

**HB**

**306**

<TARGET><BILL>HB 306</BILL><SUBJECT>HB  
306</SUBJECT><COMM>HFIN28</COMM></TARGET>

(11)

Date Referred to Committee: February 17, 2014

FURTHER REFERRALS:

Date of Committee Action: 3/21/14

The FINANCE Committee considered:

HB 306

**HOUSE BILL NO. 306**

"An Act relating to tax credits and administration of tax credit programs; requiring the Department of Revenue to report indirect expenditures; relating to the duties of state agencies; requiring the legislative finance division to analyze certain indirect expenditures; relating to lapse dates for appropriations for capital projects; repealing certain statutes authorizing indirect expenditures; and providing for an effective date."

**HB 306-EVAL. INDIRECT EXPENDITURES; TAX CREDITS**

Recommends it be replaced with [ ] HCS or [X] CS for HB 306 (FIN)  
 For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR [ ] Same Title [X] New Title

- [ ] attach amendments
- [ ] add new referral to \_\_\_\_\_ Committee
- [ ] Letter of Intent \_\_\_\_\_ Committee

- List of Abbrev for Depts.:
- ADM
  - CED
  - COR
  - CRT
  - EED
  - DEC
  - DFG
  - GOV
  - DHS
  - LWF
  - LAW
  - LEG
  - MVA
  - DNR
  - DPS
  - REV
  - DOT
  - UA

<u>NEW FISCAL NOTES</u>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	REV	✓		
	LEG	✓		
	LWF			✓
	CED			✓
	DNR			✓
	DEC			✓
	CED		✓	

<u>PREVIOUS FISCAL NOTES</u>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Holmes			X	
	Muñoz				✓
	NEUMAR	X			
	THOMPSON Edgmon	X			
	Edgmon		✓		
	Gave				✓
	T. Wilson	✓			
	COSTELLO				✓
Chair:	Alan				
Chair:	ALAN	X			

# FISCAL NOTE

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

Bill Version CSHB 306 (FIN)  
Fiscal Note Number \_\_\_\_\_  
( ) Publish Date \_\_\_\_\_

Identifier (file name) HB306CS(FIN)-DOR-TAX-03-21-14 Dept. Affected Department of Revenue  
Title  EVAL. INDIRECT EXPENDITURES; TAX CREDITS  Appropriation Taxation and Treasury  
Allocation Tax Division  
Sponsor THOMPSON, Stoltze, Saddler, et al  
Requester (H) Finance OMB Component Number 2476

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

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
<b>OPERATING EXPENDITURES</b>							
Personal Services	377.4		261.4	261.4	116.0	116.0	116.0
Travel	5.0		5.0	5.0	5.0	5.0	5.0
Services	16.1		12.3	12.3	3.8	3.8	3.8
Commodities	1.5		1.5	1.5	0.5	0.5	0.5
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>400.0</b>	<b>0.0</b>	<b>280.2</b>	<b>280.2</b>	<b>125.3</b>	<b>125.3</b>	<b>125.3</b>

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	400.0		280.2	280.2	125.3	125.3	125.3
1005	GF/Prgm (DGF)							
1007	I/A Rcpts (Other)							
1156	Rcpt Svcs (DGF)							
<b>TOTAL</b>		<b>400.0</b>	<b>0.0</b>	<b>280.2</b>	<b>280.2</b>	<b>125.3</b>	<b>125.3</b>	<b>125.3</b>

POSITIONS							
Full-time	1		1	1	1	1	1
Part-time							
Temporary	3		2	2			

CHANGE IN REVENUES	***	0.0	***	***	***	***	***
--------------------	-----	-----	-----	-----	-----	-----	-----

Estimated SUPPLEMENTAL (FY14) operating costs 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**ASSOCIATED REGULATIONS**  
Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended, or repealed? various Discuss details in analysis section.

**Why this fiscal note differs from previous version (if initial version, please note as such)**  
Updated for changes in CS.

Prepared by Matt Fonder, Director  
Division Tax  
Approved by Angela M. Rodell, Commissioner  
Division Department of Revenue

Phone (907) 269-6620  
Date/Time 3/21/2014 11:00 a.m.  
Date 3/21/2014

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB 306 (FIN)

### Analysis

#### **Bill Language:**

This bill would impact the Department of Revenue in two ways: First, it would repeal several existing tax credit programs; and second, it would institute a requirement for the department to create a new bi-annual report related to indirect expenditures.

#### This bill repeals several tax credit programs:

- The veterans employment, Winn Brindle scholarship, salmon utilization, and film production tax credits would be repealed effective 12/31/2016.
- The education tax credit which is allowed against 8 different tax types would be repealed effective 12/31/2018.
- The salmon product development and community development quota (CDQ) tax credits would be repealed effective 12/31/2020.

This bill provides transition language whereby any tax credits accrued before the effective dates identified above may be claimed in the year they are accrued or carried forward if allowed under existing provisions in each credit program.

#### Bi-Annual Report:

Beginning on July 1, 2014, this bill would require the Department to publish a new "Indirect Expenditure Report" providing detailed analysis of every "indirect expenditure" in the state. The report is due every other year. Indirect expenditures are broadly defined as tax credits, exemptions, deductions (not including deductions incurred in the normal course of a trade or business), discounts, exclusions, or other differential allowances that result in foregone revenue for the state. For each indirect expenditure made by the state, the Department would be required to identify: the name of the indirect expenditure, a brief description of the indirect expenditure, the statutory authority for the indirect expenditure, the date the indirect expenditure is set to sunset if applicable, the intent of the legislature in authorizing the indirect expenditure, the public purpose, estimate the annual revenue impact of the indirect expenditure for the past five years, estimate the cost to administer the indirect expenditure, and report the number of beneficiaries of the indirect expenditure. With the 5-year look-back for the revenue affects, the initial report would require a significant amount of data gathering and reporting. After the first report, the bi-annual reporting would require less effort, as the analysis done for the first report could be carried forward; for example, identifying the statutory authority and legislative intent in a subsequent year could be obtained from the first report.

There is no specific effective date for the expenditure reporting provisions within this bill. However, the bill indicates that the first report from the department is due no later than July 1, 2014. The Department recently began implementation of a new revenue management system. The system will not be fully implemented until the summer of 2016. Although some of the data needed to fulfill the reporting requirements of this legislation will reside in an automated system, the majority of the data would be extracted through manual processes. The July 1, 2014 due date for the first report is going to be very difficult to meet in any meaningful fashion.

#### **Revenues:**

The revenue impact of this bill is indeterminate. This bill would repeal several tax credit programs beginning on 12/31/2016 through 12/31/2020. In FY 2013, taxpayers claimed \$7.2 million in education tax credits, \$0.2 million in Winn Brindle scholarship credits, \$1.8 million in salmon product development tax credits, \$0 in veterans employment tax credits (this is a new program in 2013 for which we have no current data), \$0 in salmon utilization tax credits, \$0.5 million in Community Development Quota tax credits, and there are currently \$32.5 million in film production tax credits issued and outstanding with an additional \$60 million expected to be awarded within the next two fiscal years.

For FY 2015, revenue may be reduced if companies claim more credits due to the impending repeal. For FY 2017 and beyond, there would likely be indeterminate increases in revenue due to the elimination of the credit programs; however some of the credits can be carried forward to offset future tax liabilities.

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB 306 (FIN)

### Analysis Continued

**Revenues (cont.):**

For the film production tax credit, a total of \$300 million was authorized for the program. For any credits pre-approved before the repeal date, those credits could be awarded for up to three years after repeal, and carried forward for an additional six years.

**Expenditures:**

This bill would require the Department of Revenue to analyze each and every indirect expenditure in the state. The Department currently administers 22 tax programs, and would also be required to analyze numerous programs in other state agencies. The initial compilation of this report would be a major undertaking and would require significant resources.

We anticipate needing at least 4 new positions in FY 2015 to undertake the initial analysis required of all indirect expenditures incurred by the Department of Revenue and all other state agencies; two Economist III positions, one Tax Technician III position, and a College Intern IV. The new positions would be hired in FY 2015, to perform the significant research and work that would be needed in advance of the first report (which is required on the first day of FY 2015). Once the initial report is complete, we then anticipate that we will need to retain three positions for the next two years until the Tax Division's new revenue management system is fully implemented; one Economist III, one Tax Technician III, and a College Intern IV. In all future years, DOR believes it can prepare this report with a single Economist III. The costs shown include the payroll and benefits for the new positions, the interagency costs associated with these positions, the travel costs for these positions, and the computer and office supply costs. We anticipate the Economists IIIs and College Intern positions would be in Juneau and the Tax Technician position would be in Anchorage.

Although this legislation would repeal the film production tax credit program, because credits pre-approved before the repeal date would be allowed to be awarded up to three years after repeal, and carried forward for an additional six years, the film program and staffing would need to be maintained throughout the time horizon of this fiscal note. The repeal of the other tax credit programs would not result in a decrease in program costs to the department.

