interest and other income received on money in the fund shall be separately accounted for and shall be appropriated to the fund. The fund consists of donations appropriated to the fund under (c) of this section. The commissioner shall use the dividend raffle fund, without further appropriation, to pay for prizes as set out in (d) of this section and may use up to two percent of the balance of the fund but not more than \$500,000 from the fund each fiscal year to pay the cost of administering the fund and for promotion and advertisement of the fund."

4. The Committee asked if the 7% charge can be removed?

The 7% charge is an administrative fee that the PFD Division uses for all ongoing programming requirements defined by statute. If removed, the PFD Division may amend the existing fiscal note for HB 45 to offset the administrative costs for this program.

I hope you find this information useful.

Sincerely,

A handwritten signature in black ink that reads "Genevieve Wojtusik". The script is cursive and fluid.

Genevieve Wojtusik

Director