

SB

14

SENATE COMMITTEE REPORT

DATE: 3/27/09

FURTHER: Finance

DATE TURNED
IN TO OFFICE: _____

Transportation Committee considered SENATE BILL NO. 14

SB 14 EXTEND MOTOR FUEL TAX SUSPENSION

"An Act expanding the motor fuel tax suspension period."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
Revenue	3/5	✓			1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Linda Menard</i>	Menard	X			
<i>Beryl Davis</i>	Davis	X			
<i>K. Meyer</i>	Meyer	X			
CHAIR: <i>Allent Kooresh</i>	Kooresh	X			

Senate Bipartisan Working Group

Alaska's State Senate Majority Caucus
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Senator Gary Stevens, Senate President



Senator Johnny Ellis, Majority Leader

Available Data for SB14

SB14

[SENATOR BETTYE DAVIS](#)

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BILL LOOKUP:

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Statement

Senate Bill 14: "An Act suspending the motor fuel tax suspension period"

SB 14 extends for an additional two years to August, 31, 2011, the termination date of the 1-year suspension of the motor fuel tax imposed by the governor in 2008 under SB 4004. This bill extends motor fuel tax relief of approximately \$0.08 per gallon to Alaska consumers and businesses which continue to pay some of the highest prices for motor fuel in the nation. Initiated at a time when oil prices were spiking to all-time highs, the motor fuel tax relief afforded to Alaskans in 2008 is still important in sustaining and stimulating the Alaska economy in the national economic recession which is expected to last several years.

Fuel costs affect almost every aspect of Alaska life in work, recreation, vacations, private, and business use. High fuel prices affect the cost of all goods and materials transported by sea, air and road. Most goods have to be shipped very long distances to Alaska. Every year hundreds of thousands of shipping containers carrying goods Alaskans use every day must be shipped by sea and road over 2,000 miles to Anchorage, the largest population center and distribution point to other parts of the state. From there over 80% of goods distributed to many Alaska communities can be reached only by air transportation. The reverse is true of Alaska's exports and seafood shipped south or overseas.

Air and cruise travel which is critical to the Alaska tourism industry is declining in the current recession. Bookings are down and airlines and cruise lines are cutting back due to decreased demand as they continue to struggle with high costs of fuel. Extending the suspension of the motor fuel tax under SB 14 will have major impact on the enormous quantities of fuel consumed in the transport of goods and people in Alaska. It will encourage cargo carriers to maintain flights and cargo hubs in Alaska and it will encourage air and cruise lines to reduce fares to stimulate demand.

[SENATOR BETTYE DAVIS](#)

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 14
 (S) Publish Date: 3/27/09

Identifier (File Name): SB14-DOR-TAX-03-05-09 Dept. Affected: Revenue 04
 Title: Extend Motor Fuel Tax Suspension RDU: Taxation and Treasury
 Component: Taxation and Treasury
 Sponsor: Senator Davis
 Requester: (S) Labor & Commerce Component No.: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
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	0.0
CAPITAL EXPENDITURES	0	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	(33,900.0)	0.0	(40,600.0)	(10,200.0)	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: 0

POSITIONS

	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill would extend the existing motor fuel tax suspension for an additional two years, until August 31, 2011. Revenue from the motor fuel tax goes to the General Fund. 60 percent of taxes attributable to aviation fuel sales at municipally owned or operated airports is customarily shared with the respective municipalities.

In FY 2008, the last year before the tax suspension, the motor fuel tax generated \$41.6 million, and \$148,000 of that was shared with municipalities. As a result of this bill, we anticipate no motor fuel tax revenues in FY 2010 and FY 2011. For FY 2012, we estimate that the state will receive nine months of revenue (beginning with returns due in October 2011). Revenue impacts shown are based on the expected reduction compared to our Fall 2008 revenue forecast. Expenditures will not be affected as this is a temporary suspension and taxpayers are still required to file informational returns.

Prepared by: Dan Stickel, Economist Phone (907) 465-3279
 Division: Tax Division Date/Time 3/4/09 3:04pm
 Approved by: Ginger Blaisdell Director Date 3/5/2009
 Agency: Administrative Services

(Revised 9/2008 OMB)

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