**Regulations:**

Regulations adopted by the department for the repealed tax credit programs would be repealed at various times following the expiration of time limits for claiming or carrying forward the relevant credits (i.e. in 2016 and beyond).

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HB 306  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB 306 - Leg.Finance  
Title: EVAL. INDIRECT EXPENDITURES; TAX  
CREDITS  
Sponsor: THOMPSON  
Requester: House Finance

Department: Alaska Legislature  
Appropriation: Budget and Audit Committee  
Allocation: Legislative Finance  
OMB Component Number: 774

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services	25.0			25.0			25.0	
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>25.0</b>	<b>0.0</b>	<b>0.0</b>	<b>25.0</b>	<b>0.0</b>	<b>25.0</b>	<b>25.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

1004 Gen Fund	25.0			25.0			25.0	
<b>Total</b>	<b>25.0</b>	<b>0.0</b>	<b>0.0</b>	<b>25.0</b>	<b>0.0</b>	<b>25.0</b>	<b>25.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>								
---------------------------	--	--	--	--	--	--	--	--

**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

initial version

Prepared By:	<u>David Teal</u>	Phone:	<u>(907)465-3002</u>
Division:	<u>Legislative Finance Division</u>	Date:	<u>02/22/2014 12:00 PM</u>
Approved By:	<u>David Teal</u>	Date:	<u>02/22/14</u>
Agency:	<u>Legislative Finance Division</u>		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. HB 306

**Analysis**

This bill :

- 1) requires the Department of Revenue to report indirect expenditures as they relate to the duties of state agencies ;
- 2) requires the Legislative Finance Division to analyze certain indirect expenditures ;
- 3) relates to lapse dates for appropriations for capital projects;
- 4) repeals certain statutes authorizing indirect expenditures; and
- 5) provides for an effective date.

Every year, the Legislative Finance Division shall analyze the indirect expenditure report provided by the Department of Revenue and deliver a report to the co- chairs of the finance committees in each house of the legislature. The report will be due no later than the first legislative day of each first regular session beginning with 2015.

The first review shall occur in the calendar year set out after each agency's name as follows, and subsequent reviews of each agency shall occur every six years:

- (1) Department of Commerce, Community, and Economic Development, 2015;
- (2) Department of Fish and Game, 2015;
- (3) Department of Health and Social Services, 2015;
- (4) Department of Labor and Workforce Development, 2015;
- (5) Department of Revenue, 2015;
- (6) Alaska Court System, 2017;
- (7) Department of Administration, 2017;
- (8) Department of Education and Early Development, 2017;
- (9) Department of Environmental Conservation, 2017;
- (10) Department of Natural Resources, 2017;
- (11) Department of Transportation and Public Facilities, 2017;
- (12) all remaining agencies, 2019.

The bill limits the period of analysis to approximately two weeks. Because the period of analysis coincides with the period for reviewing the Governor's budget, this fiscal note assumes that analysis will be limited to a brief assessment of the cost of each indirect expenditure versus economic impacts, and that the analyses will require contractual services.

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HB 306  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB306CS(FIN)-DOLWD-AVTEC-03-21-14  
Title: EVAL. INDIRECT EXPENDITURES; TAX CREDITS  
Sponsor: THOMPSON  
Requester: House Finance

Department: Department of Labor and Workforce Development  
Appropriation: Alaska Vocational Technical Center  
Allocation: Alaska Vocational Technical Center  
OMB Component Number: 2686

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>						***	***
---------------------------	--	--	--	--	--	-----	-----

**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Revised to reflect the change in the Education Tax Credit sunset to December 31, 2018

Prepared By:	Paloma Harbour, Director	Phone:	(907)465-5894
Division:	Administrative Services	Date:	03/21/2014 12:30 PM
Approved By:	Dianne Blumer, Commissioner	Date:	03/21/14
Agency:	Office of the Commissioner		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB 306

**Analysis**

AVTEC has generated between \$50,000 to \$150,000 annually the past four years from Education Tax Credit donations that would be repealed as a part of this legislation.

The changes in revenue are uncertain as a result of repealing the tax credits.

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HB 306  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB306CS(FIN)-DCCED-DCRA-03-21-14  
Title: EVAL. INDIRECT EXPENDITURES; TAX CREDITS  
Sponsor: THOMPSON  
Requester: House Finance

Department: Department of Commerce, Community and Economic Development  
Appropriation: Community and Regional Affairs  
Allocation: Community and Regional Affairs  
OMB Component Number: 2879

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
---------------------------	--	--	--	--	--	--	--

**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Not applicable, initial version

Prepared By: <u>Scott Ruby, Director</u>	Phone: (907)269-4569
Division: <u>Community and Regional Affairs</u>	Date: 03/21/2014 08:55 AM
Approved By: <u>Jeanne Mungle, Director</u>	Date: 03/21/14
Agency: <u>Administrative Services</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. HB306

**Analysis**

This bill would require that the division report on indirect expenditures. The division does have indirect expenditures reportable under the bill through the Bulk Fuel Loan Program, and a statutory allowable interest reduction incentive.

The division administers a substantial number of grants that are issued to named recipients. As of July 1, 2014 a total of 2,052 grants with an award amount of \$2.3 billion are under grant agreement.

The department currently substantially implements the intent of Section 5. All of our designated legislative grants are currently written with a term of 5 years. Seven months prior to the lapse of the grants, all grantees are notified of the lapse date and are requested to provide an status update of the project. They are given an opportunity to request an extension if they meet certain conditions, one of which is they have made substantial progress, or have definite plans to complete the project within the next 18 months.

There is no anticipated fiscal impact to the Division of Community and Regional Affairs from this bill.

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HB 306  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB306CS(FIN)-DNR-MLW-3-21-14  
Title: EVAL. INDIRECT EXPENDITURES; TAX CREDITS  
Sponsor: THOMPSON  
Requester: House Finance

Department: Department of Natural Resources  
Appropriation: Land & Water Resources  
Allocation: Mining, Land & Water  
OMB Component Number: 3002

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

**Change in Revenues**

--	--	--	--	--	--	--	--	--

**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

**Why this fiscal note differs from previous version:**

This fiscal note reflects the committee substitute adopted in the House Finance Committee. The CS removes the repeal of the mining exploration incentive credit (AS 27.30.010-27.30.099) and references to AS 38.05. Therefore, we remain status quo.

Prepared By:	Wyn Menefee, Chief of Operations	Phone:	(907)269-8501
Division:	Mining, Land and Water	Date:	03/21/2014 09:00 AM
Approved By:	Joe Balash, Commissioner	Date:	03/21/14
Agency:	Department of Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB306(FIN)

**Analysis**

CSHB306(FIN) directs the Department of Revenue (DOR) to provide reports to the Legislature on the effect of indirect expenditures of several Departments that results in foregone revenue to the state. The bill would require the Department of Natural Resources (DNR) to provide DOR upon request, data necessary to complete this report for DNR indirect expenditures. The Legislative Finance Division would be required to review DNR's indirect expenditures beginning in 2017 with subsequent review every six years.

The bill also clarifies that unexpended balances of capital projects are valid for the life of the project if substantial, ongoing work has begun within five years after the effective date of the appropriation.

DNR does not anticipate needing additional resources to meet the provisions of the bill.

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HB 306  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB306-DEC-FC-02-24-14  
Title: EVAL. INDIRECT EXPENDITURES; TAX CREDITS  
Sponsor: THOMPSON  
Requester: House Finance Committee

Department: Department of Environmental Conservation  
Appropriation: Water  
Allocation: Facility Construction  
OMB Component Number: 637

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>								
---------------------------	--	--	--	--	--	--	--	--

**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

## Why this fiscal note differs from previous version:

Upon further review, this legislation does not affect the Village Safe Water program.

Prepared By:	Tom Cherian, Director	Phone:	(907)465-5256
Division:	Administrative Services Division	Date:	02/28/2014 09:00 AM
Approved By:	Lynn Kent, Deputy Commissioner	Date:	02/28/14
Agency:	Department of Environmental Conservation		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. HB 306

**Analysis**

**Analysis/Assumptions:**

This bill has no financial impact on the Department of Environmental Conservation.

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HB 306  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB306-DCCED-DOI-03-21-14  
Title: EVAL. INDIRECT EXPENDITURES; TAX CREDITS  
Sponsor: THOMPSON  
Requester: House Finance

Department: Department of Commerce, Community and Economic Development  
Appropriation: Insurance Operations  
Allocation: Insurance Operations  
OMB Component Number: 354

**Expenditures/Revenues**

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

(Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services						***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>***</b>	<b>***</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>***</b>	<b>***</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
---------------------------	--	--	--	--	--	--	--

**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2015) cost:** 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

**Why this fiscal note differs from previous version:**

This version reflects a change in effective date to FY18.

