

**SB**

**327**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/12/94

FURTHER: \_\_\_\_\_

DATE TURNED INTO OFFICE: \_\_\_\_\_

The Finance Committee considered SENATE BILL NO. 327

"An Act amending the motor fuel tax to establish a different tax levy on residual fuel oil used in and on watercraft; and providing for an effective date."

*Died in SFC 1994.*

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( )
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

### NEW FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

**DO PASS.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1. \_\_\_\_\_  
Co-Chair: Signature/Recommendation

### PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_\_  
Co-Chair: Signature/Recommendation

SENATE COMMITTEE REPORT

*Frank*

DATE: 4/5/94

FURTHER: Finance

DATE TURNED INTO OFFICE: 4/12/94

Judiciary Committee considered SENATE BILL NO. 327

"An Act amending the motor fuel tax to establish a different tax levy on residual fuel oil used in and on watercraft; and providing for an effective date."

and recommends:

*and a majority of the committee recommends*

*the TRA CS be adopted + disposed*

replace with \_\_\_\_\_ CS \_\_\_\_\_

same title

or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_

new title

attaches amendment(s)

technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

*Krd*

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
<i>Revenue</i>	<i>3/31/94</i>	<input checked="" type="checkbox"/>	

Appropriation No Fiscal Note

DO-PASS:

*Erzanne Little*

*George (or) John*

OTHER RECOMMENDATIONS:

*Paul Halford NO REC*

*Philip L. Taylor* *DO Pass*

Chair: Signature and Recommendation

**SENATE COMMITTEE REPORT**  
FIRST COMMITTEE OF REFERRAL

*Jan*

DATE: 2/14/94

FURTHER: Judiciary  
Finance

Date of 5-Day Notice: 3-3-94  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-5-94

Transportation Committee considered SB 327

"~~An Act~~ amending the motor fuel tax to establish a different tax levy on residual fuel oil used in and on watercraft; and providing for an effective date."

and recommends: and a majority of the committee recommends it be replaced with

replace with CS SB 327 (TRP)

- same title
- new title
- technical title change (HB only)

attaches amendment(s)

adopts Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

*Handwritten initials/signature*

**FISCAL NOTE INFORMATION**

Department	Date	Zero	Fiscal
REVENUE	3/94		✓

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

**DO PASS:**

Tim Kelly  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chair: Signature and Recommendation

ALASKA STATE LEGISLATURE  
SENATE BILL NO. 327

HISTORY IN THE SENATE

1994  
2/14 Read first time and referred to:  
TRA, JUD, FIN

4/5 TRA RPT(  ) CS 3 DP  NR  DNP  AM  
 New Title  Same Title  Previous FN  
 FN  OFN To Jud

4/18 Jud RPT(  ) CS 3 DP 1 NR  DNP  AM  
 New Title  Same Title  Previous FN  
 FN  OFN To JN

RPT(  ) CS  DP  NR  DNP  AM  
 New Title  Same Title  Previous FN  
 FN  OFN To \_\_\_\_\_

Rules Calendar(  ) CS  AM  Other  
 New Title  Same Title  Previous FN  
 FN  OFN

Read second time

CS Adopted (  )  New Title  
 Amended  Advanced

Read third time

Letter of Intent adopted  
 Return to second for specific amendment

PASSED EFD Same  or  
 Yeas Yeas  
 Nays Nays  
 Excused Excused  
 Absent Absent

Reconsideration  
 Reconsideration not taken up

PASSED EFD Same  or  
 Yeas Yeas  
 Nays Nays  
 Excused Excused  
 Absent Absent

Reported correctly engrossed  
 Signed by President, to House

\_\_\_\_\_  
 Secretary of the Senate

HISTORY IN THE HOUSE

19  
Read first time and referred to:

RPT  CS(  )  New Title  
 DP  DNP  NR  AM  
 FN  OFN  Previous FN

RPT  CS(  )  New Title  
 DP  DNP  NR  AM  
 FN  OFN  Previous FN

RPT  CS(  )  New Title  
 DP  DNP  NR  AM  
 FN  OFN  Previous FN

Read second time  
 CS(  ) Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED EFD Same  or  
 Yeas Yeas  
 Nays Nays  
 Excused Excused  
 Absent Absent

Intent adopted

Reconsideration  
 Reconsideration not taken up

PASSED ON RECON. EFD Same  or  
 Yeas Yeas  
 Nays Nays  
 Excused Excused  
 Absent Absent

Intent adopted

Reported correctly engrossed, signed by the Speaker  
 and returned to the Senate

