

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 218
 (S) Publish Date: 1/19/10

Identifier (file name): 0818-REV-TAX-1-6-10
 Title: Two Year Motor Fuel Tax Suspension
 Sponsor: Rules
 Requester: Request of Governor
 Dept. Affected: Revenue
 RDU: Taxation and Treasury
 Component: Tax Division
 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
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
CAPITAL EXPENDITURES		0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()			(37,000.0)	(41,200.0)	(3,500.0)	0.0	0.0

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

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

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

Analysis is attached.

Prepared by: Tim Harper, Economist and Johanna Bales, Deputy Director
 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

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BILL NO. SB 218

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.