

FISCAL NOTE

STATE OF ALASKA cost # codes
 2012 LEGISLATIVE SESSION

Bill Version CSHB 336(ENE)
 Fiscal Note Number 1
 Publish Date 4/9/12 (H)

Identifier (file name) HB336-DOR-TAX-03-02-12 Dept. Affected Revenue
 Title Energy Assistance Program & Vouchers Appropriation Taxation and Treasury
 Allocation Tax Division
 Sponsor Representatives Thompson, et al
 Requester House Energy OMB Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	***	0.0	***	***	***	***	***

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		***	0.0	***	***	***	***	***

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

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 Approved by Alicia Egan, Legislative Liaison
Department of Revenue

Phone (907) 269-6628
 Date/Time 3/2/2012 2:30 p.m.
 Date 3/2/2012 7:15 p.m.

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STATE OF ALASKA
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BILL NO. CSHB 336(ENE)

Analysis

The Department of Revenue expects this fiscal note to change as more clarification and information is provided to the Department.

Bill Language:

This bill would require the Department of Revenue to issue an energy voucher to each adult eligible for the permanent fund dividend in 2012. The energy voucher would be redeemable for 250 gallons of heating oil, the natural gas equivalent of 250 gallons of heating oil, or 1,500 kilowatt hours of electricity. The voucher would be redeemable with a qualified distributor through April 30, 2013 and can be used for heating oil, natural gas, or electricity delivered to a residence or business.

Revenues:

In calendar year 2011, approximately 490,000 adults were eligible for the permanent fund dividend. In calendar year 2010, the average cost of heating oil throughout Alaska was \$3.50 per gallon. We expect the current average cost is higher. The current average cost of a kilowatt hour of electricity in Alaska is approximately 15.5 cents. Based on the number of adults eligible for the voucher and the average cost of heating fuel and electricity, the Department expects this program will cost anywhere from \$115 million to \$430 million for the fiscal year 2013. Although this bill will not directly affect revenues received by the department, general fund monies in 2013 will decrease as a result of this bill.

Expenditures:

The Department of Revenue will be tasked with redeeming the vouchers submitted by qualified distributors. The bill language requires the department to redeem the voucher within 20 days of submittal. In addition, the department has 3 years to audit the redemption of a voucher to ensure that it was properly redeemed. It is unclear which division within the department will administer this program. However, the bill sponsor has indicated that the Alaska Housing Finance Corporation will have a role. The department expects that the administration of this bill could be as much as 10% of the amount distributed under the voucher system due to the responsibility it will have to mail, redeem and audit the vouchers. In addition, the department will have reporting responsibilities to the Internal Revenue Service. At this time, total expenditures are indeterminate.