

# FISCAL NOTE

**STATE OF ALASKA**  
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 290  
 (H) Publish Date: 1/19/10

Identifier (file name): 0818-REV-TAX-1-6-10 Dept. Affected: Revenue  
 Title: Two Year Motor Fuel Tax Suspension RDU: Taxation and Treasury  
 Sponsor: Rules Component: Tax Division  
 Requester: Request of Governor Component Number: 2476

**Expenditures/Revenues** (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>			<b>(37,000.0)</b>	<b>(41,200.0)</b>	<b>(3,500.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**ANALYSIS:** *(Attach a separate page if necessary)*

Analysis is attached.

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 Division: Tax Division  
 Approved by: Ginger Blaisdell, Director  
Administrative Services Division

Phone (907) 269-1020  
 Date/Time 12/11/2009 3:00 p.m.  
 Date 1/6/10; 1:10pm

**ANALYSIS CONTINUATION**

**Analysis**

**Bill Analysis:**

This bill would suspend the motor fuel tax starting on July 1, 2010 and ending on June 30, 2012. Revenue from the motor fuel tax is paid into the General Fund. Sixty percent of the taxes attributed to aviation fuel sales at municipal airports is customarily shared with the respective municipalities.

**Revenues:**

In the table below, FY 2008 and FY 2009 are actual collections and shared tax amounts. All other figures are forecasts. The figures below reflect taxes collected if no changes to the motor fuel tax were made.

	State Motor Fuel Tax Collections	Municipal Motor Fuel Tax Share
FY 2008(actual)	\$ 42,000,000	\$ 148,000
FY 2009(actual)	\$ 10,100,000	\$ 144,000
FY 2010(forecast)	\$ 30,000,000	\$ 128,000
FY 2011(forecast)	\$ 40,300,000	\$ 129,000
FY 2012(forecast)	\$ 41,200,000	\$ 126,000
FY 2013(forecast)	\$ 41,100,000	\$ 126,000

In FY 2009 and FY 2010, the 8 cents per gallon motor fuel tax was suspended from September 1, 2008 through August 31, 2009. Although the tax was suspended, there was a special appropriation to municipalities to ensure they received the amount of shared tax revenue from aviation fuel sales that they would have received had the fuel tax not been suspended. The reduction in revenue shown on the first page of the note would be further reduced by the municipal revenue share identified in the table above for FY 2011 and 2012 if a similar appropriation is made during the tax suspension period.

**Expenditures:**

As a result of this bill, we anticipate one month of collections in FY 2011, no collections in FY 2012 and eleven months of collections for 2013. Collections have a one month lag from when the law takes effect. Revenue impacts shown are based on the Fall 2009 Revenue Sources Book forecasts. Expenditures will not be affected as this is a temporary suspension and taxpayers will still required to file informational returns.