

HB

816

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

February 28, 1978

The Honorable Charles Parr
 Chairman
 House Health, Education &
 Social Services Committee
 Alaska State Legislature
 State Capitol Building - Room 112
 Juneau, Alaska

Re: House Bill No. 816

Dear Mr. Parr:

House Bill No. 816, an Act establishing a tax credit for cost of neutering a domestic pet, was introduced in the House on February 14, 1978 and was referred to the House Health, Education & Social Services Committee and the House Finance Committee.

For the consideration of the House Health, Education & Social Services Committee, I am enclosing a Fiscal Note prepared by Mr. Gary L. Jenkins, Director, Audit Division, Department of Revenue concerning the proposed legislation.

Very truly yours,



R. D. Stevenson
 Special Assistant

cc: The Honorable Steve Cowper
 Chairman
 House Finance Committee
 Alaska State Legislature
 State Capitol Building
 Juneau, Alaska

John Messenger
 Deputy Commissioner
 Department of Revenue

Gary L. Jenkins, Director
 Audit Division
 Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 816
 Title An Act establishing a tax credit for the cost of neutering a domestic
 Requested by Health, Education & Social Services and Date 2/27/78 (pet
 Finance Committees

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 Budget Request Unit(s) Affected Audit Division

EXPENDITURES (Thousands of Dollars) NONE

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars) NONE

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS NONE

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME						
PART TIME						
TEMPORARY						

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

See memorandum dated 2/27/78 to R. D. Stevenson

IV. DATE February 27, 1978 PREPARED BY *Ray Jenkins*
 AGENCY Audit Division
 Original: Legislative Finance PHONE 465-2320
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: February 27, 1978

FILE NO.

TELEPHONE NO.

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: House Bill No. 816

This bill would provide for an income tax credit for the cost of having a domestic pet neutered. In attempting to estimate the cost of this potential tax credit, I called the local Veterinary Clinic and the Department of Commerce. The local Veterinary Clinic advised me that the cost for neutering a female dog or cat would average roughly \$60 and the cost of male animals is somewhat less. However, since they anticipate that the cost of any such operation is higher in most other parts of the state, I have used an average cost of \$60 for estimating purposes statewide. Further, they advised me that they average 15 such operations per week, or 780 per year.

The Department of Commerce advised me there are 108 veterinarians licensed in the State of Alaska. However, they did not know how many clinics might exist in the state. Based on information provided by the Southeast Alaska Veterinary Clinic, it is assumed that most clinics include two veterinaries, with a small number of single veterinary clinics being in operation. Thus for estimation purposes, I have assumed 60 operating clinics in the State.

The cost of 60 clinics doing an average of 780 operations per year at an average cost of \$60 equals \$2,800,000. This would be the amount of revenue lost to the State General Fund if this bill were to become law.