

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version:	SB 184
Fiscal Note Number:	2
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Identifier: SB184-DOR-TAX-03-07-2020
 Title: EXTEND FISHERY RESOURCE LAND. TAX
 CREDIT
 Sponsor: OLSON
 Requester: (S) Res

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)

	FY2021	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2021 Request	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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 (FY2020) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2021) 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? no
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Tax Division	Date:	03/07/2020
Approved By:	Brad Ewing, Administrative Services Director	Date:	03/07/20
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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Analysis

Background

This bill extends the Community Development Quota (CDQ) Credit which can be used by certain taxpayers that harvest fishery resources that meet the provisions for this credit. This credit is used against the fishery resource landing tax. This credit is currently slated to sunset on December 31, 2020. This bill would extend the effective date of this credit until December 31, 2030.

The CDQ Credit is a nontransferable credit for contributions to an Alaska nonprofit corporation that is dedicated to fisheries industry-related expenditures. The credit is available only for fishery resources harvested under a CDQ. The credit is 100% of a taxpayer's contribution amount, up to the 45.45% of the taxpayer's tax liability on fishery resources harvested under a Community Development Quota.

Revenue Impact

The CDQ Credit can only be used against the municipal share of the fishery resource landing tax so there is no state revenue impact. The Department is submitting this as a zero fiscal note for that reason.

In order to provide some information that can help determine the impact to the municipal share, the Department has provided some data for the CDQ credit for the last seven years.

Fiscal Year	CDQ Credit Amount	Number of Beneficiaries
2013	\$587,240	13
2014	\$411,144	10
2015	\$571,581	16
2016	\$556,529	13
2017	\$738,168	20
2018	\$671,866	19
2019	\$731,443	22

It is reasonable to assume that the amount of the credit will be in the \$600,000 - \$700,000 per year range for the foreseeable future.

Implementation Cost

This legislation would require only minor changes to update its Tax Revenue Management System (TRMS) and Revenue Online (ROL) which allows a taxpayer to file a return online. DOR will be able to make the changes with existing resources. The Department does not anticipate any continuing costs or additional staff needs.