

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 322
 (S) Publish Date: 3/3/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Salmon Enhancement Tax RDU Revenue Programs & Services
 Component Tax Division
 Sponsor Senator Ben Stevens
 Requester Senate Labor & Commerce 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 | * | * | * | * | * | * |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|---|---|---|---|---|---|
| CHANGE IN REVENUES () | * | * | * | * | * | * |
|-------------------------------|---|---|---|---|---|---|

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 | * | * | * | * | * | * |

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

Prepared by: Chuck Harlamert
 Division: Tax Division
 Approved by: Steve Porter, Deputy Director
 Agency: Department of Revenue

Phone: 465-2320
 Date/Time: 2/23/04 1:11 PM
 Date: 2/23/2004

FISCAL NOTE #1

**STATE OF ALASKA
2004 LEGISLATIVE SESSION**

BILL NO. SB 322

ANALYSIS CONTINUATION

Cost Discussion

Increased tax rates will increase our costs to administer the Salmon Enhancement Tax. The tax rates authorized under the legislation, if approved within individual regions, can significantly increase compliance risk. Our costs to maintain compliance would necessarily grow to maintain compliance. However, we are unable to predict which regions, if any, will approve the higher tax rates authorized by the bill, the year of approval, or the rates ultimately approved within any region. We are therefore unable to estimate our costs associated with this legislation.

Revenue Discussion

Existing law provides the option of imposing the Salmon Marketing tax at 1%, 2%, or 3%. The bill creates ten additional rate options: 4%, 5%, 6%, 7%, 8%, 9%, 10%, 15%, 20%, and 30%. Six aquaculture regions have approved a Salmon Enhancement Tax, two at the rate of 3% and four regions at 2%. These six regions generated \$2.4 million of Salmon Enhancement Tax during FY03. The revenue generated by these regions at the 30% rate authorized by the bill would have been approximately \$30 million based on FY03 activity. The revenue impact of the bill therefore could range between zero and \$27.6 million based on FY03 activity and dependent on the rates approved within individual regions.