

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSSB 109(JUD)
Fiscal Note Number:	6
(S) Publish Date:	3/19/2018

Identifier: SB109-DOR-TAX-3-7-2018
 Title: CRIM HIST CHECK: ST
 EMPLOYEES/CONTRACTORS
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Governor

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)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services	4.8		0.5	0.5	0.5	0.5	0.5
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	4.8	0.0	0.5	0.5	0.5	0.5	0.5

Fund Source (Operating Only)

1004 Gen Fund (UGF)	4.8		0.5	0.5	0.5	0.5	0.5
Total	4.8	0.0	0.5	0.5	0.5	0.5	0.5

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) 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?
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated and separate note for the Tax Division.

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Division:	Tax	Date:	03/07/2018
Approved By:	Mike Barnhill	Date:	03/07/18
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

This bill authorizes state agencies that receive Federal Tax Information (FTI) to undergo federal background checks as now required in IRS Publication 1075. Background checks would be conducted on all current and new employees at a cost of \$47 for each completed investigation. Employees are fingerprinted and matched against an FBI database, which in turn produces information on municipal, state, and federal criminal history as available. The state statutory language change is required for the FBI to allow the background check of individual employees for this purpose. An updated background check will also be required every ten years.

The Tax Division estimates that 102 employees will be fingerprinted in the first year, and approximaely 10 employees in subsequent years. The Tax Division uses FTI to ensure compliance for corporate income tax, motor fuel tax, tobacco tax, and mining tax. It provides an auditing tool that can assist in confirming that the correct amount of tax is paid to the State of Alaska. The loss of FTI could impede audits and possibly allow businesses to escape paying the full amount of taxes due. In addition, FTI is a valuable source of data that can be used to project revenues from new taxes based on income.