

HB

145

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

STATE OFFICE BUILDING

POUCH SA - JUNEAU 99811

JAY S. HAMMOND, GOVERNOR

February 22, 1979

The Honorable Thelma Buchholdt  
Chairman  
House Health, Education & Social  
Services Committee  
Room 112- Capitol Building  
Juneau, Alaska

Dear Representative Buchholdt:

HOUSE BILL NO. 145

House Bill No. 145, an Act establishing a tuition credit under the Alaska net income tax, was introduced in the House on February 7, 1979 and was referred to the House Health, Education & Social Services and Finance Committees.

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

Sincerely,



R.D. Stevenson  
Special Assistant

cc: The Honorable Russ Meekins  
Chairman  
House Finance Committee

John Messenger  
Acting Commissioner  
Department of Revenue

Gary Jenkins, Director  
Audit Division  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 145  
 Title An Act establishing a tuition credit under Alaska net income tax  
 Requested by House Health, Education & Social Service Date 2/16/79  
and 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 79	FY 80	FY 81	FY 82	FY 83	FY 84
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 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS None

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME						
TEMPORARY						

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

See memorandum dated 2/16/79 to R. D. Stevenson.

IV. DATE February 16, 1979 PREPARED BY [Signature]  
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

# MEMORANDUM

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

DATE: February 16, 1979

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: House Bill No. 145

It is extremely difficult to estimate the actual dollar effect of the tuition credit proposed by HB 145 because of the almost total lack of information available regarding the number of students attending vocational schools and schools of higher education. In discussions with various personnel in the Department of Education, I was advised that last year's enrollment in private elementary and secondary schools in the State was 3,130 and that there is a possible 800 to 900 in other private schools on which they did not have information. The staff working with the higher education loan funds advised me there were approximately 3,000 students going to school on loans and they estimated that number could be as high as 50 percent of the total number of students going to schools of higher education. Last, I have assumed there are at least 1,000 students going to approved vocational schools.

Assuming there are 2,667 students in private elementary schools, 2,323 in secondary and vocational schools, and 6,000 in schools of higher education, the total potential cost of this tuition credit would be \$9,083,090.

One serious problem I see with the bill is in the definition of "eligible educational institution". This definition states that it is a school which "meets accreditation or approval criteria established by the department by regulation". To allow us to effectively administer this law, if enacted, it is recommended that the requisite accreditation or approval criteria be specifically defined in the Statute or that they be established by the Department of Education rather than Revenue.