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PROPOSED AMENDMENTS TO SB 690

1. Page 3, Line 9 - Add to subsection (f) :

The department may adopt regulations necessary to ensure compliance with the provisions of this section including, but not limited to, such regulations as may be necessary to ensure that individuals receive only the credits authorized by this section.

2. Page 3, Line 23 - Add after the word "dwelling" :
used as a principle place of abode

3. Add a section to the bill to read:

Section ____ AS 43.05.290 is amended by adding a subsection to read:
(j) The provisions of this section apply to returns, statements or other documents required or permitted to be filed under AS 43.20.012 - AS 43.20.014.

POSITION PAPER

Requested by: Senate Community & Regional Affairs Committee

Subject: Senate Bill 690

Departmental Position: Opposed

Remarks:

Currently there is a trend toward using State revenues to reduce local property taxes. Last year the passage of Senate Bill 125 alone caused a direct reduction in local revenues statewide amounting to approximately 35%. In addition, there are numerous bills currently before the Legislature which, if passed, would either directly or indirectly (state aid to education, for example) result in additional reductions in local property taxes.

If that trend continues, the Department is concerned that the amount of taxes rebated under the proposed language would not justify the cost of the administration of such a program.

On the other hand, if state collected revenues continue to decline, the Department questions the advisability of establishing a costly program which might be abandoned because of dwindling revenues.

ANALYSIS OF SB 690

The following is a section by section analysis of SB 690 entitled "An Act providing tax credits for property taxes or tax equivalency on rent paid; and providing for an effective date.":

The first section of the bill would add a new section to AS 43.20 to provide for a refundable tax credit for a portion of local property taxes paid on a dwelling occupied by the person claiming the credit as a principal place of abode. AS 43.20.014(a) (1)(2) (Page 1, line 11) would deal with individuals who have paid all of the taxes or rent on the dwelling occupied as a principal place of abode, i.e. persons who did not share rent or mortgage/tax payments or who did not rent out part of their abode. These individuals would qualify for a credit equal to fifty per cent (50%) of property taxes paid up to a maximum of \$300. For renters, this section applies a "tax equivalency" formula of one per cent of rent for each mill of property tax levied on the rental unit. Renters are entitled to fifty per cent of this tax equivalency amount. In other words:

For Owners:

$50\% \times \text{property tax paid} = \text{tax credit}$
(subject to the \$300. limit)

For Renters:

$50\% \times (1\% \text{ per mill}) \times \text{rent paid} = \text{tax credit}$
(subject to the \$300. limit)

Persons who paid all taxes or rent on their dwellings and who may have both rented or owned dwellings during a year would qualify for a part year owners credit and a part year renters credit

provided that the total received could not exceed \$300. per year. For example, assume a single man or woman who owned a \$100,000. condominium taxed at 8 mills for six months and rented an apartment in the same tax-rate area at \$500. per month for the remaining six months. This person would be eligible for the following:

As an Owner:

$$50\% \times (\$100,000 \times .008) \times 1/2 \text{ (for six months)}$$

OR

$$50\% \times \$800. = \$400 \times 1/2 = \$200.$$

PLUS

As a Renter:

$$50\% \times 8\% \times \$3,000. = \underline{120.}$$

Total Credit \$320. (subject to \$300. maximum)

Total allowable credit \$300.

Subsection (b) of this section (page 1, line 25) deals with persons who may have paid only part of the taxes or rent on the dwelling they occupied. Examples might be a homeowner who shares his or her home with a roommate in return for rent, or two or more persons sharing rent on a single apartment. Note that this situation is different from the situation in which a person owns a duplex and rents out a totally separate dwelling to another. In such a case the owner would be eligible to claim a full owner's credit on the portion of the structure used as his or her dwelling and the tenant in the other unit could claim a full renter's credit based on annual rent paid. Under subsection (b) each person sharing taxes or rent payments on a single dwelling could claim a credit up to a \$150. maximum.