Prepared By: Lori Wing-Heier, Division Director  
Division: Division of Insurance  
Approved By: Jeanne Mungle, Director  
Agency: Administrative Services

Phone: (907)269-7900  
Date: 03/21/2014 12:22 PM  
Date: 03/21/14

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. HB 306

**Analysis**

HB306 repeals certain statutes authorizing indirect expenditures, including the education tax credit and the tax credit for gifts to the Alaska Fire Standards Council. The education tax credit (AS 21.96.070) and the tax credit for gifts to the Alaska Fire Standards Council (AS 21.96.075) have generated premium tax credits totaling between \$250,000 to \$450,000 over the past five years.

The fiscal impact of this legislation cannot be accurately determined at this time, as changes in revenue are uncertain as a result of repealing the tax credits.

**CS FOR HOUSE BILL NO. 306(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-EIGHTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): REPRESENTATIVES THOMPSON, Stoltze, Saddler, Millett, Chenault, LeDoux, Hawker, Keller, Tammie Wilson, Isaacson, Reinbold, Austerman**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the review and administration of tax credit programs; requiring the**  
2 **Department of Revenue to report indirect expenditures; relating to the duties of state**  
3 **agencies; requiring the legislative finance division to analyze certain indirect**  
4 **expenditures; relating to lapse dates for appropriations for capital projects; repealing**  
5 **the insurance tax education credit, the income tax education credit, the veteran**  
6 **employment tax credit, the oil or gas producer education credit, the property tax**  
7 **education credit, the mining business education credit, the fisheries business education**  
8 **credit, the fisheries business tax credit for scholarship contributions, the fisheries**  
9 **business salmon product development tax credit, the fisheries business salmon**  
10 **utilization tax credit, the fisheries business landing tax credit for scholarship**  
11 **contributions, the fisheries resource landing tax credit for the fisheries resource**  
12 **harvested under the community development quota, the fisheries resource landing tax**

1 education credit, and the film production tax credit; and providing for an effective  
2 date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 \* Section 1. AS 21.06.110 is amended to read:

5           **Sec. 21.06.110. Director's annual report.** As early in each calendar year as is  
6 reasonably possible, the director shall prepare and deliver an annual report to the  
7 commissioner, who shall notify the legislature that the report is available, showing,  
8 with respect to the preceding calendar year,

9                   (1) a list of the authorized insurers transacting insurance in this state,  
10 with a summary of their financial statement as the director considers appropriate;

11                   (2) the name of each insurer whose certificate of authority was  
12 surrendered, suspended, or revoked during the year and the cause of surrender,  
13 suspension, or revocation;

14                   (3) the name of each insurer authorized to do business in this state  
15 against which delinquency or similar proceedings were instituted and, if against an  
16 insurer domiciled in this state, a concise statement of the facts with respect to each  
17 proceeding and its present status;

18                   (4) a statement in regard to examination of rating organizations,  
19 advisory organizations, joint underwriters, and joint reinsurers as required by  
20 AS 21.39.120;

21                   (5) the receipt and expenses of the division for the year;

22                   (6) recommendations of the director as to amendments or  
23 supplementation of laws affecting insurance or the office of director;

24                   (7) statistical information regarding health insurance, including the  
25 number of individual and group policies sold or terminated in the state; this paragraph  
26 does not authorize the director to require an insurer to release proprietary information;

27                   (8) the annual percentage of health claims paid in the state that meets  
28 the requirements of AS 21.36.495(a) and (d);

29                   (9) the total amount of contributions reported and the total amount of  
30 credit claimed under AS 21.96.075 [AS 21.96.070 AND 21.96.075]; and

1 (10) other pertinent information and matters the director considers  
2 proper.

3 \* **Sec. 2.** AS 21.09.210(j) is amended to read:

4 (j) The provisions of AS 21.96.075 [AS 21.96.070 AND 21.96.075] apply to a  
5 taxpayer who is required to pay a tax due under this section.

6 \* **Sec. 3.** AS 24.20.231 is amended to read:

7 **Sec. 24.20.231. Duties.** The legislative finance division shall

8 (1) analyze the budget and appropriation requests of each department,  
9 institution, bureau, board, commission, or other agency of state government;

10 (2) analyze the revenue requirements of the state;

11 (3) provide the finance committees of the legislature with  
12 comprehensive budget review and fiscal analysis services;

13 (4) cooperate with the office of management and budget in establishing  
14 a comprehensive system for state budgeting and financial management as set out in  
15 AS 37.07 (Executive Budget Act);

16 (5) complete studies and prepare reports, memoranda, or other  
17 materials as directed by the Legislative Budget and Audit Committee;

18 (6) with the governor's permission, designate the legislative fiscal  
19 analyst to serve ex officio on the governor's budget review committee; [AND]

20 (7) identify the actual reduction in state expenditures in the first fiscal  
21 year following a review under AS 44.66.040 resulting from that review and inform the  
22 Legislative Budget and Audit Committee of the amount of the reduction; and

23 (8) not later than the first legislative day of each first regular  
24 session of each legislature, conduct a review in accordance with AS 24.20.235 of  
25 the report provided to the division under AS 43.05.095.

26 \* **Sec. 4.** AS 24.20 is amended by adding a new section to read:

27 **Sec. 24.20.235. Indirect expenditure report.** (a) Every two years, the  
28 legislative finance division shall deliver to the chair of the finance committee in each  
29 house of the legislature a report analyzing the indirect expenditure report created  
30 under AS 43.05.095 for the appropriate agencies listed in this subsection. The first  
31 review shall occur in the calendar year set out after each agency's name, as follows,

1 and subsequent reviews of each agency shall occur every six years:

2 (1) Department of Commerce, Community, and Economic  
3 Development, 2015;

4 (2) Department of Fish and Game, 2015;

5 (3) Department of Health and Social Services, 2015;

6 (4) Department of Labor and Workforce Development, 2015;

7 (5) Department of Revenue, 2015;

8 (6) Alaska Court System, 2017;

9 (7) Department of Administration, 2017;

10 (8) Department of Education and Early Development, 2017;

11 (9) Department of Environmental Conservation, 2017;

12 (10) Department of Natural Resources, 2017;

13 (11) Department of Transportation and Public Facilities, 2017;

14 (12) all remaining agencies, 2019.

15 (b) The report prepared under this section must provide

16 (1) an estimate of the revenue foregone by the state because of the  
17 indirect expenditure;

18 (2) an estimate of the monetary benefit of the indirect expenditure to  
19 the recipients of the benefit of the indirect expenditure;

20 (3) a determination of whether the legislative intent of the indirect  
21 expenditure is being met and, if necessary, a determination of why the legislative  
22 intent of the indirect expenditure is not being met;

23 (4) a recommendation as to whether each indirect expenditure should  
24 be continued, modified, or terminated, a basis for the recommendation, and the  
25 expected effect on the economy of the state if the recommendation is executed; and

26 (5) an explanation of the methodology and assumptions used in  
27 preparing the report.

28 \* **Sec. 5.** AS 37.05.316 is amended by adding a new subsection to read:

29 (c) An appropriation or allocation for a grant to a named recipient that is not a  
30 municipality lapses if substantial, ongoing work on the project has not begun within  
31 five years after the effective date of the appropriation or allocation.

1 \* **Sec. 6.** AS 37.25.020 is amended to read:

2 **Sec. 37.25.020. Unexpended balances of appropriation for capital projects.**

3 An appropriation made for a capital project is valid for the life of the project and the  
4 unexpended balance shall be carried forward to subsequent fiscal years **if substantial,**  
5 **ongoing work on the project has begun within five years after the effective date of**  
6 **the appropriation.** Between July 1 and August 31 of each fiscal year, a statement  
7 supporting the amount of the unexpended balance required to complete the projects for  
8 which the initial appropriation was made and the amount that may be lapsed shall be  
9 recorded with the Department of Administration.

10 \* **Sec. 7.** AS 43.05 is amended by adding a new section to read:

11 **Sec. 43.05.095. Indirect expenditure report.** (a) The commissioner shall, not  
12 later than July 1 before the first regular session of each legislature, submit a report to  
13 the chair of the finance committee of each house of the legislature and to the  
14 legislative finance division that states, for each indirect expenditure made by the state,

15 (1) the name of the indirect expenditure;

16 (2) a brief description of the indirect expenditure;

17 (3) the statutory authority for the indirect expenditure;

18 (4) the date the statute authorizing the indirect expenditure is to be  
19 repealed, if applicable;

20 (5) the intent of the legislature in enacting the statute authorizing the  
21 indirect expenditure;

22 (6) the public purpose served by the indirect expenditure;

23 (7) the estimated annual effect on revenue of the indirect expenditure  
24 for the previous five fiscal years, excluding the fiscal year immediately preceding the  
25 date the report is due;

26 (8) the estimated cost to administer the indirect expenditure, if  
27 applicable;

28 (9) the number of beneficiaries of the indirect expenditure.

29 (b) For purposes of (a) of this section, federal tax credits adopted under  
30 AS 43.20.021 shall be reported in the aggregate.