\_\_\_\_\_  
 Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19

Received from the House

Version: \_\_\_\_\_

Concur in House amendment

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

Failed to concur in House amendment, ask House recede

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

House failed to / receded from amendment

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

CC appointed by Senate \_\_\_\_\_ Chair

CC appointed by House \_\_\_\_\_ Chair

(S) Granted Limited Powers of Free Conference

(H) Granted Limited Powers of Free Conference

19

(S) Adopted CC Rpt \_\_\_\_\_

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

(H) Adopted CC Rpt \_\_\_\_\_

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

To enrolling

Received from enrolling

Sent to Governor

\_\_\_\_\_ By Governor

Chapter Number \_\_\_\_\_

Filed with Lieutenant Governor

# FISCAL NOTE

No. 1  
 Bill Version: SB 327  
 (S) Publish Date: 4-5-94

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL 1**

Revision Date:	Dept. Affected: Revenue
Title: <u>Tax on Residual Marine Fuel Oil</u>	BRU: <u>Revenue Operations</u>
Sponsor: (S) FIN	Component: <u>Income and Excise Audit</u>
Requestor: (S) TRA	COMPONENT SERIAL NO. <u>113</u>

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL</b>						
<b>REVENUE FUND SOURCE: General</b>	***	***	***	***	***	***

**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>						

Changes in CS SB 327 (TRA) have no fiscal impact. This fiscal note is appropriate.  
3/31/94 R. G. A.  
 date Comte Aide (initial)

**POSITIONS:**

FULL-TIME				
PART-TIME				
TEMPORARY				

Estimate of current year (FY94) impact: \$ \*\*\*

**ANALYSIS:** (Attach a separate page if necessary.)

\*\*\* Department of Revenue is unable to estimate revenue impacts from this bill because information on residual fuel data is not compiled separately. Under current statutes, marine fuel is taxed at 5 cents per gallon. New market sales would need to occur at the 1 cent per gallon rate under this bill to offset taxes which would have been collected at the 5 cents per gallon tax rate.

Prepared by: <u>Larry E. Meyers</u>	Phone: <u>465-2320</u>
Division: <u>Income and Excise Audit Division</u>	Date: <u>March 9, 1994</u>
Approved by Commissioner: <u>Darrel J. Rexwinkel</u>	Date: <u>March 9, 1994</u>
Agency: <u>Department of Revenue</u>	

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# FISCAL NOTE

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL NO.** CSSB 327 (TRA)

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Tax on Residual Marine Fuel Oil BRU: Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: (S) FIN  
 Requestor: (S) JUD COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE: General	***	***	***	***	***	***
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

**ANALYSIS:** (Attach a separate page if necessary.)

\*\*\* See Attached

Prepared by: Larry E. Meyers Phone: 465-2320  
 Division: Income and Excise Audit Division Date: April 6, 1994  
 Approved by Commissioner: Darrel J. Rexwinkel Date: April 6, 1994  
 Agency: Department of Revenue

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CSSB 327 (TRA)  
Tax on Residual Marine Fuel Oil  
April 6, 1994  
Page 2 of 2

### **Bill Analysis**

This bill levies a tax on residual fuel oil used in and on passenger watercraft, namely cruise ships, of 1 cent per gallon after marine fuel tax collections under AS 43.40.010 (5 cents per gallon) derived from passenger watercraft exceed \$205,000.

During the course of the year, taxpayers will pay marine fuel taxes at the 5 cent per gallon rate on all residual fuel oil sales. Each year, Department of Revenue will determine total tax collections derived from residual fuel oil sales and issue refunds to taxpayers on tax collections exceeding \$205,000. Refunds will be for the difference between the 5 cent per gallon amount paid and the 1 cent per gallon levy provided under this bill.

### **Operating Costs**

Department of Revenue does not anticipate that this bill will impact its operating budget. Based on our understanding, this bill will affect a very small number of taxpayers. The Department will modify existing database systems to separately account for sales and revenue generated from passenger watercraft and generate reports to identify sales subject to refund. The Department will absorb this program into its existing operating budget.

### **Revenue**

Based on data provided by industry, taxes paid on fuel sales attributable to passenger watercraft at the current 5 cent per gallon rate has historically been about \$205,000. According to industry, this provision for the 1 cent tax under this bill will result in increased passenger watercraft fuel oil sales. However, data on additional sales that would be generated above the \$205,000 level is not available at this time. Additional revenue generated from this bill will directly correspond to additional sales beyond the \$205,000 level at 1 cent per gallon.

**FISCAL NOTE**

Revision Date:  
Title: Tax on Residual Marine Fuel Oil

Department Affected: DOT&PF  
BRU:

Sponsor: Senate Finance Committee  
Requestor:

Component:  
Component Serial Number:

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING:</b>	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	0	0	0	0	0	0

**POSITIONS**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: \$0

**ANALYSIS: (Attach a separate page if necessary)**

This bill will not impact DOT&PF.

Prepared by: Roger Allington, Acting Director

Phone: 465-6978

Division: Planning

Date: February 17, 1994

Approved by Commissioner: 

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: February 23, 1994

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