The reason for the lower maximum is to prevent, for example, two persons sharing rent on a \$900./month dwelling from each receiving the \$300. maximum credit while a single tenant paying the entire rent would have been limited to a total of \$300. In other words, Subsection (b) attempts to ensure that persons will receive a more or less equal proportion of rent paid as a credit regardless of whether they share rent or tax payments with another.

For example, assume two single persons sharing rent on a \$900./month dwelling. Each tenant would be eligible for the following:

(Assume the mill rate in the area is 8 mills)

$$50\% \times (8\% \times \$450/\text{month} \times 12) = \$216.$$

However, Subsection (b) limits each tenant to \$150. maximum. The total credit received by both tenants will therefore be \$300. or the same as a single person would receive if he or she had paid all of the rent on the dwelling.

Subsection (c) (page 2, line 2) applies the same formula described in Subsection (a) to married couples. A married couple is allowed to file jointly for the credit and receive up to the \$300. maximum based on taxes or rent that one or the other has paid. Subsection (d) (page 2, line 12) provides that only one dwelling may be claimed at any one time to be a principal place of abode. This subsection also provides that if a person lived in more than one place during the year, he or she must calculate their credit for each portion of the year based on taxes or rent paid for each dwelling. The \$300. or \$150. maximums would, of course, continued to be applied.

Subsection (b) (page 2, line 24) states that the credits would be paid directly to taxpayers by filing a return with the Department of Revenue in essentially the same manner as presently utilized for reimbursement of political contributions or child care expenses under AS 43.20.012. Persons claiming a credit would file a form according, presumably, to regulations that would be established by the Department of Revenue. The return would include an affidavit swearing that amounts claimed were based on actual taxes or rent paid or that the taxpayer is otherwise eligible. Note that it is not anticipated that extensive documentation would be filed with the return. Rather, taxpayers would be subject to audit and criminal or civil penalties for false filings. This method is intended to keep costs of administration to a minimum while avoiding, to the extent possible, fraudulent claims.

Subsection (g) (page 3, line 9) provides a number of definitions and is largely self-explanatory. "Abode" is defined to include only the portion of a structure used as a dwelling. For example, if an owner resides in one unit of a duplex and his or her unit constitutes sixty per cent (60%) of the entire structure, he or she could claim a credit based on 60% of total taxes paid on the structure. The actual method of pro rating taxes or rents on buildings used for multiple purposes would be established by regulation. It would be preferable, in this regard, if such regulations could use a relatively simple formula such as the example outlined above. "Rent" to be counted toward the allowable

credit would exclude utility payments and would exclude rent paid through a public housing assistance program, i.e. not actually paid by the renter. It is also important to note that mobile home owners will be eligible to include both taxes paid on their home and ~~space~~⁴ rental payments in calculating their allowable credits. See page 3, line 23.

Finally, Subsection (h) (page 4, line 5) provides that credits for property taxes or rent would be paid in the manner previously utilized for payment of income tax refunds under the now repealed Alaska individual income tax statutes.

Section 2 of the bill makes a technical amendment to allow persons to file for their property tax/renter credits in the same manner as presently used for political contributions and child care credits. Section 3 would allow payments for taxes or rent paid after December 31, 1981. In other words, persons would file returns presumably in 1983 based on all of the taxes or rent paid during 1982. Section 4 provides for a "sunset" clause terminating the program after January 1, 1985, unless extended by subsequent legislation.

In conclusion, it should be noted that the property tax/renter credit program would require an appropriation to pay for returns filed in 1983. Although a precise fiscal note has not been prepared, it is possible to estimate the maximum fiscal impact by examining residential property tax revenues raised by Municipalities during 1981. Department of Community and Regional Affairs estimates for 1981 residential property tax revenues were approximately \$49 million statewide. If fifty per cent (50%) of all of these revenues were allowable as a credit, the

allowable maximum would be about \$24.5 million. However, in many, if not the majority of cases, the \$300. or \$150. limit on credits established under the bill should hold the estimated actual fiscal impact of the tax credit proposal to well below this figure.