31 (c) A department, agency, or public corporation of the state shall, upon the

1 request of the commissioner, provide the records, reports, data analysis, or other  
 2 information necessary for the commissioner to complete the report required by this  
 3 section. The commissioner may enter into a confidentiality agreement if necessary to  
 4 obtain information or a record required to prepare the report under this section.

5 (d) In this section, "indirect expenditure" means an express provision of state  
 6 law that results in foregone revenue for the state by providing

7 (1) a tax credit or other credit;

8 (2) an exemption, but does not include federal tax exemptions adopted  
 9 by reference in AS 43.20.021;

10 (3) a discount;

11 (4) a deduction, but does not include a deduction incurred in the  
 12 ordinary course of business used in the calculation of net income for a tax or a royalty  
 13 levied under AS 38 or this title;

14 (5) a differential allowance.

15 \* **Sec. 8.** AS 43.75.035(e) is amended to read:

16 (e) Qualified investment costs upon which a tax credit is claimed under this  
 17 section may not be considered for another tax credit in this title. A tax credit applied  
 18 under this section [TOGETHER WITH A TAX CREDIT APPLIED UNDER  
 19 AS 43.75.036] may not exceed 50 percent of the taxpayer's tax liability incurred for  
 20 the processing of salmon during the tax year.

21 \* **Sec. 9.** AS 43.75.035(h) is amended to read:

22 (h) The amount of a tax credit recaptured under (g)(1) - (3) of this section may  
 23 not be included in the determination of the amount of that tax credit that is allowable  
 24 under this section [OR AS 43.75.036].

25 \* **Sec. 10.** AS 43.75.130(f) is amended to read:

26 (f) For purposes of this section, tax revenue collected under AS 43.75.015  
 27 from a person entitled to a credit under AS 43.75.035 [, 43.75.036, OR AS 43.98.030]  
 28 shall be calculated as if the person's tax were collected without applying the credit; tax  
 29 revenue collected does not include the amount of a tax credit recaptured under  
 30 AS 43.75.035(g) [OR 43.75.036(g)].

31 \* **Sec. 11.** AS 43.77.050(b) is amended to read:

1 (b) The tax collected under this chapter shall be paid into a separate account in  
 2 the general fund. The annual balance in the account may be appropriated by the  
 3 legislature for revenue sharing under AS 43.77.060. [THE AMOUNT OF ALL TAX  
 4 CREDITS APPROVED BY THE COMMISSIONER UNDER AS 43.77.040(b)  
 5 SHALL BE DEDUCTED FROM AMOUNTS PAID TO MUNICIPALITIES UNDER  
 6 AS 43.77.060(a) - (c).]

7 \* **Sec. 12.** AS 43.77.060(e) is amended to read:

8 (e) For purposes of this section, tax revenue collected under AS 43.77.010  
 9 from a person entitled to a credit under AS 43.77.045 [AS 43.77.035, 43.77.045, OR  
 10 AS 43.98.030] shall be calculated as if the person's tax had been collected without  
 11 applying the credits.

12 \* **Sec. 13.** AS 24.20.271(12); AS 43.20.048; AS 43.75.032, 43.75.036, 43.75.130(b);  
 13 AS 43.77.035; AS 43.98.030; AS 44.25.100, 44.25.105, 44.25.110, 44.25.115, 44.25.120,  
 14 44.25.125, 44.25.130, 44.25.135, 44.25.140, 44.25.145, 44.25.150, 44.25.190; and  
 15 AS 44.33.231(c) are repealed.

16 \* **Sec. 14.** AS 21.66.110(b); AS 21.96.070, 21.96.075(c)(2); AS 43.05.010(15);  
 17 AS 43.20.014; AS 43.55.019; AS 43.56.018; AS 43.65.018; AS 43.75.018, 43.75.130(g);  
 18 AS 43.77.045, and 43.77.060(e) are repealed.

19 \* **Sec. 15.** AS 43.75.035 and 43.75.130(f) are repealed.

20 \* **Sec. 16.** AS 43.77.040 is repealed.

21 \* **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to  
 22 read:

23 TRANSITION. A taxpayer that accrues a credit authorized by a statute repealed by  
 24 secs. 13 - 16 of this Act before the effective date of the repeal of the credit under this Act, but  
 25 whose tax year ends on or after the effective date of the repeal of the credit under this Act,  
 26 may take the tax credit in the tax year the taxpayer accrues the credit, or, if the credit may be  
 27 carried forward, the credit may be carried forward in accordance with the statute under which  
 28 it was accrued.

29 \* **Sec. 18.** CONTINGENCY. The repeal made in sec. 15 of this Act is contingent on  
 30 passage by the Twenty-Eighth Alaska State Legislature in the Second Regular Session and  
 31 enactment into law of a bill extending the repeal of AS 43.75.035.

- 1     \* **Sec. 19.** Sections 8 - 10, 12, and 13 of this Act take effect December 31, 2016.
- 2     \* **Sec. 20.** Sections 1, 2, and 14 of this Act take effect December 31, 2018.
- 3     \* **Sec. 21.** If sec. 15 of this Act takes effect under sec. 18 of this Act, it takes effect
- 4     December 31, 2020.
- 5     \* **Sec. 22.** Sections 11 and 16 of this Act take effect December 31, 2020.

*Adopted  
3/21/14*

28-LS1396H  
Nauman  
3/20/14

**CS FOR HOUSE BILL NO. 306(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-EIGHTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): REPRESENTATIVES THOMPSON, Stoltze, Saddler, Millett, Chenault, LeDoux, Hawker, Keller, Tammie Wilson, Isaacson, Reinbold**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the review and administration of tax credit programs; requiring the**  
2 **Department of Revenue to report indirect expenditures; relating to the duties of state**  
3 **agencies; requiring the legislative finance division to analyze certain indirect**  
4 **expenditures; relating to lapse dates for appropriations for capital projects; repealing**  
5 **the insurance tax education credit, the income tax education credit, the veteran**  
6 **employment tax credit, the oil or gas producer education credit, the property tax**  
7 **education credit, the mining business education credit, the fisheries business education**  
8 **credit, the fisheries business tax credit for scholarship contributions, the fisheries**  
9 **business salmon product development tax credit, the fisheries business salmon**  
10 **utilization tax credit, the fisheries business landing tax credit for scholarship**  
11 **contributions, the fisheries resource landing tax credit for the fisheries resource**  
12 **harvested under the community development quota, the fisheries resource landing tax**

1 education credit, and the film production tax credit; and providing for an effective  
2 date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* **Section 1.** AS 21.06.110 is amended to read:

5 **Sec. 21.06.110. Director's annual report.** As early in each calendar year as is  
6 reasonably possible, the director shall prepare and deliver an annual report to the  
7 commissioner, who shall notify the legislature that the report is available, showing,  
8 with respect to the preceding calendar year,

9 (1) a list of the authorized insurers transacting insurance in this state,  
10 with a summary of their financial statement as the director considers appropriate;

11 (2) the name of each insurer whose certificate of authority was  
12 surrendered, suspended, or revoked during the year and the cause of surrender,  
13 suspension, or revocation;

14 (3) the name of each insurer authorized to do business in this state  
15 against which delinquency or similar proceedings were instituted and, if against an  
16 insurer domiciled in this state, a concise statement of the facts with respect to each  
17 proceeding and its present status;

18 (4) a statement in regard to examination of rating organizations,  
19 advisory organizations, joint underwriters, and joint reinsurers as required by  
20 AS 21.39.120;

21 (5) the receipt and expenses of the division for the year;

22 (6) recommendations of the director as to amendments or  
23 supplementation of laws affecting insurance or the office of director;

24 (7) statistical information regarding health insurance, including the  
25 number of individual and group policies sold or terminated in the state; this paragraph  
26 does not authorize the director to require an insurer to release proprietary information;

27 (8) the annual percentage of health claims paid in the state that meets  
28 the requirements of AS 21.36.495(a) and (d);

29 (9) the total amount of contributions reported and the total amount of  
30 credit claimed under AS 21.96.075 [AS 21.96.070 AND 21.96.075]; and

1 (10) other pertinent information and matters the director considers  
2 proper.

3 \* **Sec. 2.** AS 21.09.210(j) is amended to read:

4 (j) The provisions of AS 21.96.075 [AS 21.96.070 AND 21.96.075] apply to a  
5 taxpayer who is required to pay a tax due under this section.

