

HB

137

1. ok on technical
2. votes:
3. amendments:
4. attendance
5. fiscal ok - negative fiscal impact
6. who wants: House Republicans
8. carrier:

COMMITTEE REPORT

HOUSE

1/20

FURTHER: FINANCE

2/10/81

(5)

Date: 1/15/82

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 137

"An Act relating to the tax credit for political ~~contributions~~ contributions; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 137 (SA) same title new title
- and recommends CS for HB 137 (SA) Do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Rep Ray Metcalfe
Abood
Fanning Fanning

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Brown
Do NOT Pass
Will Miller Do NOT PASS

Ray Metcalfe
 CHAIRMAN

COMMITTEE REPORT

HOUSE

2/5 Rules

95 (11)

1/20/82

FURTHER:

Date: 2/4/82

Mr. Speaker:

The Committee on FINANCE has had HB 137

"An Act relating to the tax credit for political contributions; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 137 (fin) same title
 new title
- and recommends individual recommendations
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without ^{independent} recommendations
- referred to the _____ Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

[Signature]

[Signature] Conroy

[Signature] Miller

[Signature] Ch

[Signature] Cotton NO REC

David Puddy any of reprocative to Jan 1, 1982

[Signature] Ch... NO REC

McKinnis - NO REC

[Signature]

Montgomery - not recommend unless R.D. amended

[Signature]
CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for HB 137
 Title An Act repealing the tax credit for political contributions
 Requested by Finance Date February 10, 1982

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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) None

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memo dated February 11, 1982, to R. D. Stevenson.

IV. DATE February 11, 1982 PREPARED BY Robert R. Kessel
 AGENCY Department of Revenue

Original: Legislative Finance PHONE 465-2320

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

33-001 (Rev. 12/81)

MEMORANDUM

State of Alaska
Department of Revenue

TO: R. D. Stevenson
Special Assistant

DATE: February 10, 1982

FILE NO:

TELEPHONE NO:

FROM: Robert R. Kessel
Director, Audit Division

SUBJECT: CSHB 137

This bill repeals the refundable tax credit for political contributions made by resident taxpayers to qualified persons, organizations and groups.

Since the effective date of the bill is January 1, 1983, and since there is a three year period in which to claim the refund, there would be no fiscal impact for FY 83 and limited impact thereafter.

RRK/gb

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST CSHB 137
 Bill/Resolution No. _____
 Title An Act repealing the tax credit for political contributions.
 Requested by Finance Date 2/8/82

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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
Savings to the State			1.014			
(Political credit)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The figure indicates the savings to the State as a result of repeal of AS 43.20.013 (a). The effective date of January 1, 1983 results in 100% of the credit being retained by the State commencing in FY 84.

IV. DATE 2/8/82 PREPARED BY Vincent Wright
 AGENCY Department of Revenue
 Original: Legislative Finance PHONE 465-2173
 cc: Budget and Management
Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Original sponsors: Hayes, Abood,
Anderson, et al

Offered: 2/5/82
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL N . 137 (Finance)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act repealing the tax credit for political contri-

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butions; and providing for an effective date."

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

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* Section 1. AS 43.20.013(a) is repealed.

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* Sec. 2. This Act ~~takes effect~~ January 1, 1983.

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HEADED TITLE & SPONSOR SUMMARY

15:49 2/06/82 PAGE 1 OF 2

AN ACT RELATING TO THE TAX CREDIT FOR POLITICAL CONTRIBUTIONS;
AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: HAYES.

CO-SPONSORS: ABOOD, ANDERSON, BARNES, BEIRNE, BETTISWORTH, BYLSMA, CUDDY,
HALFORD, HAUGEN, MARTIN, METCALFE, MONTGOMERY, O'CONNELL, SUTCLIFFE, RANDOLPH,
FANNING.