Census data is available concerning the owner-occupied and rental housing units in various regions throughout Alaska. A more precise fiscal note utilizing these data and data on local tax and rental rates should be prepared in the near future.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

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

March 2, 1982

The Honorable Donald E. Gilman
Chairman
Senate Community and Regional
Affairs Committee
Room 203 - Behrends Building
Juneau, Alaska

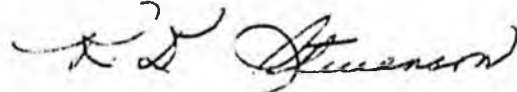
Dear Senator Gilman:

Re: Senate Bill No. 690

Senate Bill No. 690, an Act providing tax credits for property taxes or tax equivalency on rent paid, was introduced in the Senate on January 27, 1982 and was referred to the Senate Community and Regional Affairs and Finance Committees.

For the consideration of the Senate Community and Regional Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Phillip A. Wall, Director, Public Services Division; Ms. Marilla Gemmer, Director, Enforcement Division and Mr. John Larson, Economist, Research Section of the Department of Revenue concerning the proposed legislation.

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

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

Marilla L. Gemmer, Director
Enforcement Division
Department of Revenue

John Larson, Economist
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 690

Title Providing for tax credits for property taxes or tax equivalency on rent paid

Requested by Senate Community & Regional Affairs Date 2/26/82

and Finance Committee

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection & Management

BRU, Program, Or Subprogram(s) Affected Enforcement 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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		140.6	151.8	163.9		
200 TRAVEL		8.0	8.8	9.7		
300 CONTRACTUAL		26.5	28.9	31.8		
400 COMMODITIES		1.0	1.1	1.2		
500 EQUIPMENT		0.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		185.1	190.6	206.6		

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		185.1	190.6	206.6		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		5/60mm	5/60mm	5/60mm		
PART TIME						
TEMPORARY						

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

SB 690 is retroactive to 01-01-82, however we would not anticipate enforcement activity until the start of FY 83 since other house keeping measures such as forms preparation/distribution; press releases; computer programming etc., must be accomplished first.

This act also terminates January 1, 1985, however we assume that the wind down of the program for enforcement purposes will not be completed until the end of FY 85.

See memorandum to Joseph K. Donohue from Marilla L. Gemmer dated March 1, 1982.

Marilla L. Gemmer

IV. DATE March 1, 1982

PREPARED BY Marilla L. Gemmer, Director

AGENCY Department of Revenue - Enforcement Division

Original: Legislative Finance

PHONE 455-2100

cc: Budget and Management

Prime Sponsor First Legislator Named

SP-001 Rev. 11/81

MEMORANDUM

State of Alaska

TO: Joseph K. Donohue
Deputy Commissioner - Taxation

DATE: March 1, 1982

FILE NO:

TELEPHONE NO:

FROM: Marilla L. Gemmer *MLG*
Director
Enforcement Division

SUBJECT: SB 690

SB 690 provides for individuals to receive a tax credit based on the amount of property tax paid or rent paid on a dwelling subject to property tax. The amount of credit to be received is based on several formulas set out in the bill.

An assumption is made that as with any program where individuals can apply for credits/refunds, an enforcement program will be initiated to ensure that false claims if paid, are identified and collection of these erroneously payments is accomplished.

To administer the enforcement phase we will need one Revenue Enforcement Officer II; two Tax Collection Specialists; one Accounting Technician I; and one Clerk Typist III.

