

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version:	CSHB 193(FIN)
Fiscal Note Number:	3
(H) Publish Date:	4/8/2013

Identifier: HB193CS(FIN)-DOR-TAX-04-07-13
 Title: MUNICIPAL TAXATION OF TOBACCO PRODUCTS
 Sponsor: PRUITT
 Requester: (H) Finance

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	4.7		4.7	4.7	4.7	4.7	4.7
Commodities	50.0		50.0	50.0	50.0	50.0	50.0
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)

1108 Stat Desig	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 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/13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:

Revised fiscal note changes the fund source from GF to SDPR to reflect that the Department may be reimbursed by a municipality the costs incurred by the Department for administering the municipality's cigarette tax stamp. SDPR limits the use of payments by municipalities to the costs of providing state services.

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House Finance Committee Date: 04/07/2013
Co-Chair Representative Stoltze
House Finance Committee

FISCAL NOTE ANALYSIS #3

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSHB 193(FIN)

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 also to enter into agreements whereby the department could sell cigarette tax stamps and collect cigarette tax revenue on behalf of a municipality if the municipality adopts a cigarette tax stamp as the mechanism for collecting cigarette taxes. This bill will allow the department to be reimbursed by a municipality for the costs associated with selling a municipality's tax stamp and collecting the municipality's cigarette tax revenue.

Revenues:

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

Expenditures:

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. These costs can be recouped from the municipalities. Therefore, total additional expense to the state as a result of this legislation would be zero.