

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	SB 9
Fiscal Note Number:	5
(S) Publish Date:	3/15/2021

Identifier: SB009-DOR-TAX-2-05-2021
Title: ALCOHOLIC BEVERAGE CONTROL; ALCOHOL REG
Sponsor: MICCICHE
Requester: (S) 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 Appropriation Requested	Included in Governor's FY2022 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							
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	***	***	***	***	***

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If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/22

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: 02/05/2021
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

Analysis

Background

This bill would make numerous changes to laws impacting alcoholic beverage control and regulation in Alaska.

State tax revenue may be impacted by Section 159 of the bill, which would extend the existing tax on wine of \$2.50/gallon to holders of a winery direct shipment license. The winery direct shipment license is a new license type that would be created by this bill. Under current statutes, direct shippers of alcoholic beverages do not have a tax filing or payment obligation. Currently, the excise tax on alcoholic beverages is paid only by businesses that have a physical presence in the state. This change would go into effect January 1, 2023.

Revenue Impact

The revenue impacts of this bill are indeterminate. The Tax Division has collected about \$5.9 million in taxes on wine in FY2020. Extending the tax to out-of-state, direct shippers of wine would have a positive effect on tax revenues beginning in the second half of FY2023. However, the Tax Division does not have data on direct shipments of wine, therefore, the change in tax revenue is indeterminate. Alcohol tax revenue is deposited into the general fund. Half of the receipts from the tax are deposited into a subfund of the general fund, the Alcohol and Other Drug Abuse Treatment and Prevention Fund and are treated as Designated General Fund (DGF) revenue in the revenue forecast and this fiscal note.

The Department of Revenue does not anticipate significant alcohol tax revenue impacts from other provisions of this bill.

Implementation Cost

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