Program Summary

Personal Services:

Revenue Enforcement Officer	\$35,297	
Tax Collection Specialists (2)	52,438	
Clerk Typist III	23,504	
Accounting Technician	<u>29,372</u>	\$140,611
Travel		8,000
Contractual		26,500
Commodities		1,000
Equipment - 5 new positions		<u>9,000</u>
Total		\$185,111

MLG:lw

1	POSITION TITLE Revenue Enforcement Officer II			RANGE/STEP 15A	BARG. UNIT. G	LOCATION Anchorage	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	AGG		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY	2295 X 12	27,540
5	BENEFITS	27,540 X .1550	4,269
6	SBS	X.0613	1,688
7	FIXED BENEFITS		1,800
8	TOTAL PERSONAL SERVICES		01 35,297
9	TRAVEL		02 8,000
10	CONTRACTUAL		03 3,800
11	COMMODITIES		04 200
12	EQUIPMENT		05 1,800
13	OTHER		
14	TOTAL COST		49,097

JUSTIFICATION:

This position will provide an employee at the professional level to collect the erroneous or fraudulently claimed refunds.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	49,097
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21 CONTINUATION
22 ADDITION

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION.

COMPONENT _____
Page 1 of 5 REVISED DATE SB 690 3/1/82

FY 83

1	POSITION TITLE Tax Collection Specialist I			RANGE/STEP 10A	BARG. UNIT. G	LOCATION Anchorage	GOV.	APPROV.	SIBAPP.
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
4	PERSONAL SERVICES: SALARY 1673 X 12	20,076
5	BENEFITS 20,076 X .1550	3,112
6	SBS X .0613	1,231
7	FIXED BENEFITS	1,800
8	TOTAL PERSONAL SERVICES 01	26,219
9	TRAVEL 02	
10	CONTRACTUAL 03	3,800
11	COMMODITIES 04	200
12	EQUIPMENT 05	1,800
13	OTHER	
14	TOTAL COST	32,019

JUSTIFICATION:
This position will provide support to the revenue enforcement officer and will also attempt to effect collection by correspondence or phone from the field office.

	RECEIPT CODE	FUNDING SOURCE
15		FED RCPTS. 1002
16		GF MATCH. 1003
17		GEN. FUND 1004
18		I-A RCPTS. 1005
19		PGM RCPTS 1028
20		OTHER

21 CONTINUATION
22 ADDITION

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

FY 83

3 REQUEST FOR NEW POSITION.

COMPONENT _____

Page 2 of 5

REVISED DATE 3/1/82 SB 800

1	POSITION TITLE Tax Collection Specialist I			RANGE/STEP 10A	BARG. UNIT. G	LOCATION Juneau	GOV.	APPROV.	DIBAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEAD	

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES: SALARY 1673 X 12	20,076
5	BENEFITS 20,076 X .1550	3,112
6	SBS X .0613	1,231
7	FIXED BENEFITS	1,800
8	-TOTAL PERSONAL SERVICES 01	26,219
9	TRAVEL 02	
10	CONTRACTUAL 03	9,800
11	COMMODITIES 04	200
12	EQUIPMENT 05	1,800
13	OTHER	
14	TOTAL COST	38,019

JUSTIFICATION:

This position will provide an additional employee within the Juneau Office Collection Force. It will be this position's responsibility to contact the individual by phone and attempt collection before assigning the account to a field officer. \$6,000 Contractual is for long distance toll charges.

	RECEIPT CODE	FUNDING SOURCE
15		FED RCPTS. 1002
16		GF MATCH. 1003
17		GEN. FUND 1004
18		I-A RCPTS. 1005
19		PGM RCPTS 1028
20		OTHER

21 CONTINUATION

22 ADDITION

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION.

COMPONENT _____

FY 83

1	POSITION TITLE Clerk Typist III				RANGE/STEP 8A	BARG. UNIT. G	LOCATION Anchorage	GOV.	APPROV.	DEPT.
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 1487 X 12		17,844
5	BENEFITS 17,844 X .1550		2,766
6	SBS X .0613		1,094
7	FIXED BENEFITS		1,800
8	TOTAL PERSONAL SERVICES	01	23,504
9	TRAVEL	02	
10	CONTRACTUAL	03	3,800
11	COMMODITIES	04	200
12	EQUIPMENT	05	1,800
13	OTHER		
14	TOTAL COST		29,304

JUSTIFICATION:

To provide clerical support for the Revenue Enforcement Officer and Tax Collection Specialists in the field office.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	29,304
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21 CONTINUATION
22 ADDITION

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION.

