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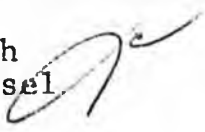
STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 7, 1981

SUBJECT: CSHB 526 (Labor and Commerce)  
TO: Representative Vernon L. Hurlbert  
FROM: John B. Chenoweth  
Legislative Counsel 

I have limited operation of the exemption in AS 20.25.540(b) to an exemption from the state's income tax (AS 43.20) and municipal property tax (AS 29.53.010 - 29.53.410). The state levies a property tax only on certain oil company property under AS 43.56, while municipalities are precluded from levying income taxes by AS 43.20.290. I have no idea what the current "excise tax" exemption reference is to and, because it is unclear, I have deleted it.

The original bill generally repealed taxes and probably did not present a "single-subject" violation problem under Article II, section 13. Given the changes you are making to the telephone and electrical cooperative tax, it is not certain that this committee substitute is not in violation of the single-subject rule. Indeed, given the committee's proposed action on the bill, you are advised to divide into separate legislation the provisions the changes with respect to both taxes in order to avoid a single-subject argument.

There was a notation on the bottom of the page of marked copy suggesting that this legislation was to have a retro-active effect, and I have so drafted this committee substitute.

JBC:ljb

Enclosure

*Adm*

Introduced: 4/24/81  
Referred: Labor & Commerce and  
Finance

1 IN THE HOUSE

BY ROGERS, BUCHHOLDT, RANDOLPH  
AND HALFORD

2 HOUSE BILL NO. 526

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act repealing the electric and telephone coopera-  
7 tive tax and the coin-operated amusement and gaming  
8 devices tax; and providing for an effective date."

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

10 \* Section 1. AS 10.25.540 - 10.25.570 and AS 43.35.010 - 43.35.090 are  
11 repealed.

12 \* Sec. 2. This Act takes effect January 1, 1982.

13 *Electric Coop Exempt*  
14 *Local Bus*

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17 *10.25.540*  
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# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811

May 1981

The Honorable Vernon Hurlbert  
Chairman  
House Labor and Commerce Committee  
Room 411 - Capitol Building  
Juneau, Alaska

Dear Mr. Hurlbert:

Re: House Bill No. 526

House Bill No. 526, an Act repealing the electric and telephone cooperative tax and the coin-operated amusement and gaming devices tax, was introduced in the House on April 24, 1981 and was referred to the House Labor and Commerce and Finance Committees.

For the consideration of the House Labor and Commerce Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary L. Jenkins, Director, Audit Division; Mr. Phillip A. Wall, Director, Administrative Services Division and Mr. Bill Yankee, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson  
Special Assistant

RDS/rdh

cc: The Honorable Samuel R. Cotten  
Chairman  
House Finance Committee

Phillip A. Wall, Director  
Administrative Services Division  
Department of Revenue

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Bill Yankee  
Research Section  
Department of Revenue

Gary L. Jenkins, Director  
Audit Division  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 525

Title An Act repealing the electric and telephone cooperative tax

Requested by House Labor & Commerce Committee Date April 26, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

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) NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
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 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

The organizations affected by this bill would no longer be required to file a return under AS 10.25, however, they would be required to file a copy of their Forms 990 & 990 T, which they are required to file with the Internal Revenue Service. Thus, the number of returns which would be processed by this division will remain unchanged.

IV. DATE April 27, 1981

PREPARED BY Gary L. Jenkins

AGENCY Audit Division

PHONE 465-2320

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 526  
 Title Repealing the Electric, Telephone Cooperative Tax & Coin-Operated/Amusement & Gaming Device Tax  
 Requested by House Labor & Commerce Committee Date 4-26-81

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ General Government \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected Administrative & Support, Management Services  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The administrative effect of repeal of the Electric/Telephone Cooperative Tax is about 17 man hours per year (for \$200 per year). These hours are used by four different employees in performing the mail-out, posting, research, balancing, voucher preparation, filing, and warrant mail-out associated with the annual sharing from this program.

The administrative effect of repeal of the Coin-operated and Amusement and Gaming Device Tax is about 50 man hours per year (for \$545 per year). These hours are used by four different employees in performing the functions described above which are required for the semi-annual sharing of receipts from this program.

There is no meaningful reduction in administrative costs assigned with repeal.

IV. DATE May 5, 1981 PREPARED BY Philip A. Wall by Hazel J. Newton  
 AGENCY Revenue  
 PHONE 465-2313  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 526  
 Title Act repealing the electric and telephone tax and the amusement and gaming tax.  
 Requested by House Labor and Commerce Committee Date April 28, 1981

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 81	FY 82	FY 83	FY 84	FY 85	FY 86
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	-0-	(50)	(1400)	(1500)	(1600)	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The FY 82 figure of \$50 thousand is for approximately one half of the year's estimated collections for the amusement and gaming devices tax. Subsequent years show an approximate revenue loss of \$100 thousand per year due to a repeal of AS 43.35.

It is assumed that the 1981 tax levied due to AS 10.25 will still be payable in early 1982 and therefore, no relief from the telephone and electric co-op tax would be evident until FY 1983.

IV. DATE April 28, 1981

PREPARED BY William H. Yankee  
 AGENCY Revenue (Research)  
 PHONE 465-2173

*Bill Yankee*

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