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STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

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

March 15, 1982

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 423 - Capitol Building
Juneau, Alaska

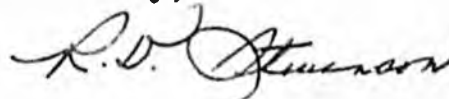
Dear Senator Fischer:

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

CS for House Bill No. 137 (Finance) (efd failed), an Act repealing the tax credit for political contributions, upon first reading in the Senate on March 5, 1982 was referred to the Senate State Affairs and Finance Committees.

For the consideration of the Senate State Affairs 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

Enclosures

cc: The Honorable Don Bennett
The Honorable M. E. Dankworth
Co-Chairmen
Senate Finance Committee

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

(FINANCE)

I. REQUEST

Bill/Resolution No. CS for HB 137 (efd failed)
 Title An Act repealing the tax credit for political contributions
 Requested by Finance Committee Date 3-12-82

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

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS None

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memo to R. D. Stevenson dated March 12, 1982.

Robert R. Kessel

IV. DATE March 12, 1982 PREPARED BY Robert R. Kessel
 AGENCY Audit Division
 PHONE 465-2320

Original: Legislative Finance
 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: March 12, 1982

FILE NO:

TELEPHONE NO:

FROM: Robert R. Kessel
Director, Audit Division

SUBJECT: CSHB 137 (efd
failed)

This bill is a third modification of HB 137 which was originally introduced on February 10, 1981.

HB 137 originally repealed AS 43.20.013 retroactive to January 1, 1981. The bill would have repealed the tax credits for political contributions and household and dependent care services.

CSHB 137, State Affairs, offered January 20, 1982, changed the effective date to April 15, 1982.

CSHB 137, Finance, offered February 5, 1982, had two modifications from the State Affairs version:

- a) Repeal of the household and dependent care services was no longer part of the bill;
- b) The effective date was changed to January 1, 1983.

The current version has been passed on by the Finance Committee with no effective date. Therefore, the bill will become law 90 days after the governor approves (probably early summer).

Since the bill could become law in the middle of the year, determining the exact date of the political contribution might be difficult. Individuals would possibly attempt to ante-date mid-summer contributions.

Consideration should be given to repealing the tax credit for household and dependent care services thereby eliminating all income tax credits for individuals.

Since the effective date of the bill might be mid-summer 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

Bill/Resolution No. CSHB 137 (Finance) (efc failed)
 Title An Act repealing the tax credit for political contributions.
 Requested by (Finance) (efc failed) Date 03/10/82

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)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
Savings to the State		.875	1.014			
(Political credits)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

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

The aforementioned figures indicate the savings to the State as a result of repeal of AS 43.20.013(a). The date of repeal is assumed to take effect in July of 1982 resulting in less than a 100 percent savings to the State commencing in FY 83. The savings to the State would be 100 percent beginning in FY 84.

IV. DATE 03/10/82 PREPARED BY Vincent Wright *2/2*
 AGENCY Revenue
 Original: Legislative Finance PHONE 465-2173
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)