

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 537
 (H) Publish Date: 3/18/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Tourism Services RDU Alaska Railroad Corporation
Sales and Use Taxes Component _____
 Sponsor Rules
 Requester By Request of the Governor Component No. _____

Expenditures/Revenues

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services					
Travel					
Contractual					
Supplies					
Equipment					
Land & Structures					
Grants & Claims					
Miscellaneous					
TOTAL OPERATING	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

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

Estimate of any current year (FY2004) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: *(Attach a separate page if necessary)*
 The Alaska Railroad Corporation (ARRC) is a public corporation supported by revenues generated through its freight, passenger and real estate services. ARRC does not receive state subsidies for operations or capital improvements from the State. The following analysis provides ARRC's estimate regarding its fiscal impact and the state's revenue increment from the tourism, services, sales and use tax as applied to ARRC services.

 The bill seeks to impose a 5% assessment on the sale of ARRC passenger ticket sales, packages and charters. ARRC understands the funds would be collected and remitted less an incentive per return of \$300 for using technology and filing methodologies that improve efficiency of tax administration (i.e. electronically filing the return and making the payment). Based on current revenue forecasts, the amount of assessment remitted would be approximately \$470,000 to \$500,000 annually. (See attached)

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 Division: Alaska Railroad Corporation Date/Time 3/15/04 10:24 AM
 Approved by: Edgar Blatchford, Commissioner Date 3/15/2004
 Agency: Department of Community & Economic Development

FISCAL NOTE #2

STATE OF ALASKA
2004 LEGISLATIVE SESSION
Tourism Assessment Calculation*

BILL NO. HB 537

	2005	2006	2007	2008
Projected ARRC Passenger Revenue	14,790.0	15,070.0	15,200.0	15,330.0
Pull Contract	(4,490.0)	(4,630.0)	(4,630.0)	(4,630.0)
Commissions, Hurricane and other	(700.0)	(700.0)	(700.0)	(700.0)
Ticket Sales, Packages and Charters	9,600.0	9,740.0	9,870.0	10,000.0
5% Assessment	480.0	487.0	493.5	500.0
Less incentive \$300 per return	(3.6)	(3.6)	(3.6)	(3.6)
Net assessment transferred to GF	476.4	483.4	489.9	496.4

ARRC would collect and remit between \$470,000 to \$500,000 per year.

* Calculations are based on a calendar year.

Note: The Alaska Railroad will incur some costs related to setting up a system to administer the tax, including collection, auditing, reporting and filing returns.