

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSHB 192(FSH)
Fiscal Note Number: 2
(H) Publish Date: 4/11/13

Identifier: HB192SS-DOR-TAX-04-10-13
Title: PAYMENT OF FISHERY RESOURCE LANDING
TAX
Sponsor: MILLETT
Requester: (H) FSH

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2014 Appropriation Requested | Included in Governor's FY2014 Request | Out-Year Cost Estimates | | | | |
|-------------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|
| | FY 2014 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
| OPERATING EXPENDITURES | | | | | | | |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

| | | | | | | | |
|---------------------------|--|-----|-----|-----|-----|-----|-----|
| Change in Revenues | | *** | *** | *** | *** | *** | *** |
|---------------------------|--|-----|-----|-----|-----|-----|-----|

Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/13

Why this fiscal note differs from previous version:

Initial version, with sponsor substitute reflected.

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Division: Tax Division Date: 04/10/2013 04:00 PM
Approved By: Alicia Egan, Legislative Liaison Date: 04/10/13
Department of Revenue

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSHB 192(FSH)

Analysis

Bill Language:

This bill will change the return and payment due date of Fishery Resource Landing Tax returns to the end of the month following the month after the department publishes the statewide average price list. Currently, taxpayers must file their returns and make payment by April 1st of each year. The Fishery Resource Landing Tax is calculated using the statewide average price which historically is not published until sometime in May of each year. If a taxpayer fails to pay the full amount of tax owed, the taxpayer is charged interest on the unpaid tax from the date the tax was due until the tax is ultimately paid. It is virtually impossible for taxpayers to know the exact amount of tax they owe on April 1st since the information they need to calculate the tax isn't available until May. This bill also allows a taxpayer to avoid penalties on estimated payments if the taxpayer pays at least 90% of the amount of tax owed each quarter based on the statewide average price of the same species posted in the previous year times the number of pounds of fishery resource landed during the quarter.

Revenues:

We expect to see a small decline in interest revenue received on late payments as a result of this legislation. However, we are unable to project the exact amount as there are several variables used in the calculation of interest. Additionally, we expect that the amount of penalty imposed on estimated tax payments will also decrease. However, the amount of penalty for the past two fiscal years was \$9,088 for FY2012 and \$5,216 for FY2011. Therefore, we estimate that the decrease in penalty for failure to underpay estimated tax payments would not exceed \$9,088 (the highest of the past two fiscal years).

Expenditures:

We anticipate the provisions within this bill can be implemented in the Tax Division using existing staff and resources.

Regulations:

This bill will require a change to 15 AAC 77.025 to address the "pay-as-you-fish" provision allowed for estimated tax payments provided in this bill. Additionally, current regulation 15 AAC 77.015 should be repealed as there will no longer be a requirement for an automatic extension of the time to file a return. We anticipate regulations can be adopted by December 31, 2013.