

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 154(FSH)
 (H) Publish Date: 3/22/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Collection of Fishery Business Taxes BRU: Operations
 Component: Tax Division
 Sponsor: Representative Drew Scalzi
 Requester: House Resources Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached analysis

Prepared by: Chuck Harlamert Phone 465-4773
 Division: Tax Division Date/Time 3/20/01 2:30pm
 Approved by: Larry Persily, Deputy Commissioner Date 03/21/2001
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

DEPARTMENT OF REVENUE
Tax Division
Bill Analysis

Bill Version: CS HB 154 (Fisheries)
Prepared by: Chuck Harlamert
Date: 3/20/01

Introduction—The bill modifies the tax payment security requirements necessary to obtain a state fisheries business tax license. The existing security requirement for a whole-salmon exporter would be replaced with a new payment security option available to any exporter of any unprocessed fisheries resources.

Under the bill, exporters of unprocessed fish (for example, a fish broker) could obtain a fisheries business license by posting a \$50,000 surety bond. The \$50,000 surety bond option is currently available only to whole-salmon exporters and is not currently used by any exporter.

The bill also requires quarterly payment of estimated fisheries resource landing taxes.

Because of the change in security accepted by the state for payment of the fisheries business tax, the potential risk of unpaid fisheries business taxes increases under the bill – although we believe the change in risk would be small.

Assumptions—The fiscal effect assumes that the number of taxpayers who elect the alternate-security requirements does not exceed five and that compliance is consistent with that of existing taxpayers.

Program Summary—The Tax Division will need to provide forms, and collect and account for monthly payment of taxes that are currently paid on an annual basis. In addition, revenue sharing will be more complicated under the bill than under current law.

Computations—N/A

Economic Impact—Prices received by fisherman could possibly increase if the bill fosters increased competition among fish buyers by making it easier for new buyers to enter the market.

Impact on Local Government—Local governments, in general, could benefit to the extent their share of fisheries business taxes could rise with raw fish prices as a result of this bill. The bill could cause shifts in the allocation of shared revenue between local governments.