

SB

267

STATE OF ALASKA
DEPARTMENT OF MILITARY & VETERANS AFFAIRS
OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

P.O. BOX 5800

FT. RICHARDSON, AK 99505-5800

PH: (907) 428-6003

February 5, 2002

The Honorable Gene Therriault, Chair
Senate State Affairs Committee
State Capitol, Room 121
Juneau, AK 99801

Dear Senator Therriault:

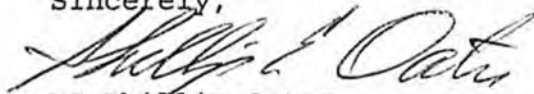
The Department of Military and Veterans Affairs respectfully requests a hearing on SB 267 "An Act establishing the Alaska veterans' memorial endowment fund and providing for credits against certain taxes for contributions to that fund; relating to other tax credits for certain contributions; and proving for an effective date."

The bill sets up a fund to provide maintenance or construction of Veterans' memorials or monuments. It also allows a credit against state taxes to businesses who contribute to the fund.

On Monday, February, 11, the Alaska Veterans' community will be in Juneau for the annual veteran fly-in. Some members will extend their visit to Tuesday, February 12th. If you decide to grant a hearing on this bill, I request you consider these days for a hearing so the veterans may attend and provide testimony for your committee.

If I can provide further information please call me, Laddie Shaw, 428-6068 or Carol Carroll, 465-4730. I look forward to working with you on this bill.

Sincerely,



MG Phillip Oates
Commissioner

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number. 1
 Bill Version: SB 267
 (S) Publish Date: 2/01/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DMVA
 Title Veterans Memorial Endowment BRU Veterans Services
 Component Veterans Services
 Sponsor Rules
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	125.0					
TOTAL OPERATING	125.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	125.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	125.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The proposed bill sets up an endowment fund to maintain and develop veterans or military memorials. It also provides an opportunity for private entities to contribute to the fund and receive a tax credit against their state taxes. The amount in the fiscal note is the initial contribution to the fund. Earnings from the fund will be available to expend, contingent on appropriations, for projects approved by the department in consultation with veteran groups.

Prepared by: Carol Carroll Phone 465-4730
 Division Administrative Services Date/Time 12/7/01 3:15 PM
 Approved by: Carol Carroll Date 12/07/2001
 Agency Department of Military and Veterans Affairs

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SB 267
 (S) Publish Date: 2/01/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Veterans Memorial Endowment BRU Revenue Operations
and Tax Credit Component Tax Division
 Sponsor Rules Committee
 Requester Governor Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	**	**	**	**	**	**
-------------------------------	-----------	-----------	-----------	-----------	-----------	-----------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

** Although we do not believe there are a sufficient facts for estimating the potential revenue loss under this bill, the best source for revenue loss information is the Education Tax Credit data. The reason why Education Tax Credit data is useful is that the structure of the proposed Alaska Veterans Memorial Endowment Tax Credit mirrors the structure of the existing Education Tax Credit. Additionally, because taxpayers are limited to a maximum of \$150,000 in credit, they may choose to substitute Alaska Veterans Memorial Tax Credits for Education Tax Credits. The revenue loss would then only be any additional credits beyond those that would have been used as education credits. In FY 2001, 37 taxpayers used approximately \$2.1 million in Education Tax Credits. About 97 percent of those credits were used by 16 of the 37 taxpayers.

Prepared by: Brett Fried Phone 465-3682
 Division Tax Division Date/Time 11/10/01 2:18 PM
 Approved by: Larry Persily, Deputy Commissioner Date 11/10/2001
 Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 267
(S) Publish Date: 2/01/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title Alaska Veterans Memorial BRU Community Assistance&Econ Dev
Endowment Fund Component Community & Business
Sponsor Rules By Request Development
Requester Governor Component No. 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	*	*	*	*	*	*
-------------------------------	---	---	---	---	---	---

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	*	*	*	*	*	*
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
The impact of this bill on revenues and expenditures is indeterminate due to the difficulty in anticipating the extent to which tax credits will be appropriated to the endowment funds.

Prepared by: Ginny Fay, Deputy Director Phone 907-465-5472
Division Community & Business Development Date/Time 10/3/01 4:21 PM
Approved by: Deborah B. Sedwick, Commissioner Date 10/3/2001
Agency Department of Community & Economic Development