

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 350(L&C)
 (H) Publish Date: 3/12/08

Identifier (file name): CSHB350(L&C)-DOR-TAX-3-11-08 Dept. Affected: Revenue 04
 Title: Vehicle Rental Tax Collection RDU: Taxation and Treasury
 Component: Taxation and Treasury
 Sponsor: Rep Harris
 Requester: (H) Labor & Commerce Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0
CAPITAL EXPENDITURES		0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()		(65.0)	0.0	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

See attached.

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 Division: Tax Date/Time 3/11/08 12:00 AM
 Approved by: Jerry Burnett Date 3/11/2008
Department of Revenue

FISCAL NOTE #1

**STATE OF ALASKA
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BILL NO. CSHB 350(L&C)

ANALYSIS CONTINUATION

Bill Language:

This bill would allow taxpayers who collect and pay vehicle rental tax to retain two percent of the amount of the tax due to cover the expense of accounting for and submitting the tax, with a maximum deduction of \$4,000 per taxpayer per year.

Revenues:

We estimate this bill will reduce revenue to the state by approximately \$65,000 annually. Our FY 2009 forecast of vehicle rental tax collections is \$8.5 million, with two percent of that value amounting to approximately \$170,000. With no maximum deduction for accounting and submission expenses, the reduction in revenue under this bill would be \$170,000 per fiscal year. With the \$4,000 per taxpayer per year maximum deduction, revenue would be reduced by about \$65,000 per year as a result of this bill. This estimate is based on a company-by-company analysis of FY 2007 tax returns. For our revenue estimates we assumed an effective date of July 1, 2008.

Expenditures:

The provisions of this bill can be implemented using existing resources.