

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: _____
 (S) Publish Date: 7/9/08

Identifier (file name): 08-0060-DOR-TAX-7-2-08 Dept. Affected: Revenue 04
 Title: Suspending Motor Fuel Tax RDU: Taxation and Treasury
 Component: Tax Division
 Sponsor: Governor
 Requester: Rules 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								
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CHANGE IN REVENUES ()		(36,575.0)	(3,325.0)	0.0	0.0	0.0	0.0
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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							
Other Interagency Receipts							
TOTAL	*	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

*See attached

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 Division: Tax
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Department of Revenue

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 Date/Time 7/2/08 1:13 PM
 Date 7/2/2008

FISCAL NOTE #1

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. _____

ANALYSIS CONTINUATION

Bill Language: This bill would suspend the Motor Fuel tax for the period August 1, 2008 through July 31, 2009.

Revenues: The Department of Revenue expects that suspending the Motor Fuel Tax would result in the loss of \$39.8 million in general fund unrestricted revenues, and \$0.1 million in revenue which is customarily shared with municipalities, for a total of \$39.9 million in lost revenues. The suspension period covers 11 months of fiscal year 2009 and 1 month of fiscal year 2010. As such, the Department expects a reduction in revenue in FY 2009 of \$36,575,000 and in FY 2010 of \$3,325,000.

The Department of Revenue's current forecast for Motor Fuel Tax revenues for FY2009 is \$39.9 million. The breakdown of revenues by fuel type is as follows:

Highway	\$29.6 million
Marine	\$ 5.6 million
Aviation Gas	\$ 0.7 million
Aviation Jet Fuel	\$ 4.1 million
Subtotal	\$40.0 million
Municipal Share	-\$ 0.1 million
Total	\$39.9 million

Expenditures: The Department of Revenue will not realize any reduction of expenditures during this tax suspension.

Although there will be no tax liabilities incurred during the tax suspension, this bill require taxpayers to continue to file reports which will allow the Department to collect data which we are required to provide to the Federal Highway Administration in order to secure Federal funding for the Alaska Department of Transportation. The Department of Revenue will therefore need to continue to collect and process Motor Fuel Tax forms.

The Tax Division shares 60% of the Aviation Gas revenues collected at municipally owned or operated airports with the municipality. This municipal share has held steady at \$0.1 million in the recent past. If it were desired to hold the municipalities harmless during this tax suspension, an appropriation of \$150,000 (estimated) would be required to match the forecast amount. The necessary funding is included in a separate appropriation bill.