

# Fiscal Note

State of Alaska  
2019 Legislative Session

Bill Version:	SB 69
Fiscal Note Number:	1
(S) Publish Date:	2/22/2019

Identifier: 2019200098-DOR-TAX-2-18-2019  
 Title: EXEMPT CHARITABLE GAMING FROM PERMIT/FEES  
 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)

	FY2020	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2020 Request	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>OPERATING EXPENDITURES</b>	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Personal Services		(212.2)	(212.2)	(212.2)	(212.2)	(212.2)	(212.2)
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>(212.2)</b>	<b>(212.2)</b>	<b>(212.2)</b>	<b>(212.2)</b>	<b>(212.2)</b>	<b>(212.2)</b>

## Fund Source (Operating Only)

1061 CIP Rcpts (Other)		(212.2)	(212.2)	(212.2)	(212.2)	(212.2)	(212.2)
<b>Total</b>	<b>0.0</b>	<b>(212.2)</b>	<b>(212.2)</b>	<b>(212.2)</b>	<b>(212.2)</b>	<b>(212.2)</b>	<b>(212.2)</b>

## Positions

Full-time		(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Part-time							
Temporary							

## Change in Revenues

1004 Gen Fund (UGF)	(8.0)		(8.0)	(8.0)	(8.0)	(8.0)	(8.0)
<b>Total</b>	<b>(8.0)</b>	<b>0.0</b>	<b>(8.0)</b>	<b>(8.0)</b>	<b>(8.0)</b>	<b>(8.0)</b>	<b>(8.0)</b>

**Estimated SUPPLEMENTAL (FY2019) cost:** 50.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2020) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - 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? Yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/19

## Why this fiscal note differs from previous version/comments:

Not applicable, initial version based on the 2-13-19 Governor's FY2020 request.

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Division:	Tax Division	Date:	02/21/2019 12:00 AM
Approved By:	Brad Ewing, Administrative Services Director	Date:	02/21/19
Agency:	Office of Management and Budget		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2019 LEGISLATIVE SESSION

## Analysis

**Background**

This bill would amend existing charitable gaming permit statutes to create a threshold in which the municipality or qualified organization would no longer have to apply for a permit, nor pay the annual fee, if their gross receipts are \$20,000 or less per year. This bill also eliminates the requirement for an applicant that did not hold a permit the preceding year from paying the \$20 fee. This bill effects those municipalities and qualified organizations that have less than \$20,000 gross receipts. This has been about 38% of the total permittees, or about 400 permittees, but only about 15% of the annual permit fees paid. This will reduce the cost and the work requirement for these small charitable gaming entities. The Tax Division's FY20 budget assumed the passage of this bill and eliminated two charitable gaming positions. If this bill does not pass, then these positions will need to be added back to the FY20 budget.

**Revenue Impact**

The Department of Revenue estimates that this legislation would reduce the charitable gaming revenues by \$8,000 per year.

**Implementation Cost**

This legislation would require the Department of Revenue to update its Tax Revenue Management System (TRMS). The update would consist of reprogramming the public facing portal of TRMS--Revenue Online (ROL) to ask new questions about a potential permittee (e.g., "What was the entity's gross receipts in the prior year?", "Will this be the entities first year gaming?"). The questions will allow us to identify which entities won't require a permit and then guide them to register in ROL to file their annual statement of compliance instead. We would need to develop a way to accept the annual statement and test the new rules to verify that they function as expected. The supplemental fiscal note figure of \$50.0 in FY19 is to cover the costs of having our contractor update TRMS. We do not anticipate any continuing costs or additional staff needs. After the implementation of the changes, this legislation would not cause any additional administrative burden on the Tax Division.