CURRENT STATUS: 2/05/82 IN (H) RULES

HB 137 HOUSE ACTION

15:50 2/06/82 PAGE 2 OF 2

DATE SEQ PAGE

LEGISLATIVE ACTION

02/10/81 01 0218
01/20/82 02 0098
02/05/82 03 0246

FIRST READING -- COMMITTEE REPORTS
S.A. -- DNF02, CS03
FIN -- CS04, NR03, OTHER02
RULES
RULES

**** ** ** *** ** *

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Bill #137
Title An Act Repealing Refundable Individual Income Tax Credits
Requested by State Affairs Committee Date 1/27/82

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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
Savings to the State		1.86	2.8			
(Political - Child Care)						
POSITIONS						

FULL TIME						
PART TIME						
TEMPORARY						

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

The figures indicate the savings to the State as a result of repeal of the refundable credit portion of AS 43.20.013. The assumption is made that the effective date of April 15, 1982 results in two-thirds of the credit portion being retained by the State in FY83. The savings amount to 100% thereafter.

See attached memo, dated January 13, 1982, to Joseph K. Donohue for a breakdown of what would have been used for political contribution credits and child care credits.

IV. DATE 1/27/82 PREPARED BY Vincent Wright
AGENCY Revenue
Original: Legislative Finance PHONE 465-2173
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

MEMORANDUM

State of Alaska
Department of Revenue

TO: Joseph K. Donohue
Deputy Commissioner, Taxation

DATE: January 13, 1982

FILE NO:

TELEPHONE NO:

FROM: Denna L. Cline.
Special Assistant
to the Commissioner

SUBJECT: PCCs and CCCs

In FY 81 Department received an appropriation of \$112,042,000 which included \$1,042,000 for political contribution and child care credits. We can reallocate from the \$112,042,000 if more is needed for credit refunds.

In FY 82 we received \$149,961,800 which includes \$1,632,000 for the credit refunds. If the credit refunds are larger the Department can again reallocate from the \$149,961,800.

The Department has requested \$2,791,000 for credit refunds for FY 83. In our budget that total is broken down into \$1,758,000 for political contribution credits and \$1,033,000 for child care credits.

Attached is a table showing actual refund statistics as of January 12, 1982 and the 1981 Refund form.

DLC:m11
Attachment

	<u>Budget Appropriation</u>	<u>Total Appropriation</u>	<u>01/12/82 Refund Amounts</u>	<u>Number of Refunds</u>
FY 1981 1979 & 1980 Refunds	\$1,042,000	\$112,042,000	1979 PCC \$307,269 1980 PCC 692,390 Sub Total <u>\$999,659</u>	6,907 15,503
			1979 CCC 264,199 1980 CCC 391,297 Sub Total <u>655,496</u>	5,789 8,216
		Total 1979 & 1980	<u>\$1,755,155</u>	
FY 1982 1981 Refunds	\$1,632,000	\$149,961,800		
	PCC = 780,000 CCC = 852,000			
FY 1983 Request 1982 Refunds	\$2,791,000			
	PCC = 1,758,000 CCC = 1,033,000			

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for HB 137
 Title An Act repealing refundable individual income tax credits
 Requested by State Affairs Committee Date January 27, 1982

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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) None

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memo dated January 25, 1982, to R. D. Stevenson.

IV. DATE January 27, 1982 PREPARED BY Robert R. Kessel
 AGENCY Department of Revenue
 Original: Legislative Finance PHONE 465-2320
 cc: Budget and Management
Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

MEMORANDUM

State of Alaska

Department of Revenue

TO: R. D. Stevenson
Special Assistant

DATE: January 25, 1982

FILE NO:

TELEPHONE NO:

FROM: Robert R. Kessel *RR*
Director, Audit Division

SUBJECT: CS for HB 137

This bill repeals the refundable tax credits for resident individuals. The refundable tax credits currently include a) political contributions and b) household and dependent care services necessary for gainful employment.

CS for HF 137 would apparently be effective for political contributions and household and dependent care services made or incurred after April 15, 1982.

Determining the exact date of the political contributions might be difficult. Individuals would possibly attempt to ante-date post-April 1982 contributions. Also, since the refundable credit computation for household and dependent care services is based on the amount of the federal credit, the refundable credit computation for the expenses incurred prior to April 15, 1982, might be a bit difficult to compute for the individual. Minor administration problems would be prevalent for the Revenue Department.

Since the effective date of the bill is April 15, 1982, and since there is a three year period in which to claim the refund, there would be no fiscal impact for FY 83 and limited impact thereafter.

RRK/gb

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

February 16, 1982

The Honorable John G. Fuller
Chairman
House Rules Committee
Room 204 - Capitol Building
Juneau, Alaska

Dear Mr. Fuller:

Re: CS for House Bill No. 137 (Finance)

CS for House Bill No. 137 (Finance), an Act repealing the tax credit for political contributions, was referred on February 5, 1982 by the House Finance Committee to the House Rules Committee.

