

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: CSSB 178(FIN)  
Fiscal Note Number: 2  
(S) Publish Date: 4/8/14

Identifier: SB178CS(FIN)-DOR-TAX-04-01-14  
Title: PASSENGER VEHICLE RENTAL TAX  
Sponsor: BISHOP  
Requester: (S) FIN

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)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>	***		***	***	***	***	***
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **No**  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version:

Reflects changes in version "Y" which was adopted by SFIN on 04-01-14.
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Division: <u>Tax</u>	Date: <u>04/01/2014 12:00 PM</u>
Approved By: <u>Angela M. Rodell, Commissioner</u>	Date: <u>04/01/14</u>
Agency: <u>Department of Revenue</u>	

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSSB 178(FIN)

**Analysis**

**Bill Language:**

This bill makes a few minor changes to the vehicle rental tax statutes.

Primarily, the bill changes the current timeframe for exemption of "long-term" leases from 90-days to 28-days. The bill also clarifies that any extension to the original contract (that is exempt as a "long-term" lease) is also exempt so long as the original contract is in writing, the original contract is not terminated before the expiration of 28-days, the extension is agreed upon prior to the expiration of the initial 28-day lease, and there is no break between the initial lease period and the period of extension.

The bill also repeals two sections of current law relating to the rental of recreational vehicles, and re-inserts those provisions in other areas of AS 43.52. This is not a substantive change.

**Revenues:**

There may be a minimal reduction in vehicle rental taxes collected as a result of these changes. However, the amount of potential reduction is indeterminate. It is difficult for DOR to estimate the revenue impact on the state as a result of this legislation as DOR does not have detailed information on the number of vehicle rental contracts which are currently 28-days or longer. However, the department does not anticipate that this would have much of an impact on the amount of vehicle rental taxes collected.

**Expenditures:**

The department can implement the provisions of this bill with existing resources.

**Regulations:**

The department does not anticipate that it will need to adopt regulations to implement the provisions of this bill.