6 \* **Sec. 3.** AS 24.20.231 is amended to read:

7 **Sec. 24.20.231. Duties.** The legislative finance division shall

8 (1) analyze the budget and appropriation requests of each department,  
9 institution, bureau, board, commission, or other agency of state government;

10 (2) analyze the revenue requirements of the state;

11 (3) provide the finance committees of the legislature with  
12 comprehensive budget review and fiscal analysis services;

13 (4) cooperate with the office of management and budget in establishing  
14 a comprehensive system for state budgeting and financial management as set out in  
15 AS 37.07 (Executive Budget Act);

16 (5) complete studies and prepare reports, memoranda, or other  
17 materials as directed by the Legislative Budget and Audit Committee;

18 (6) with the governor's permission, designate the legislative fiscal  
19 analyst to serve ex officio on the governor's budget review committee; [AND]

20 (7) identify the actual reduction in state expenditures in the first fiscal  
21 year following a review under AS 44.66.040 resulting from that review and inform the  
22 Legislative Budget and Audit Committee of the amount of the reduction; **and**

23 **(8) not later than the first legislative day of each first regular**  
24 **session of each legislature, conduct a review in accordance with AS 24.20.235 of**  
25 **the report provided to the division under AS 43.05.095.**

26 \* **Sec. 4.** AS 24.20 is amended by adding a new section to read:

27 **Sec. 24.20.235. Indirect expenditure report.** (a) Every two years, the  
28 legislative finance division shall deliver to the chair of the finance committee in each  
29 house of the legislature a report analyzing the indirect expenditure report created  
30 under AS 43.05.095 for the appropriate agencies listed in this subsection. The first  
31 review shall occur in the calendar year set out after each agency's name, as follows,

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

and subsequent reviews of each agency shall occur every six years:

- (1) Department of Commerce, Community, and Economic Development, 2015;
- (2) Department of Fish and Game, 2015;
- (3) Department of Health and Social Services, 2015;
- (4) Department of Labor and Workforce Development, 2015;
- (5) Department of Revenue, 2015;
- (6) Alaska Court System, 2017;
- (7) Department of Administration, 2017;
- (8) Department of Education and Early Development, 2017;
- (9) Department of Environmental Conservation, 2017;
- (10) Department of Natural Resources, 2017;
- (11) Department of Transportation and Public Facilities, 2017;
- (12) all remaining agencies, 2019.

(b) The report prepared under this section must provide

- (1) an estimate of the revenue foregone by the state because of the indirect expenditure;
- (2) an estimate of the monetary benefit of the indirect expenditure to the recipients of the benefit of the indirect expenditure;
- (3) a determination of whether the legislative intent of the indirect expenditure is being met and, if necessary, a determination of why the legislative intent of the indirect expenditure is not being met;
- (4) a recommendation as to whether each indirect expenditure should be continued, modified, or terminated, a basis for the recommendation, and the expected effect on the economy of the state if the recommendation is executed; and
- (5) an explanation of the methodology and assumptions used in preparing the report.

\* **Sec. 5.** AS 37.05.316 is amended by adding a new subsection to read:

(c) An appropriation or allocation for a grant to a named recipient that is not a municipality lapses if substantial, ongoing work on the project has not begun within five years after the effective date of the appropriation or allocation.

1 \* **Sec. 6.** AS 37.25.020 is amended to read:

2 **Sec. 37.25.020. Unexpended balances of appropriation for capital projects.**

3 An appropriation made for a capital project is valid for the life of the project and the  
4 unexpended balance shall be carried forward to subsequent fiscal years **if substantial,**  
5 **ongoing work on the project has begun within five years after the effective date of**  
6 **the appropriation.** Between July 1 and August 31 of each fiscal year, a statement  
7 supporting the amount of the unexpended balance required to complete the projects for  
8 which the initial appropriation was made and the amount that may be lapsed shall be  
9 recorded with the Department of Administration.

10 \* **Sec. 7.** AS 43.05 is amended by adding a new section to read:

11 **Sec. 43.05.095. Indirect expenditure report.** (a) The commissioner shall, not  
12 later than July 1 before the first regular session of each legislature, submit a report to  
13 the chair of the finance committee of each house of the legislature and to the  
14 legislative finance division that states, for each indirect expenditure made by the state,

15 (1) the name of the indirect expenditure;

16 (2) a brief description of the indirect expenditure;

17 (3) the statutory authority for the indirect expenditure;

18 (4) the date the statute authorizing the indirect expenditure is to be  
19 repealed, if applicable;

20 (5) the intent of the legislature in enacting the statute authorizing the  
21 indirect expenditure;

22 (6) the public purpose served by the indirect expenditure;

23 (7) the estimated annual effect on revenue of the indirect expenditure  
24 for the previous five fiscal years, excluding the fiscal year immediately preceding the  
25 date the report is due;

26 (8) the estimated cost to administer the indirect expenditure, if  
27 applicable;

28 (9) the number of beneficiaries of the indirect expenditure.

29 (b) For purposes of (a) of this section, federal tax credits adopted under  
30 AS 43.20.021 shall be reported in the aggregate.

31 (c) A department, agency, or public corporation of the state shall, upon the

1 request of the commissioner, provide the records, reports, data analysis, or other  
2 information necessary for the commissioner to complete the report required by this  
3 section. The commissioner may enter into a confidentiality agreement if necessary to  
4 obtain information or a record required to prepare the report under this section.

5 (d) In this section, "indirect expenditure" means an express provision of state  
6 law that results in foregone revenue for the state by providing

7 (1) a tax credit or other credit;

8 (2) an exemption, but does not include federal tax exemptions adopted  
9 by reference in AS 43.20.021;

10 (3) a discount;

11 (4) a deduction, but does not include a deduction incurred in the  
12 ordinary course of business used in the calculation of net income for a tax or a royalty  
13 levied under AS 38 or this title;

14 (5) a differential allowance.

15 \* **Sec. 8.** AS 43.75.035(e) is amended to read:

16 (e) Qualified investment costs upon which a tax credit is claimed under this  
17 section may not be considered for another tax credit in this title. A tax credit applied  
18 under this section [TOGETHER WITH A TAX CREDIT APPLIED UNDER  
19 AS 43.75.036] may not exceed 50 percent of the taxpayer's tax liability incurred for  
20 the processing of salmon during the tax year.

21 \* **Sec. 9.** AS 43.75.035(h) is amended to read:

22 (h) The amount of a tax credit recaptured under (g)(1) - (3) of this section may  
23 not be included in the determination of the amount of that tax credit that is allowable  
24 under this section [OR AS 43.75.036].

25 \* **Sec. 10.** AS 43.75.130(f) is amended to read:

26 (f) For purposes of this section, tax revenue collected under AS 43.75.015  
27 from a person entitled to a credit under AS 43.75.035 [, 43.75.036, OR AS 43.98.030]  
28 shall be calculated as if the person's tax were collected without applying the credit; tax  
29 revenue collected does not include the amount of a tax credit recaptured under  
30 AS 43.75.035(g) [OR 43.75.036(g)].

31 \* **Sec. 11.** AS 43.77.050(b) is amended to read:

1 (b) The tax collected under this chapter shall be paid into a separate account in  
2 the general fund. The annual balance in the account may be appropriated by the  
3 legislature for revenue sharing under AS 43.77.060. [THE AMOUNT OF ALL TAX  
4 CREDITS APPROVED BY THE COMMISSIONER UNDER AS 43.77.040(b)  
5 SHALL BE DEDUCTED FROM AMOUNTS PAID TO MUNICIPALITIES UNDER  
6 AS 43.77.060(a) - (c).]

7 \* **Sec. 12.** AS 43.77.060(e) is amended to read:

8 (e) For purposes of this section, tax revenue collected under AS 43.77.010  
9 from a person entitled to a credit under AS 43.77.045 [AS 43.77.035, 43.77.045, OR  
10 AS 43.98.030] shall be calculated as if the person's tax had been collected without  
11 applying the credits.

12 \* **Sec. 13.** AS 24.20.271(12); AS 43.20.048; AS 43.75.032, 43.75.036, 43.75.130(b);  
13 AS 43.77.035; AS 43.98.030; AS 44.25.100, 44.25.105, 44.25.110, 44.25.115, 44.25.120,  
14 44.25.125, 44.25.130, 44.25.135, 44.25.140, 44.25.145, 44.25.150, 44.25.190; and  
15 AS 44.33.231(c) are repealed.

16 \* **Sec. 14.** AS 21.66.110(b); AS 21.96.070, 21.96.075(c)(2); AS 43.05.010(15);  
17 AS 43.20.014; AS 43.55.019; AS 43.56.018; AS 43.65.018; AS 43.75.018, 43.75.130(g);  
18 AS 43.77.045, and 43.77.060(e) are repealed.

19 \* **Sec. 15.** AS 43.75.035 and 43.75.130(f) are repealed.

20 \* **Sec. 16.** AS 43.77.040 is repealed.

21 \* **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to  
22 read:

23 TRANSITION. A taxpayer that accrues a credit authorized by a statute repealed by  
24 secs. 13 - 16 of this Act before the effective date of the repeal of the credit under this Act, but  
25 whose tax year ends on or after the effective date of the repeal of the credit under this Act,  
26 may take the tax credit in the tax year the taxpayer accrues the credit, or, if the credit may be  
27 carried forward, the credit may be carried forward in accordance with the statute under which  
28 it was accrued.

29 \* **Sec. 18. CONTINGENCY.** The repeal made in sec. 15 of this Act is contingent on  
30 passage by the Twenty-Eighth Alaska State Legislature in the Second Regular Session and  
31 enactment into law of a bill extending the repeal of AS 43.75.035.