For the consideration of the House Rules Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Robert R. Kessel, Director, Audit Division and Mr. Vincent Wright, Chief, Research Section of the Department of Revenue concerning the Committee Substitute.

Sincerely,



R.D. Stevenson
Special Assistant

Enclosure

cc: Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Robert R. Kessel, Director
Audit Division
Department of Revenue

Vincent Wright, Chief
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for HB 137

Title An Act repealing the tax credit for political contributions

Requested by Finance Date February 10, 1982

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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) None

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memo dated February 11, 1982, to R. D. Stevenson.

IV. DATE February 11, 1982 PREPARED BY Robert R. Kessel

AGENCY Department of Revenue

Original: Legislative Finance PHONE 465-2320

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

MEMORANDUM

State of Alaska

Department of Revenue

TO: R. D. Stevenson
Special Assistant

DATE: February 10, 1982

FILE NO:

TELEPHONE NO:

FROM: Robert R. Kessel
Director, Audit Division

SUBJECT: CSHB 137

This bill repeals the refundable tax credit for political contributions made by resident taxpayers to qualified persons, organizations and groups.

Since the effective date of the bill is January 1, 1983, and since there is a three year period in which to claim the refund, there would be no fiscal impact for FY 83 and limited impact thereafter.

RRK/gb

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST CSHB 137
 Bill/Resolution No. _____
 Title An Act repealing the tax credit for political contributions.
 Requested by Finance Date 2/8/82

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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
Savings to the State			1.014			
(Political credit)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The figure indicates the savings to the State as a result of repeal of AS 43.20.013 (a). The effective date of January 1, 1983 results in 100% of the credit being retained by the State commencing in FY 84.

IV. DATE 2/8/82 PREPARED BY Vincent Wright
 AGENCY Department of Revenue
 Original: Legislative Finance PHONE 465-2173
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

credit under AS 43.20.013. (§ 2 ch 1 SSSLA 1980; § 2 ch 2 SSSLA 1980)

Effective dates. — Section 12 of ch. 1 provides that this section is retroactive to January 1, 1980, and § 10 of ch. 2, provides that this section is retroactive to January 1, 1979.

Editor's notes. — For legislative findings and purpose of the enacting legislation, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.013. Individual tax credits. (a) A resident individual is entitled to a tax credit not to exceed \$100 for

(1) a contribution made in a calendar year to a person or organization for use exclusively

(A) for a political campaign for a candidate for

(i) President or Vice President of the United States, whether or not the candidate will be voted on in a primary election in Alaska;

(ii) United States senator from Alaska;

(iii) United States representative from Alaska;

(iv) governor or lieutenant governor of Alaska;

(v) the Alaska legislature;

(vi) delegate to an Alaska constitutional convention;

(vii) electoral confirmation as a judge or justice of a court in Alaska;

or

(viii) municipal office in Alaska; or

(B) by a group seeking to influence the outcome of a ballot proposition or question in Alaska; and

(2) dues paid in a calendar year to a nonprofit organization organized primarily for the purpose of influencing elections in Alaska.

[1,758,000] for
political
contribution
credits

AMENDED TITLE:

AN ACT RELATING TO THE TAX CREDIT FOR POLITICAL CONTRIBUTIONS;
AND PROVIDING FOR AN EFFECTIVE DATE

GENERAL DOLLARS:

\$0 (F. NOTE)

PRIME SPONSOR: HAYES.

OTHER DOLLARS:

\$0

CO-SPONSORS: ABUD ANDERSON, BARNES, BEIRNE, BETTISWORTH, BYLSMA, CUDDY,
HALFORD, HAUGEN, MARTIN, METCALFE, MONTGOMERY, O'CONNELL, SUTCLIFFE, RANDOLPH,
FARNING.

CURRENT STATUS: 2/05/82 IN (H) RULES

HB 137 HOUSE ACTION

LEGISLATIVE ACTION

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/10/81	01	0218	FIRST READING -- COMMITTEE REPORTS
01/20/82	02	0098	S.A. -- DNP02, CS03
02/05/82	03	0246	FIN -- CS04, NR03, OTHER02
			RULES
			RULES

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