

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 194
 H() Publish Date: 4/2/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Regional Development BRU Revenue Operations
Organization Tax Credit Component Tax Division
 Sponsor Representative Anderson
 Requester H. Community & Regional Affairs Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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 ()						
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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 (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation allows taxpayers to take a credit against their Alaska corporate income taxes of up to \$10,000 per year for cash contributions to a Regional Development Organization.

This legislation would not likely significantly reduce state revenues, in that any tax credits claimed under this new program would have to fall within the existing statutory \$150,000 limit on corporate income tax credits per year per taxpayer. It is possible, however, that a taxpayer could choose to contribute to this program and therefore reduce its contribution under an existing tax credit program.

The Tax Division does not expect any significant increase in its operational expenses from the new tax credit in this legislation.

However, the Division would need to adopt regulations because as drafted, the statute is very broad and ambiguous as to what would constitute a Regional Development Organization under this tax credit program. The regulations would need to answer such questions as what qualifies as a Regional Development Organization, does the purpose of the organization meet the intent of the legislation, and does the organization meet the "economic, political and social interests" as required in this bill? For example, would contributions to an organization dedicated to legalized casino gambling qualify under this legislation?

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 Division Tax Division Date/Time 3/28/03 4:03 PM
 Approved by: Larry Persily, Deputy Commissioner Date 3/28/2003
 Agency Department of Revenue