

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 311
 S) Publish Date: 3/26/10

Identifier (file name): 1210-REV-TAX-03-25-10 Dept. Affected: Revenue
 Title: Reduce CPV Tax RDU: Taxation and Treasury
 Component: Tax Division
 Sponsor: Rules
 Requester: 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
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								
CHANGE IN REVENUES ()		0.0	(22,000.0)	(22,000.0)	(22,000.0)	(22,000.0)	(22,000.0)	(22,000.0)

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 (FY2010) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Johanna Bales, Deputy Director Phone: (907) 269-6628
 Division: Tax Division Date/Time: 3-24-10; 3:00 pm
 Approved by: Ginger Blaisdell, Director Date: 3-25-10; 1:28pm
Administrative Services Division

ANALYSIS CONTINUATION

Bill Language:

This bill will reduce the commercial passenger vessel (CPV) excise tax from \$46 per passenger to \$34.50 per passenger traveling on a commercial passenger vessel in state marine waters. The bill would allow a reduction in the amount of the tax for taxes paid to a municipality that levies its own passenger fee. The reduction could not exceed 50% of \$34.50 regardless of the amount of passenger fees charged by other communities. All revenues collected from the CPV tax would be deposited in the commercial vessel passenger tax account in the general fund. The language which created the regional cruise ship impact fund would be repealed. Department of Revenue would continue to share \$5 with the first five ports of call. This bill would not affect community revenue sharing.

Revenues:

Commercial passenger vessel tax revenues would decline by approximately \$22 million in fiscal years 2011 and forward due to the reduction in the CPV tax from \$46 to \$34.50 per passenger and the further reduction allowed for passenger fees paid to municipalities with passenger fees in place in 2006. Again, this bill does not change the rate at which the state shares CPV tax with communities that do not levy a passenger fee. We expect passenger fee sharing to remain at approximately \$10 million each year. Since the bill has an immediate effective date, we expect a reduction in fiscal year 2010 CPV tax revenues of approximately \$3.2 million.

Expenditures:

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