- 1     \* **Sec. 19.** Sections 8 - 10, 12, and 13 of this Act take effect December 31, 2016.
- 2     \* **Sec. 20.** Sections 1, 2, and 14 of this Act take effect December 31, 2018.
- 3     \* **Sec. 21.** If sec. 15 of this Act takes effect under sec. 18 of this Act, it takes effect
- 4     December 31, 2020.
- 5     \* **Sec. 22.** Sections 11 and 16 of this Act take effect December 31, 2020.

# 2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 3/21/14

Amendment: CSHB 306 (FIN)

MEMBER

Favor

Oppose

REP. WILSON	✓	
REP. COSTELLO	✓	
REP. EDGMON	✓	
REP. GARA		✓
REP. GUTTENBERG		
REP. HOLMES	✓	
REP. MUNOZ	✓	
REP. NEUMAN	✓	
REP. THOMPSON	✓	
REP. AUSTERMAN	✓	
REP. STOLTZE	✓	

YEA 9 NAY 1

*Adopted  
3/12/14*

28-LS1396R  
Nauman  
3/11/14

**CS FOR HOUSE BILL NO. 306(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-EIGHTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): REPRESENTATIVES THOMPSON, Stoltze, Saddler, Millett, Chenault, LeDoux, Hawker, Keller, Tammie Wilson, Isaacson**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the review and administration of tax credit programs; requiring the**  
 2 **Department of Revenue to report indirect expenditures; relating to the duties of state**  
 3 **agencies; requiring the legislative finance division to analyze certain indirect**  
 4 **expenditures; relating to lapse dates for appropriations for capital projects; repealing**  
 5 **the insurance tax education credit, the income tax education credit, the veteran**  
 6 **employment tax credit, the oil or gas producer education credit, the property tax**  
 7 **education credit, the mining business education credit, the fisheries business education**  
 8 **credit, the fisheries business tax credit for scholarship contributions, the fisheries**  
 9 **business salmon product development tax credit, the fisheries business salmon**  
 10 **utilization tax credit, the fisheries business landing tax credit for scholarship**  
 11 **contributions, the fisheries resource landing tax credit for the fisheries resource**  
 12 **harvested under the community development quota, the fisheries resource landing tax**

1 **education credit, the film production tax credit; and providing for an effective date."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **\* Section 1.** AS 21.06.110 is amended to read:

4 **Sec. 21.06.110. Director's annual report.** As early in each calendar year as is  
5 reasonably possible, the director shall prepare and deliver an annual report to the  
6 commissioner, who shall notify the legislature that the report is available, showing,  
7 with respect to the preceding calendar year,

8 (1) a list of the authorized insurers transacting insurance in this state,  
9 with a summary of their financial statement as the director considers appropriate;

10 (2) the name of each insurer whose certificate of authority was  
11 surrendered, suspended, or revoked during the year and the cause of surrender,  
12 suspension, or revocation;

13 (3) the name of each insurer authorized to do business in this state  
14 against which delinquency or similar proceedings were instituted and, if against an  
15 insurer domiciled in this state, a concise statement of the facts with respect to each  
16 proceeding and its present status;

17 (4) a statement in regard to examination of rating organizations,  
18 advisory organizations, joint underwriters, and joint reinsurers as required by  
19 AS 21.39.120;

20 (5) the receipt and expenses of the division for the year;

21 (6) recommendations of the director as to amendments or  
22 supplementation of laws affecting insurance or the office of director;

23 (7) statistical information regarding health insurance, including the  
24 number of individual and group policies sold or terminated in the state; this paragraph  
25 does not authorize the director to require an insurer to release proprietary information;

26 (8) the annual percentage of health claims paid in the state that meets  
27 the requirements of AS 21.36.495(a) and (d);

28 (9) the total amount of contributions reported and the total amount of  
29 credit claimed under AS 21.96.075 [AS 21.96.070 AND 21.96.075]; and

30 (10) other pertinent information and matters the director considers

1 proper.

2 \* **Sec. 2.** AS 21.09.210(j) is amended to read:

3 (j) The provisions of **AS 21.96.075** [AS 21.96.070 AND 21.96.075] apply to a  
4 taxpayer who is required to pay a tax due under this section.

5 \* **Sec. 3.** AS 24.20.231 is amended to read:

6 **Sec. 24.20.231. Duties.** The legislative finance division shall

7 (1) analyze the budget and appropriation requests of each department,  
8 institution, bureau, board, commission, or other agency of state government;

9 (2) analyze the revenue requirements of the state;

10 (3) provide the finance committees of the legislature with  
11 comprehensive budget review and fiscal analysis services;

12 (4) cooperate with the office of management and budget in establishing  
13 a comprehensive system for state budgeting and financial management as set out in  
14 AS 37.07 (Executive Budget Act);

15 (5) complete studies and prepare reports, memoranda, or other  
16 materials as directed by the Legislative Budget and Audit Committee;

17 (6) with the governor's permission, designate the legislative fiscal  
18 analyst to serve ex officio on the governor's budget review committee; [AND]

19 (7) identify the actual reduction in state expenditures in the first fiscal  
20 year following a review under AS 44.66.040 resulting from that review and inform the  
21 Legislative Budget and Audit Committee of the amount of the reduction; **and**

22 **(8) not later than the first legislative day of each first regular**  
23 **session of each legislature, conduct a review in accordance with AS 24.20.235 of**  
24 **the report provided to the division under AS 43.05.095.**

25 \* **Sec. 4.** AS 24.20 is amended by adding a new section to read:

26 **Sec. 24.20.235. Indirect expenditure report.** (a) Every two years, the  
27 legislative finance division shall deliver to the chair of the finance committee in each  
28 house of the legislature a report analyzing the indirect expenditure report created  
29 under AS 43.05.095 for the appropriate agencies listed in this subsection. The first  
30 review shall occur in the calendar year set out after each agency's name, as follows,  
31 and subsequent reviews of each agency shall occur every six years:

1 (1) Department of Commerce, Community, and Economic  
2 Development, 2015;

3 (2) Department of Fish and Game, 2015;

4 (3) Department of Health and Social Services, 2015;

5 (4) Department of Labor and Workforce Development, 2015;

6 (5) Department of Revenue, 2015;

7 (6) Alaska Court System, 2017;

8 (7) Department of Administration, 2017;

9 (8) Department of Education and Early Development, 2017;

10 (9) Department of Environmental Conservation, 2017;

11 (10) Department of Natural Resources, 2017;

12 (11) Department of Transportation and Public Facilities, 2017;

13 (12) all remaining agencies, 2019.

14 (b) The report prepared under this section must provide

15 (1) an estimate of the revenue foregone by the state because of the  
16 indirect expenditure;

17 (2) an estimate of the monetary benefit of the indirect expenditure to  
18 the recipients of the benefit of the indirect expenditure;

19 (3) a determination of whether the legislative intent of the indirect  
20 expenditure is being met and, if necessary, a determination of why the legislative  
21 intent of the indirect expenditure is not being met;

22 (4) a recommendation as to whether each indirect expenditure should  
23 be continued, modified, or terminated, a basis for the recommendation, and the  
24 expected effect on the economy of the state if the recommendation is executed; and

25 (5) an explanation of the methodology and assumptions used in  
26 preparing the report.

27 \* **Sec. 5.** AS 37.05.316 is amended by adding a new subsection to read:

28 (c) An appropriation or allocation for a grant to a named recipient that is not a  
29 municipality lapses if substantial, ongoing work on the project has not begun within  
30 five years after the effective date of the appropriation or allocation.

31 \* **Sec. 6.** AS 37.05.317 is amended by adding a new subsection to read:

1 (c) An appropriation or allocation for a grant to an unincorporated community  
2 lapses if substantial, ongoing work on the project has not begun within five years after  
3 the effective date of the appropriation or allocation.

4 \* **Sec. 7.** AS 37.25.020 is amended to read:

5 **Sec. 37.25.020. Unexpended balances of appropriation for capital projects.**

6 An appropriation made for a capital project is valid for the life of the project and the  
7 unexpended balance shall be carried forward to subsequent fiscal years if substantial,  
8 ongoing work on the project has begun within five years after the effective date of  
9 the appropriation. Between July 1 and August 31 of each fiscal year, a statement  
10 supporting the amount of the unexpended balance required to complete the projects for  
11 which the initial appropriation was made and the amount that may be lapsed shall be  
12 recorded with the Department of Administration.

