

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S - JUNEAU 99811

January 30, 1976

Honorable Jalmar M. Kerttula
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, AK 99811

Re: Senate Bill No. 535

Dear Senator Kerttula:

Senate Bill No. 535, an Act relating to the residential fuel credit, was introduced by the Rules Committee by request of the Governor on January 19, 1976 and was referred to the Senate Commerce and Finance Committees.

For the consideration of the Senate Commerce Committee, I am enclosing a copy of a fiscal note and attached memorandum, advising of effect on Treasury, as prepared by Frederick P. Boetsch, Deputy Commissioner, Department of Revenue.

If you or any members of the Senate Commerce Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Boetsch for further material or testimony at a hearing.

Very truly yours,

R. D. Stevenson
Special Assistant

Enclosures

cc: Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

Honorable Bill Ray
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, AK 99811

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST
 Bill No. Senate Bill No. 535
 Title: Residential Fuel Credit
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Revenue Program: Audit

II. FISCAL DETAIL
 Budget Request Unit(s) Affected: _____ Audit
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	None	None	None	None	None	None

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)

IV. ATTACHMENTS

See Memorandum dated January 12, 1976 from Frederick P. Boetsch, Deputy Commissioner to Sterling Gallagher, Commissioner of Revenue concerning estimated loss of revenue.

V. DATE: January 30, 1976 PREPARED BY: *Frederick P. Boetsch*
 Deputy Commissioner, Taxation

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

MEMORANDUM

State of Alaska

TO: Sterling Gallagher
Commissioner
Department of Revenue

DATE: January 12, 1976

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch *FB*
Deputy Commissioner, Taxation
Department of Revenue

SUBJECT: Governor's Bill to Provide
for a Fuel Use Credit in
the Income Tax

This bill provides for a credit to individuals on individual income tax returns for the fuel costs incurred in heating their personal residences. The credit shall be three percent of the actual fuel costs incurred for personal residences or \$10.00 per taxpayer, whichever is greater. The \$10.00 minimum provides for the renter who incurs fuel costs indirectly.

The estimated effect on treasury would be a loss of approximately \$2,500,000 annually. This estimate is based on an average credit of \$15.00 per taxpayer and approximately 165,000 individual taxpayers.

There are no administrative costs connected with this bill.

cc: Gary Jenkins, Director
Audit Division

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 535

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the residential fuel credit; and
7 providing for an effective date."

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

9 * Section 1. AS 43.20 is amended by adding a new section to read:

10 Sec. 43.20.038. RESIDENTIAL FUEL CREDIT. (a) An individual
11 shall be allowed as a credit against the tax due under this chapter
12 three per cent of his residential fuel expenses paid during the year
13 but not less than a minimum credit of \$10. For married individuals
14 filing separate returns the minimum credit is \$5 for each return.
15 Part-year residents and nonresident individuals shall prorate the
16 minimum credit according to the number of months resided within the
17 state.

18 (b) For purposes of this section residential fuel expenses means
19 the costs of heating oil, gas, electricity, or other fuel used within
20 the state to heat the taxpayer's personal residence.

21 * Sec. 2. This Act is retroactive to January 1, 1976.

22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).