

"An Act relating to a refund to retailers of a portion of the purchase price paid by them for intoxicating liquors which represents excise tax paid to the state by the wholesaler; and providing for an effective date."

COMMITTEE REPORT

3/24/75

HOUSE

Mr. Speaker:

Date 3/24/75

The Committee on FINANCE has had 9:10 am

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. SB 198 am
 Title: Refunds to retailers of liquor excise tax due to Nome Flood
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Department of Revenue Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		\$2500 (82.5)				

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

\$2500 represents an estimate of refunds to certain retailers for the portion of purchase price equal to the excise tax paid by the wholesaler to the state for liquor contaminated during the Nome Disaster.

IV. ATTACHMENTS

V. DATE: June 2, 1975 PREPARED BY: Jim Rhode

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill No. 198 am

Title: Refund of excise tax on alcoholic beverages to certain retailers

Requested by: House State Affairs Committee Date: March 21, 1975

Return Date Requested: March 21, 1975

Agency: Department of Revenue Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 /	0 /	0 /	0 /	0 /	0 /
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See memorandum dated March 6, 1975 from Gary L. Jenkins, Director, Audit Division of the Department of Revenue to Frederick P. Boetsch, Deputy Commissioner, Department of Revenue regarding possible tax refunds involved in Nome Flood disaster. Similar legislation was passed in 1964 and 1967 in special sessions due to disaster losses.

IV. ATTACHMENTS

Copy of memorandua as described above.

V. DATE: March 21, 1975

PREPARED BY: _____

R. D. Stevenson
R. D. Stevenson
Special Assistant

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner, Taxation
Department of Revenue

DATE: March 6, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill 198

We have analyzed Senate Bill 198 and feel that the potential impact of the Bill would only be in the area of a reduction in revenue because of the refunding of alcoholic beverage tax which may have been paid on the alcoholic beverages destroyed. To date, it has been established, positively, that some \$48,000.00 worth of alcoholic beverages were destroyed in the flood in Nome on which the taxes would amount to \$4,530.00.

It is our understanding, however, that there was an additional sizeable quantity of alcoholic beverages belonging primarily to one wholesale firm that was also destroyed. We have been unable to specifically identify the exact value of that inventory, however, it has been estimated to have been worth approximately \$260,000.00. Further, our information is that most likely the inventory was fully covered by insurance.

In the event, however, the alcoholic beverages were not insured and the total loss is estimated to be no greater, at the absolute maximum, than \$450,000.00. then the potential refund of alcoholic beverage excise tax would be \$42,400.00.

It is very important, also, that a technical correction be made to Section 1 of Senate Bill 198. The last three words of Section 1 of the Bill read, "by the tax" when it should read "for the tax." I believe there has been other correspondence directed to the legislature regarding this correction.

GLJ/bjm

Attachment

Introduced: 2/24/75
Referred: State Affairs and
Finance

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 198 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a refund to retailers of a
7 portion of the purchase price paid by them for
8 intoxicating liquors which represents excise tax
9 paid to the state by the wholesaler; and providing
10 for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. A retailer of intoxicating liquors having a state license
13 to do business on November 14, 1974, is entitled to a refund of the part of
14 the purchase price paid by him to a wholesaler for intoxicating liquors
15 which were condemned and destroyed by the proper authorities by reason of
16 the natural disaster declared by President Ford on November 14, 1974, and
17 which represents the excise tax on those liquors paid by the wholesaler to
18 the state unless otherwise indemnified for the tax.

19 * Sec. 2. To obtain the excise tax refund provided for in this Act, the
20 claimant shall file with the Department of Revenue a claim verified by
21 department receipts given for the condemned liquors. When money becomes
22 available the department shall refund to the claimant the full amount of
23 the excise tax paid by the retailer to the wholesaler as a part of the
24 purchase price of the intoxicating liquor designated in sec. 1 of this Act.

25 * Sec. 3. A person who, in making and subscribing a claim for tax
26 refund authorized by this Act, wilfully falsifies any material matter set
27 out in the claim or receipt is guilty of a felony, and upon conviction is
28 subject to the penalties prescribed for perjury under the laws of this
29 state. In this section, "person" includes an officer, agent, or employee

1 of a corporation.

2 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
3 070(c).

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