13 \* **Sec. 8.** AS 43.05 is amended by adding a new section to read:

14 **Sec. 43.05.095. Indirect expenditure report.** (a) The commissioner shall, not  
15 later than July 1 before the first regular session of each legislature, submit a report to  
16 the chair of the finance committee of each house of the legislature and to the  
17 legislative finance division that states, for each indirect expenditure made by the state,

- 18 (1) the name of the indirect expenditure;  
19 (2) a brief description of the indirect expenditure;  
20 (3) the statutory authority for the indirect expenditure;  
21 (4) the date the statute authorizing the indirect expenditure is to be  
22 repealed, if applicable;  
23 (5) the intent of the legislature in enacting the statute authorizing the  
24 indirect expenditure;  
25 (6) the public purpose served by the indirect expenditure;  
26 (7) the estimated annual effect on revenue of the indirect expenditure  
27 for the previous five fiscal years, excluding the fiscal year immediately preceding the  
28 date the report is due;  
29 (8) the estimated cost to administer the indirect expenditure, if  
30 applicable;  
31 (9) the number of beneficiaries of the indirect expenditure.

1 (b) For purposes of (a) of this section, federal tax credits adopted under  
2 AS 43.20.021 shall be reported in the aggregate.

3 (c) A department, agency, or public corporation of the state shall, upon the  
4 request of the commissioner, provide the records, reports, data analysis, or other  
5 information necessary for the commissioner to complete the report required by this  
6 section. The commissioner may enter into a confidentiality agreement if necessary to  
7 obtain information or a record required to prepare the report under this section.

8 (d) In this section, "indirect expenditure" means an express provision of state  
9 law that results in foregone revenue for the state by providing

10 (1) a tax credit or other credit;

11 (2) an exemption, but does not include federal tax exemptions adopted  
12 by reference in AS 43.20.021;

13 (3) a discount;

14 (4) a deduction, but does not include a deduction incurred in the  
15 ordinary course of business used in the calculation of net income for a tax or a royalty  
16 levied under AS 38 or this title;

17 (5) a differential allowance.

18 \* **Sec. 9.** AS 43.77.050(b) is amended to read:

19 (b) The tax collected under this chapter shall be paid into a separate account in  
20 the general fund. The annual balance in the account may be appropriated by the  
21 legislature for revenue sharing under AS 43.77.060. [THE AMOUNT OF ALL TAX  
22 CREDITS APPROVED BY THE COMMISSIONER UNDER AS 43.77.040(b)  
23 SHALL BE DEDUCTED FROM AMOUNTS PAID TO MUNICIPALITIES UNDER  
24 AS 43.77.060(a) - (c).]

25 \* **Sec. 10.** AS 21.66.110(b); AS 21.96.070, 21.96.075(c)(2); AS 24.20.271(12);  
26 AS 43.05.010(15); AS 43.20.014, 43.20.048; AS 43.55.019; AS 43.56.018; AS 43.65.018;  
27 AS 43.75.018, 43.75.032, 43.75.035, 43.75.036, 43.75.130(b), 43.75.130(f), 43.75.130(g);  
28 AS 43.77.035, 43.77.040, 43.77.045; 43.77.060(e); AS 43.98.030; AS 44.25.100, 44.25.105,  
29 44.25.110, 44.25.115, 44.25.120, 44.25.125, 44.25.130, 44.25.135, 44.25.140, 44.25.145,  
30 44.25.150, and 44.25.190 are repealed.

31 \* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2           TRANSITION. A taxpayer that accrues a credit authorized by a statute repealed by  
3 sec. 10 of this Act before the effective date of sec. 10 of this Act, but whose tax year ends on  
4 or after the effective date of sec. 10 of this Act, may take the tax credit in the tax year the  
5 taxpayer accrues the credit, or, if the credit may be carried forward, the credit may be carried  
6 forward in accordance with the statute under which it was accrued.

7       \* **Sec. 12.** Sections 1, 2, 9, and 10 of this Act take effect on the day after the last day of the  
8 Second Regular Session of the Twenty-Ninth Alaska State Legislature.

# ALASKA STATE LEGISLATURE

**Session:**  
State Capitol Building  
Room 500  
Juneau, Alaska 99801-2186  
Phone (907) 465-3004  
Toll Free: (877) 465-3004



**Interim:**  
1292 Sadler Way, Ste. 308  
Fairbanks, Alaska 99701  
Phone: (907) 452-1088  
Toll Free: (877) 465-3004

## REPRESENTATIVE STEVE THOMPSON DISTRICT 3

### MEMORANDUM

Date: Monday, March 17, 2014  
To: Representative Bill Stoltze  
House Finance Co-Chair  
From: Rep. Steve Thompson  
RE: House Bill 306

---

Thank you for the opportunity to respond to certain requests and questions asked on Wednesday, March 12<sup>th</sup>, 2014 regarding HB 306, "Evaluation of Indirect Expenditures; Tax Credits".

#### **CCED Responded to Representative Edgmon's and Representative Guttenberg's question/comments on Unincorporated Communities:**

The legislature appropriates the funds; the Department only administers the disbursement of the funds to the grantee based upon the project title, and amount stated in the appropriation. In the grant agreement, the paragraph that states:

*"In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the Department may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. "*

The legislature may reappropriate the funding made to any grantee be it municipality, named recipient, or unincorporated community. The reappropriation can be at any time of the grant, not just in the last year of the grant. The practice has been that grants are only reappropriated

E-mail Representative\_Steve\_Thompson@akleg.gov

when a grantee requests it, but there have been a few cases where funds were reappropriated either without the grantee being aware, or over the objections of the grantee. The power to appropriate or reappropriate funds lies with the legislature. To facilitate the reappropriation process, the Department sends the notice to grantee's (municipalities, named recipients, and unincorporated communities) offering them the chance to request an extension if substantial ongoing work is occurring, or to make them aware of the timeframe to expend the remainder of the funds. We also prepare a listing of all grants that will be lapsing at the end of the current fiscal year (June 30<sup>th</sup>), and provide this list to legislators at the beginning of the legislative session. The list is updated every two weeks throughout the legislative session.

CCED is current administering approximately 1,600 grants that under AS 37.05.315-.317.

From the most current lapsing grant spreadsheet provided by CCED, there are 102 of these grants that are going to lapse on June 30, 2014 if no further action is taken.

Of these 102 grants:

85 (83.3%) are to Municipalities (AS 37.05.315)

13 (12.7%) are to Named Recipients (AS 37.05.316)

4 (3.9%) are to Unincorporated Communities (AS 37.05.317).

Grantee's have 5 years to expend the funds. DCRA's grant administrator's contact all grantee's throughout the life of the grant reminding them of the grant, and requesting progress reports. The grant administrator increases this contact in the year prior to any funding lapsing. There are a variety of reasons that a grantee may not have fully expended funding. It may have to do with other anticipated funding not materializing as planned, scope changes, cost changes, personnel changes. In determining if a grant extension should be executed, the Department is sympathetic to the grantee. If a grantee can reasonable demonstrate that the project is ongoing or will get built within an additional 12 months, DCRA execute an extension. It is very uncommon for the department to close out a grant over the grantee's objection. The majority of grants are either reappropriated, have small left over amounts of funding that are lapsed because the grantee completed the project, or the grantee agrees the project cannot be completed

Scott Ruby, the Division Director of Community and Regional Affairs provided these responses and will be available to the House Finance Committee to answer additional questions.

# ALASKA STATE LEGISLATURE

**Session:**  
State Capitol Building  
Room 500  
Juneau, Alaska 99801-2186  
Phone (907) 465-3004  
Toll Free: (877) 465-3004



**Interim:**  
1292 Sadler Way, Ste. 308  
Fairbanks, Alaska 99701  
Phone: (907) 452-1088  
Toll Free: (877) 465-3004

## REPRESENTATIVE STEVE THOMPSON DISTRICT 3

### Changes Between HB306 28-LS1396\N & HB306 (FIN) LS-1396\R

- Title** Page 1, lines 1-12, Page 2, line 1 – Title Change to tighten title
- Section 1** – Page 2, lines 3-30, Page 3, line 1 – New section re: conforming language pursuant to repealing insurance tax education credit
- Section 2** – Previous section 1, renumbered
- Section 3** – Previous section 2, renumbered
- Section 4** – Page 3, line 26 - Conforming change to every two years, previously read every year
- Old Sections 7 & 8** - Were removed from the N version, since they were conforming language to the minerals exploration tax credit which has been removed.
- Section 8** –  
Page 5, line 15 - Establishes the date of July 1<sup>st</sup> as the date that Department of Revenue has to submit their report.  
Page 5, lines 27-28 - Excludes the fiscal year immediately preceding the date of the report from the five year fiscal analysis.  
Page 5, lines 29-30 – Adds the words if applicable to the estimated cost to administer the direct expenditure  
Page 6, lines 6-9 – Reworded to clarify what information the Department of Revenue would be required to collect.
- Old Section 10** - Was deleted because it was conforming language related to the mineral exploration tax credit.
- Section 10** - Repealer or sun setting provision. Removed mineral exploration tax credits
- Sections 11 & 12**– Transition language and effective date of the bill now conform to new section numbers.

