

HB

364

PKB 364

still in H.

Resources $\frac{2}{1}$
 $\frac{80}{50}$

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

January 30, 1980

The Honorable Alvin Osterback
Chairman
House Resources Committee
Room 116, Capitol Building
Juneau, Alaska 99811

Dear Mr. Osterback:

Re: House Bill No. ~~346~~ 364

House Bill No. 364, an Act relating to state energy policy, was introduced in the House on March 8, 1979 and was referred to the House Resources and Judiciary Committees.

On January 28, 1980 a Fiscal Note prepared by Gary Jenkins, Director, Audit Division, Department of Revenue disclosing costs of administration was transmitted to the Resources Committee.

Enclosed is a further Fiscal Note prepared by Barbara Sorensen, Research Section, Department of Revenue concerning revenue losses from the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable Charles H. Parr
Chairman
Judiciary Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

Vincent D. Wright
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 364
 Title Act Relating to State Energy Policy
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND	-\$425,000	-\$525,000	-\$550,000	-\$580,000	-\$600,000	-\$640,000
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The bill proposes to adopt immediately by reference the Federal Residential Energy Credit (Sect. 44C JRC.) It makes the credit applicable to tax years beginning after December 31, 1978.

The bill also proposes to repeal the State residential fuel conservation credit.

The above estimates are based on information obtained from the 1977 and 1978 State personal income tax returns, and are likely to be high. The existing State credit appears to cover essentially the same types of expenditures but fails to differentiate for credit purposes between

IV. DATE 11/29/80 PREPARED BY Barbara Stevens
 AGENCY Revenue
 Original: Legislative Finance PHONE #2174
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Mrs. Louise Homstad
Box 37
Haines, Aka. 99827

2/23/80

Representative Bill Parker
Pouch V
Juneau, Aka. 99811

Dear Representative, Bill Parker,

Haines is the one really peaceful place, where life is not a hassell. I believe, being a 3rd. class borough has a lot to do with this.

I really hope we won't be forced to cope with the problems & pressures of a 2nd. class borough.

We really need to preserve more of our fertile soil for agriculture. Much has already been burried under blacktopping, housing & shopping centers. Our nation will indeed starve, if we don't put a damper on this. What good are houses & markets, if there is not food to support life. Crazy, isn't it?

We now realize, a nation is only as strong as it's ability to produce & utilize it's food resources.

We are responsible for our actions & our Gvt. policies, which in turn effect the entire world. We are in a big enough mess, so let us not make matters worse by forcing our community to become a 2nd. class, instead of the present 3rd. class borough?

Please vote NO on house Bill #534.

Sincerely,

Louise Homstad

Mrs. Grace Steeves
Gen. Del.
Haines, Aka. 99327

Feb. 23, 1930

Rep. Bill Parker
Pouch V
Juneau, Aka. 99811

Dear Rep. Bill Parker,

We feel that if House Bill 534 passes, this would be a detriment to our life here in Haines. We do not find any benefits to being a second class Borough. We treasure our way of life here, as a third class Borough.

It is heartbreaking to see how much of our country is black-topped. When you fly low in a small plane, you see what is happening to our beautiful country. I hate it with a purple-passion!

Please vote No on House Bill 534.

Yours Sincerely,

Grace Steeves

*35 year resident of A
and Yukon Terr. Co*

ANALYSIS (Continued)

energy conservation expenditures and renewable energy source expenditures as does the Federal credit. Because we lack detailed information as to the types of expenditures for which the State credits were claimed, we assumed that 10 percent of those expenditures for which the maximum credit would be claimed under the existing State credit represent expenditures for renewable energy sources as indicated by Federal law.

This bill is in
(H) Resources

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S - JUNEAU 99811

January 28, 1980

The Honorable Alvin Osterback
Chairman
House Resources Committee
Room 116, Capitol Building
Juneau, Alaska 99811

Dear Mr. Osterback:

Re: House Bill No. 364

House Bill No. 364, an Act relating to state energy policy, was introduced in the House on March 8, 1979 and was referred to the House Resources and Judiciary Committees.

For the consideration of the House Resources Committee, I am enclosing a copy of a Fiscal Note prepared by Gary Jenkins, Director, Audit Division, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable Charles H. Parr
Chairman
House Judiciary Committee

Joseph K. Donohue
Deputy 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. 364
 Title An Act relating to State energy policy.
 Requested by House Resources & Judiciary Comm. Date 1/18/80

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 BRU, Program, or Subprogram(s) Affected Audit Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		22.2				
200 TRAVEL						
300 CONTRACTUAL		3.2				
400 COMMODITIES		.4				
500 EQUIPMENT		1.2				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		27.0				

FUNDING (Thousands of Dollars)

<u>GENERAL FUND</u>		27.0				
<u>FEDERAL FUNDS</u>						
<u>OTHER (Specify Fund Source)</u>						

POSITIONS

<u>FULL TIME</u>		1				
<u>PART TIME</u>						
<u>TEMPORARY</u>						

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

1	POSITION TITLE Tax Examiner I			RANGE/STEP 10 A	BARG. UNIT. G	LOCATION	GOV.	APPROV	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		
3	TYPE OF EXPENDITURE			AMOUNT					
	1	2	3						
4	PERSONAL SERVICES: SALARY		17,004						
5	BENEFITS		2,528						
6	FICA		1,131						
7	HEALTH INS.		1,524						
8	TOTAL PERSONAL SERVICES		22,187						
9	TRAVEL								
10	CONTRACTUAL		3,160						
11	COMMODITIES		450						
12	EQUIPMENT		1,200						
13	OTHER								
14	TOTAL COST		26,997						
JUSTIFICATION:									
This position will be required to process the several thousand amended returns which we would receive if House Bill 364 continues to be retroactive to tax years beginning after December 31, 1978.									
	CODE	FUNDING SOURCE							
15		FED RCPTS.							
16		GF MATCH.							
17		GEN. FUND			26,997				
18		I-A RCPTS.							
19		PGM RCPTS							
20		OTHER							
21	CONTINUATION								
22	ADDITION		X			FOR B&M USE ONLY			
4A KEY NUMBER _____ COLUMN NO. _____									

AGENCY Department of Revenue PROGRAM AREA Revenue Collection and Management

BRU Audit Division

FY 81

13 REQUEST FOR NEW POSITION.

COMPONENT _____

Page _____ of _____

REVISED DATE _____

MEMORANDUM

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

DATE: January 18, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: House Bill No. 364

In addition to making some changes in the law pertaining to the State energy policy, this bill would change the credit provided in Title 43, ch. 20 for energy conservation expenditures. The bill specifically proposes to repeal the Alaska residential fuel conservation credit and allow a taxpayer to take the credit provided by Internal Revenue Code Sec. 44C(a)(1). Since changes of this nature tend to confuse the average taxpayer, it would seem more logical for the bill merely to increase the amount of credit available to taxpayers under our current law than it would be to repeal our statute and substitute the federal statute. The Legislature originally made the policy decision that they did not want to follow the federal provision but that they wanted to establish their own body of law relating to the establishment of this credit and what the amount of the credit should be.

In Section 5 of the bill, it also provides for this change in the credit to be retroactive to tax years beginning after December 31, 1978. If the retroactive provision is retained in the bill, I strongly urge that it be modified to December 31, 1979. If it is not modified there will be substantial administrative costs because of all the amended returns that would have to be filed for tax year 1979. The attached Fiscal Note reflects those administrative costs.

Attachment