COMPONENT _____

FY 83

1	POSITION TITLE Accounting Technician I				RANGE/STEP 12A	BARG. UNIT. G	LOCATION Juneau	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
PERSONAL SERVICES:		
4 SALARY	1889 X 12	22,668
5 BENEFITS	22,668 X .1550	3,514
6 SBS	X .0613	1,390
7 FIXED BENEFITS		1,800
8 TOTAL PERSONAL SERVICES	01	29,372
9 TRAVEL	02	
10 CONTRACTUAL	03	5,300
11 COMMODITIES	04	200
12 EQUIPMENT	05	1,800
13 OTHER		
14 TOTAL COST		36,672

JUSTIFICATION:
 This position will be assigned the responsibility of assisting the current Accounting Clerk in the preparation of the billings issued as a result of erroneously issued refunds and coding them to the accounts receivable on the computer. \$1,500 in Contractual is for printing of the billings.

	RECEIPT CODE	FUNDING SOURCE
15		FED RCPTS. 1002
16		GF MATCH. 1003
17		GEN. FUND 1004
18		I-A RCPTS. 1005
19		PGM RCPTS 1028
20		OTHER

21 CONTINUATION
 22 ADDITION

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION

COMPONENT _____

FY 83

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 690
 Title An Act providing tax credits for property tax or tax equivalency on rent.
 Requested by Senate Comm & Reg Affairs Committee Date 1/28/82

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 (Thousands of Dollars)
Millions

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
Additional appropriations to pay refundable credit.		30.1	31.5	32.8		
POSITIONS						

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached second sheet

IV. DATE 2/9/82 PREPARED BY John Larson, Economist
 AGENCY Department of Revenue
 PHONE 465-2173
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 29-100 Rev. 12/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 690

Title Providing Tax Credits for Property Taxes or Tax Equivalency on Rent Paid.

Requested by Senate Community and Regional Affairs Committee 3/2/82

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected General Government

BRU, Program, Or Subprogram(s) Affected Admin. & Support, Admin. 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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	15.0	189.0	202.2	216.4	-0-	-0-
200 TRAVEL						
300 CONTRACTUAL		198.0	211.9	226.7	-0-	-0-
400 COMMODITIES		5	5	6	-0-	-0-
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	15.0	387.5	414.6	443.7	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	15.0	387.5	414.6	443.7	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	1/4mm	4/48mm	4/48mm	4/48mm	-0-	-0-
PART TIME		8/35mm	8/35mm	8/35mm	-0-	-0-
TEMPORARY						

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

See Attached

IV. DATE 3/2/82

PREPARED BY *[Signature]*

AGENCY Revenue

Original: Legislative Finance
Budget and Management

PHONE 465-2312

Prime Sponsor (First Legislator Named)

Rev. 11 81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

III. ANALYSIS
HB 690

Assumptions:

Claims - 1982 = 141,400; 1983 = 145,600; 1984 = 150,000. 3% growth.

Adjusted Claims (Address changes, amended, etc.)

1982 = 25,000; 1983 = 26,000; 1984 = 27,000

Forms - Mailout, response to request, forms racks = 225,000 in 1982. Design would require name, address, property description, proof of tax paid, a basis for separating excluded payments from rent and property tax payments, statement of eligibility, signature line and date, and other required data.

Application and payment processing period - all year, supervision will be provided by existing staff.

Program Summary:

Forms must be designed and distributed. Completed forms will be received in the mail. The mailed forms will be opened and all forms received will be given a control number, checked for completeness, batched and data captured. Computer programs will be written, compiled and tested to enable the data capture, edit of document content, identification of forms which should receive corrective action or compliance checks, correction of data, warrant release edit, garnishment processing, warrant printing and reports such as warrant registers and reference to individual claim information. The data captured claims will be processed through the computer system with action required on correction errors, handling garnishment hits, checking and release of warrants.

