

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SB 311
 (S) Publish Date: 3/26/10

Identifier (file name): 1210-REV-TAX-03-24-10 Dept. Affected: Revenue
 Title: Tax Credit for Tourism Marketing 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	0.0
CAPITAL EXPENDITURES								
CHANGE IN REVENUES ()	0.0	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)

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	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; 3:20 pm
 Approved by: Ginger Blaisdell, Director Date 3-24-10; 7:00pm
Administrative Services Division

ANALYSIS CONTINUATION

Bill Language:

This bill would allow corporations engaged in any type of tourism activity in the state to take a credit against the Alaska corporate income tax (CIT) for contributions made to a qualified trade association. The contribution would have to be used by the the trade association for a destination tourism marketing campaign and could not be used to directly benefit the entity that made the contribution. The credit would be allowed on 100% of corporate income tax of a corporation, but would be limited to the first \$20 million in contributions made to the trade association. The \$20 million limit would be adjusted each year for the change in vehicle rental tax collections under AS 43.52.010 - 43.52.099. If vehicle rental tax collections drop, the overall contribution limit would drop by the same percentage. If vehicle rental tax collections increase, the overall contribution limit would increase accordingly.

Revenues:

Corporate income tax revenues would decline by approximately \$20 million due to the new tourism tax credit.

Expenditures:

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