

# FISCAL NOTE

Bill Version: HB 142

(H) Publish Date: 4/12/99

**STATE OF ALASKA  
1999 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) April 6, 1999 Dept. Affected Revenue  
 Title Education Credit for Fishery Taxes BRU Revenue Operations  
 Component Income and Excise Audit  
 Sponsor Representative Davis  
 Requester HESS Component Serial No. 113

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
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>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES (decrease)</b>	**	**	**	**	**	**
--------------------------------------	----	----	----	----	----	----

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<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>

Estimate of current year (FY99) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

\*\* see attached analysis

Prepared by Brett Fried, Economist Phone 465-3682  
 Division Income and Excise Audit Date/Time April 6, 1999  
 Approved by Wilson L. Condon Date April 6, 1999  
 Commissioner Department of Revenue  
 Agency

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information, call the Governor's Legislative Office

**ALASKA DEPARTMENT OF REVENUE**

*Income and Excise Audit Division*

Education Credit for Fishery Taxes

HB 124

April 6, 1999

Page 2 of 3

**BILL ANALYSIS**

**Section 1** broadens qualifications for credits against the fisheries business tax (AS 43.75.018) to include contributions made to public nationally accredited Alaska postsecondary educational or vocational institutions. Currently, only contributions made to regionally accredited universities or colleges qualify.

**Section 2** directs postsecondary educational or vocational institutions to include the amount of contributions received under section 1, and how they were used, in their annual operating budget request.

**Section 3** broadens qualifications for credits against the fisheries resource landing tax (AS 43.77.045) to include contributions made to public nationally accredited Alaska postsecondary educational or vocational institutions. Currently, only contributions made to regionally accredited universities or colleges qualify.

**Section 4** directs postsecondary educational or vocational institutions to include the amount of contributions received under section 2, and how they were used, in their annual operating budget request.

**Section 5** provides for an immediate effective date.

**OPERATING EXPENDITURES**

The Department of Revenue does not anticipate additional costs for administering the provisions of this bill.

**REVENUE**

The attached analysis discusses possible revenue reductions from credits taken under this bill.

**ISSUES OF CONCERN**

The number of institutions that would qualify depends on how "public" and "nationally accredited" are defined.

**Alaska Department of Revenue**  
**Income and Excise Audit Division**

Education Credit for Fishery Taxes  
HB 142  
April 6, 1999  
Page 3 of 3

**Analysis of SB 241**

	<b>FY 96-98</b>	<b>FY 96-98</b>	
	<b>ALL TAX</b>	<b>FISHERIES</b>	
	<b>TYPES</b>	<b>TAXES</b>	<b>PERC.</b>
			<b>Total</b>
<b>Credits Claimed*</b>	\$7,218,379	\$397,104	5.5%
<b>Contributions*</b>	\$10,162,356	\$574,206	5.7%
<b>Number of Taxpayers</b>	55	8	14.5%

\* Maximum qualifying contribution per taxpayer is \$200,000, maximum credit is \$150,000 (first \$100,000 contribution is 50% credit; next \$100,000 is 100% credit)

***Current Credit Program***

Regionally accredited institutions in Alaska  
University of Alaska  
Alaska Pacific University  
Sheldon Jackson College

***Amended Credit Program*** would *add* the following institution:

Nationally accredited public institutions in Alaska  
Alaska Vocational Technical Center

This analysis assumes that "public" does not include religiously affiliated or for-profit schools and "nationally accredited" refers to "accredited by a national accreditation association recognized by the Secretary of Education of the U.S. Dept. of Education."

***Revenue Loss***

Although it is impossible to know how adding AVTEC to the list of qualifying institutions will affect the amount of education credits, AVTEC's emphasis on "market driven education in response to the needs of Alaska business and industry"\* could translate into a doubling of current qualifying fish tax contributions. Currently, contributions that qualify for credits under the fisheries business and fishery resource landing tax are approximately \$200,000 year.

\* Quote from message on AVTEC's web site from Director Fred W. Esposito.