

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: HB 193
Fiscal Note Number: 2
(H) Publish Date: 4/4/13

Identifier: HB193-DOR-TAX-04-03-13
Title: MUNICIPAL TAXATION OF TOBACCO
PRODUCTS
Sponsor: PRUITT
Requester: (H) Community & Regional Affairs

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

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

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Personal Services	80.4		80.4	80.4	80.4	80.4	80.4
Travel							
Services	54.7		54.7	54.7	54.7	54.7	54.7
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	135.1	0.0	135.1	135.1	135.1	135.1	135.1

Fund Source (Operating Only)

1004 Gen Fund	135.1		135.1	135.1	135.1	135.1	135.1
Total	135.1	0.0	135.1	135.1	135.1	135.1	135.1

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues							
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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If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/13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.

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Phone: (907)269-6628
Date: 04/02/2013 07:30 PM
Date: 04/03/13

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. HB 193

Analysis

Bill Language:

This bill would allow the department to share taxpayer information with local governments, but only if the local government maintains the confidentiality of the information and has similar provisions within their respective codes and ordinances that allow them to share information with the department. The information could only be used for tax purposes. This bill would also allow the department to enter into agreements with municipalities to conduct joint audits of cigarette taxpayers and would further allow a municipality to request that the department collect cigarette taxes on behalf of the municipality if the municipality adopts a cigarette tax stamp as the mechanism for collecting cigarette taxes.

Revenues:

There would be no change in Alaska's cigarette tax revenues as a result of this legislation.

Expenditures:

It is unclear from the language in this bill if the department may charge a municipality for collecting the municipality's cigarette taxes through the use of a tax stamp. There are currently 9 different local governments within the state that levy a tobacco tax. The department believes that it would need an additional Tax Technician III position at a cost of \$80,400 each year to track the sale of cigarette tax stamps for municipalities that may wish to collect their tax through the use of a tax stamp. The department would also see additional services costs in the amount of \$4,700 each year for support services for the one new position and up to \$50,000 each year in additional costs to purchase cigarette tax stamps. If the department was able to recoup these expenses from the municipalities, these additional costs could be reduced to zero.