1. Positions --

FY82

1 PFT Systems Analyst R18 @ \$2,838. mo. plus .32% costs
for 4 mos. = 15.0

Begin design of computerized processing system.

Total = 15.0

FY83

1 PPT Personnel Assistant R 12 @ \$1,889. mo. plus .32% costs
for 3 mos. = 7.5

Recruitment, hiring, EEO and Contract Administrator, miscellaneous
personnel duties.

1 PFT Systems Analyst R18 @ \$2,838. mo.
plus .32% costs = 45.0

Complete computerized system design. Performs maintenance and post
implementation changes. Develop coding specifications.

1 PPT EDP Programmer II @ \$2,295. mo.
plus .32% costs = 20.7

3 PFT Tax Scanners R8 @ \$1,487. mo.
plus .32 % costs = 70.0

Open mail, document control numbering, batching, batch control, data
capture, batch correction and warrant release.

4 PPT Tax Scanners R8 @ \$1,487 mo.
plus .32 % costs for 4 mos. = 31.4

Open mail, document control numbering, batching, batch control, data
capture, batch correction and warrant release.

2 PPT Clerk Typists R7 @\$1,487. mo.
plus .32 % costs. 1 for 2 mos, 1 for 5 mos. = 13.7

Initial forms distribution, forms and supply services, accounts
payable including voucher preparation.

Total = 189.0 189.0

III. ANALYSIS

HB 690

PAGE 3

2. Other expenditures --

FY83

Forms and instructions: 225,000 @ \$50.	= 11.3
Postage: Forms Distribution - 150,000 @ .20	= 30.0
Payments - 141,400 plus 14,000 re-mailed warrants @ .20	= 31.
Data Processing (includes development, data capture and production):	
Computer Resource Units: 80,000 @ 1.25 per unit	= 100.0
Common output units: 295 @ \$31. (reports, warrants, COM)	= 9.1
Storage Units: Distribution file 5,000 @ .90 - disk	= 4.5
Misc. including garnishments 400 @ .90-disk	= .4
Backup file - tape	= .1
Warrant stock: 141,000 @ \$35.M	= 4.9
Warrant Envelopes: 141,400 @ \$12.43 M	= 1.6
Miscellaneous contractual (insurance, machine rental)	= 5.0
Commodities	= 198.0
Total	

Commodities	= .5
Total	= .5

I. REQUEST
 Bill/Resolution No. SB 690
 Title Providing Tax Credits for Property Taxes or Tax Equivalency on Rent Paid
 Requested by Senate Community and Regional Affairs Date 3/2/82

II. FISCAL DETAIL
 Agency Affected Revenue
 Program Category Affected General Government
 BRU, Program, Or Subprogram(s) Affected Public Service
 (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		118.8	127.1	136.0		
200 TRAVEL						
300 CONTRACTUAL		3.5	3.8	4.0		
400 COMMODITIES		.5	.5	.6		
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	122.8	131.4	140.6	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		122.8	131.4	140.6	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		3/36mm	3/36mm	3/36mm	-0-	-0-
PART TIME		4/20mm	4/20mm	4/20mm	-0-	-0-
TEMPORARY						

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

Program Summary: Distribute forms at counters and as requested by phone and letter. Answer written, phoned and in-person inquiries. Provide assistance in filling out forms. Receive and put in process completed forms. Proper handling of returned undeliverable warrants and re-mailing of warrants when new address is received.

1. Positions --
FY83

3 PFT Tax Examiners R10 @ \$1673. mo. plus .32 costs 79.5
 4 PPT Clerk Typists R7 @ \$1487. mo. plus .32 costs
 for 5 mos. 39.3
 Total 118.8

2. Other expenditures --

Contractual: Phones, postage, misc. 3.5

IV. DATE 3/2/82 PREPARED BY [Signature]
 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

III. ANALYSIS

HB 690

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Commodities

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Provide counter service, answer letters and phones, assist public in filling out forms, process returned warrants at Juneau, Anchorage and Fairbanks.