

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 7
 Bill Version: CSHB 111(FIN)
 (H) Publish Date: 5/5/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Business License Fee Decrease RDU Corp, Bus & Prof Licensing (117)
 Component Corp, Bus & Prof Licensing
 Sponsor Rules by Request of Governor
 Requester House Finance Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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 (1175)	0.0	(2,475.0)	(2,970.0)	(2,970.0)	(2,970.0)	(2,970.0)
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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						
Business License & Corp (1175)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation reduces the Business License fee to a cost of \$50 per year (\$100 per biennium) with an effective date of 1 October 2008.

Revenue Impact: The department estimates a loss of revenue of \$2,475.0 in FY2009 and a loss of revenue of \$2,970.0 in the remaining fiscal years. The estimated loss of revenue in FY2009 reflects the decrease in the present \$100 fee to \$50 in the last nine months of the year.

Prepared by: Rick Urion, Director Phone (907) 465-2538
 Division Corporations and Licensing Date/Time 5/3/07 9:38 AM
 Approved by: Emil Notti, Commissioner Date 5/3/07
 Agency Commerce, Community, and Economic Development

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BILL NO. CSHB 111(FIN)

ANALYSIS CONTINUATION

The estimated revenue loss in subsequent years is calculated by averaging (to account for biennial license renewal) the FY 2006 revenue of \$6,085.0 and the estimated FY 2007 revenue of \$5,795.0, less the amount of business license fee revenues \$2,970.0 (based on a 50% reduction in the annual average amount of revenue estimated to be generated.)

Fund Source Impact: The Division of Corporations, Business and Professional Licensing funds Business Licensing operating expenses of \$387.1 with business license fees. Revenue collected is expected to cover operating expenses.