

# Fiscal Note

State of Alaska  
2021 Legislative Session

|                     |               |
|---------------------|---------------|
| Bill Version:       | CSHB 132(L&C) |
| Fiscal Note Number: | 3             |
| (H) Publish Date:   | 3/25/2021     |

Identifier: HB132-DOR-TAX-03-12-21  
Title: SCHOOL APPRENTICESHIP PROGS; TAX CREDITS  
Sponsor: LABOR & COMMERCE  
Requester: (H) Labor & Commerce

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)

|                        | FY2022<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2022<br>Request | Out-Year Cost Estimates |            |            |            |            |
|------------------------|--------------------------------------|------------------------------------------------|-------------------------|------------|------------|------------|------------|
| OPERATING EXPENDITURES | FY 2022                              | FY 2022                                        | FY 2023                 | FY 2024    | FY 2025    | FY 2026    | FY 2027    |
| 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 |  |  |  |  |  |  |  |

## Change in Revenues

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         | ***        | ***        | ***        | ***        | ***        | ***        | ***        |
| <b>Total</b> | <b>***</b> | <b>***</b> | <b>***</b> | <b>***</b> | <b>***</b> | <b>***</b> | <b>***</b> |

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) 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? 06/30/21

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

Not applicable, initial version.

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Agency: Department of Revenue

Phone: (907)269-6736  
Date: 03/12/2021  
Date: 03/12/21

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2021 LEGISLATIVE SESSION

## Analysis

**Background**

Only Sections 9 and 10 of this bill impact the Department of Revenue, Tax Division ("Department"). This bill creates a tax credit that may be applied to a taxpayer's Alaska corporate income tax under AS 43.20. A taxpayer may claim the \$1,000 credit for each qualified registered apprentice they hire. The tax credit may be applied against the taxpayer's corporate income tax that is due for the first tax year ending on or after the end of the registered apprentice's employment period. The credit may not be used to reduce a taxpayer's corporate income tax liability to below zero for any tax year, and any credit or portion of a credit not used may be applied in a later tax year. This new statute requires taxpayers to keep certain records, and provides the Department with authority to adopt regulations specifying the types of records needed. This bill would take effect on July 1, 2021.

**Revenue Impact**

The revenue impact of this bill cannot be determined because the Department does not have sufficient information to estimate the number of registered apprentices a taxpayer may hire or the number of corporate income tax taxpayers who may hire registered apprentices.

**Implementation Costs**

This legislation would not require the Department to make material changes to the Tax Revenue Management System (TRMS). Therefore, there would be no cost to the Department for implementation. After the implementation of the changes, this legislation would cause a small additional administrative burden on the the Department.

Resources required to implement this bill would include staff time to updated tax forms, TRMS, and Revenue Online, collect and administer the new tax, and other miscellaneous costs when applicable. These costs will be absorbed by the Tax Division using existing resources.