

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSHB 288(FIN)
 (H) Publish Date: 3/6/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Limited Entry Buy-Back Program BRU Revenue Operations
 Component Tax Division
 Sponsor Rep. Scalzi
 Requester House Finance Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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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--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time	*	*	*	*	*	*
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

* See second page for explanation of possible costs to administer the assessment program in this legislation.

Prepared by: Chuck Harlamert, Revenue Audit Supervisor Phone 465-4773
 Division Tax Division Date/Time 3/5/02 9:22 AM
 Approved by: Larry Persily, Deputy Commissioner Date 03/05/2002
 Agency Department of Revenue

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ANALYSIS CONTINUATION

Bill Analysis

The bill provides for the establishment of permit buy-back assessments at the discretion of the Alaska Commercial Fisheries Entry Commission. The assessment applies to permit holders of the specified fishery and may not exceed 7% of the value determined for fisheries business tax purposes. The buyer or exporter must withhold and remit the assessment on a monthly return and file a summary report by March 1 of the following calendar year.

It is possible that the enforcement and collection provisions of AS 43.05 and AS 43.10, which apply to taxes under AS 43, may not apply to the assessments. We recommend that the bill be modified to add a new subsection AS 43.76.230(e):

(e) The provisions of AS 43.05 and AS 43.10 apply to the enforcement and collection of a permit buy-back assessment under AS 43.76.220 – 43.76.240.

The bill does not contain provisions governing the effective date of permit buy-back assessments. We recommend that the assessments be declared on a calendar year basis and initiated on January 1. We also suggest that a minimum notice period be established in order to allow affected buyers, fishers and the division to prepare for an assessment.

Administrative Costs

We are unable to provide precise estimates of administrative resources necessary to administer the assessments under this legislation. These costs are dependent on the number and complexity of permit buy-back assessments that may be established under CSHB 288. Salmon fisheries with few catcher-processors represent very little additional work for the division. In contrast, other fisheries and salmon fisheries with significant catcher-processor participation may require a significantly higher level of staff resources to administer the assessment program. The division needs to know both the number and identity of designated fisheries in order to project our administrative costs.