

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSSB 273(FIN)
 (S) Publish Date: 3/22/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title ASMI Board/Seafood Taxes & Assessments RDU Revenue Programs & Services
 Component Tax Division
 Sponsor Sen. Gary Stevens/JT Salmon Task Fc
 Requester Senate Finance Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	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	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 (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)

* See page 2 for analysis.

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 Approved by: Steve Porter, Deputy Commissioner
 Agency: Department of Revenue

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 Date/Time 3/12/04 8:20 AM
 Date 3/12/2004

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BILL NO. CSSB 273(FIN)

ANALYSIS CONTINUATION

Revenue Analysis

The bill authorizes two additional Seafood Marketing Assessment rates, .5% and .6%. An election is mandated in which processors will first vote to retain the existing assessment or eliminate it. If the assessment is retained, a second vote determines whether the assessment shall remain at .3% or increase to .5% effective January 1, 2006. If the second vote increases the assessment to .5%, the 1% Salmon Marketing Tax is repealed as of December 31, 2005.

The following revenue estimates are based on FY03 data and reflect the combined revenues from the Seafood Marketing Assessment and the Salmon Marketing Tax (ASMI funding) and the change in revenues compared to current law:

Scenario	Revenue		
	FY05	FY06	FY07...
Eliminate Seafood Marketing Assessment	\$4,401,972	\$4,401,972	\$1,412,041
Change in Revenue	None	None	(\$2,989,931)
Retain Existing .3% Seafood Marketing Assessment	\$4,401,972	\$4,401,972	\$4,401,972
Change in Revenue	None	None	None
Increase Seafood Marketing Assessment to .5%	\$4,401,972	\$4,261,956	\$4,983,220
Change in Revenue	None	(\$140,016)	\$581,248

The temporary dip in revenues under the .5% Seafood Marketing Assessment scenario is due to the difference in timing of revenues between the Seafood Marketing Assessment and the Salmon Marketing Tax. The .2% increase in the Seafood Marketing Assessment and the repeal of the Salmon Marketing Tax are both effective in calendar year 2006. However, the Seafood Marketing Tax is an annual tax paid on March 31 of the following calendar year. The rate increase effective for 2006 is therefore realized in FY07 (March of 2007). The Salmon Marketing Tax is paid monthly with 90% of the revenue for a calendar year being paid during the July-December period. FY06 revenues are reduced from current levels by the amount of Salmon Marketing Tax otherwise due during the first six months of 2006. Detail of revenue changes by tax type under the .5% Seafood Marketing Assessment scenario are as follows:

Tax Type	Change in Revenue		
	FY05	FY06	FY07...
Seafood Marketing Assessment Change	No Change	No Change	\$1,993,289
Salmon Marketing Tax Change	No Change	(\$140,016)	(\$1,412,041)
Total Change in Revenue	No Change	(\$140,016)	\$581,248