# ALASKA STATE LEGISLATURE

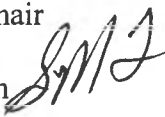
**Session:**  
State Capitol Building  
Room 500  
Juneau, Alaska 99801-2186  
Phone (907) 465-3004  
Toll Free: (877) 465-3004



**Interim:**  
1292 Sadler Way, Ste. 308  
Fairbanks, Alaska 99701  
Phone: (907) 452-1088  
Toll Free: (877) 465-3004

## REPRESENTATIVE STEVE THOMPSON DISTRICT 3

### MEMORANDUM

Date: Tuesday, March 11, 2014  
To: Representative Bill Stoltze  
House Finance Co-Chair  
From: Rep. Steve Thompson   
RE: House Bill 306

---

Thank you for the opportunity to respond to a request asked on Thursday, March 6<sup>th</sup>, 2014 regarding HB 306, "Evaluation of Indirect Expenditures; Tax Credits". The following is a list of credits and statutes that are included in Section 12 of HB 306 (28-LS1396\N):

1) Education Credit

AS 21.66.110(b), AS 21.96.070, AS 21.96.075 (c)(2), AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, AS 43.77.045, AS 43.77.60(e)

2) Film Production Credit

AS 24.20.271 (12), AS 43.75.130(f)(g), AS 43.98.030, AS 43.77.60(e), AS 44.25.100-190

3) Minerals Exploration Incentive Credit

AS 27.30.010-099, AS 43.20.044

4) Veteran Employment Tax Credit

AS 43.20.048

E-mail Representative\_Steve\_Thompson@akleg.gov

5) Scholarship Contributions Credit Known as the "Winn Brindle" Scholarship Tax Credit or Fisheries Business Tax Credit for Scholarship Contributions

**AS 43.75.032, AS 43.75.130(b)(f)(g), AS 43.77.035, AS 43.77.60(e)**

6) Salmon Product Development Credit

**AS 43.75.035 AS 43.75.130(f)(g),**

7) Salmon Utilization Tax Credit

**AS 43.75.036 AS 43.75.130(f)(g)**

8) Community Development Quota Credit

**AS 43.77.040**

# ALASKA STATE LEGISLATURE

**Session:**  
State Capitol Building  
Room 500  
Juneau, Alaska 99801-2186  
Phone (907) 465-3004  
Toll Free: (877) 465-3004



**Interim:**  
1292 Sadler Way, Ste. 308  
Fairbanks, Alaska 99701  
Phone: (907) 452-1088  
Toll Free: (877) 465-3004

## REPRESENTATIVE STEVE THOMPSON DISTRICT 3

### MEMORANDUM

Date: Tuesday, March 11, 2014

To: Representative Bill Stoltze  
House Finance Co-Chair

From: Rep. Steve Thompson 

RE: House Bill 306

---

Thank you for the opportunity to respond to certain requests and questions asked on Thursday, March 6<sup>th</sup>, 2014 regarding HB 306, "Evaluation of Indirect Expenditures; Tax Credits".

Many of the committee members requested a comprehensive list of all of the tax credits in the Department of Revenue. The following list of credits, years enacted, sunset dates and detailed credit explanations came from the Legislative Research Report, Department of Revenue Fall 2013 Resource Book, and Department of Revenue Tax Division 2013 Annual Report.

### List of Credits with Enacted/Amended and Sunset Dates

<u>Credit</u>	<u>Year Enacted</u>	<u>Sunset/Expiration Date</u>
Exploration Incentive Credit	1978	None
Qualified Capital Expenditure & Well Lease Expenditure Credit	2006 Amended 2007	None
Carried-Forward Annual Loss Credit	2006 Amended 2008	None
Small Producer/New Area Dev. Credit	2006	2016

E-mail Representative\_Steve\_Thompson@akleg.gov

Transitional Investment Expenditure Credit	2006 Amended 2008	2013
Alternative Credit for Exploration	2003 Amended 2008	2016
Cook Inlet Jack-Up Rig Credit	2010	2016
Frontier Basin Credit	2012	2016
Federal Tax Credits	1975	None
Gas Exploration and Development Credit	2003 Amended 2010	None
Gas Storage Facility Credit	2011	2015
Veteran Employment Tax Credit	2012	None
LNG Storage Facility Credit	2012	None
Film Production Credit	2008 Amended 2012	2023
Education Credit	1987 Amended 2012	None
Minerals Exploration Incentive Credit	1995	None
Scholarship Contribution Credit	1986	None
Salmon Product Development Credit	2003 Amended 2010	2019
Community Development Quota Credit	1993	None

## **Credits Applicable to the Oil and Gas Production Tax**

### **Alternative Credit for Exploration**

#### **AS 43.55.025(a)(1)-(4)**

The Alternative Credit for Exploration is a transferable credit for expenditures for certain oil and gas exploration activities. Outside of Cook inlet, the credit is 40% for seismic costs outside an existing unit, 30% for drilling costs greater than 25 miles from an existing unit, 30% for pre-approved new targets greater than 3 miles from an existing well, and 40% for pre-approved new targets greater than 3 miles from a well and greater than 25 miles from an existing unit. The 3-mile limit has been dropped for wells in "Frontier Basins," as described under the Frontier Basin Credit below. For Cook Inlet, the credit is 40% for seismic costs outside an existing unit, 30% or drilling costs greater than 10 miles from an existing unit, 30% for pre-approved new targets, and 40% for drilling costs that are greater than 10 miles from an existing unit and pre-approved new targets. The credit expires on July 1, 2016 for the North Slope and Cook Inlet; for areas other than the North Slope and Cook Inlet, the credit expires January 1, 2022.

### **Carried-Forward Annual Loss Credit**

#### **AS 43.55.023(b)**

This credit is a transferable credit for a carried-forward annual loss, defined as a producer or explorer's adjusted lease expenditures that are not deductible in calculating production tax values for the calendar year. The credit is currently 25% of the carried-forward annual loss. Beginning January 1, 2014, the credit for carried-forward annual losses incurred on the North Slope increases to 45% of the loss, and certificates for these credits may be taken in a single year. On January 1, 2016, the credits for losses incurred on the North Slope decreases to 35% of the loss.

**Cook Inlet Jack-Up Rig Credit****AS 43.55.025(a)(5)**

This credit is for exploration expenses for the first three wells drilled by the first jack-up rig brought in to Cook Inlet. It is only for expenses incurred in drilling wells that test pre-tertiary; all three wells must be drilled by unaffiliated parties using the same rig. The credit is 100% of costs for the first well up to \$25 million, 90% of costs for the second well up to \$22.5 million, and 80% of costs for the third well up to \$20 million. If the exploration well is brought into production, the operator repays 50% of the credit over ten years following production start-up.

**Education Credit**

See "Credits Applicable to Multiple Tax Programs."

**Exploration Incentive Credit****AS 38.05.180(i)**

The exploration incentive credit is a non-transferrable credit for the cost of drilling or seismic work performed under a limited time period established by the Commissioner of the Department of Natural Resources. Credit may be granted for up to 50% of the cost of drilling or seismic work, not to exceed 50% of the tax liability to which it is being applied. This credit may also be applied against the State royalty.

**Frontier Basin Credit****AS 43.55.025(a)(6)-(7)**

The Frontier Basin Credit is for expenses for the first four persons to drill exploration wells and the first four persons to conduct seismic projects within an area designated in AS 43.55.025(p), also called the "Frontier Basins." The credit is for the lesser of 80% of qualified exploration drilling expenses or \$25 million; or for seismic projects, credit is for lesser of 75% of qualified seismic exploration expenditures or \$7.5million. It includes expenditures incurred for work performed after June 1, 2012 and before July 1, 2016.

**Per-Taxable-Barrel Credit****AS 43.55.024(j)**

Beginning January 1, 2014, there is a per-taxable-barrel credit for oil production on the North Slope. This credit cannot be transferred, carried forward, or used to reduce the producer's tax liability to less than zero. In areas that qualify for a gross value reduction (GVR), the credit is \$5per taxable barrel. Those areas are defined in AS 43.55.160(f) and (g).For areas that do not qualify fora GVR, the credit is on a \$10increment sliding scale. The sliding scale credit is a dollar-per-taxable barrel credit ranging from zero dollars per barrel at per-barrel gross value at point of production (GVPP) values greater than \$150to \$8 per barrel at per-barrel GVPP values less than \$80. The sliding scale credit may not reduce the producer's tax liability to less than the minimum tax established under AS 43.55.011(f).

**Qualified Capital Expenditure and Well Lease Expenditure Credit****AS 43.55.023(a) and (l)**

This credit is a transferable tax credit for qualified oil and gas capital expenditures in the State. It can be taken in lieu of exploration incentive credits under AS 43.55.025 and gas exploration credits under AS43.20.043. The credit is 20% of eligible expenditures anywhere in the State, or 40% for qualified well lease expenditures for areas other than the North Slope. The qualified capital expenditure credit will no longer be available for North Slope capital expenditures beginning January 1,2014.

### **Small Producer / New Area Development Credit**

#### **AS 43.55.024(a) and (c)**

The Small Producer Credit is a non-transferable credit for oil and gas produced by small producers, defined as having average taxable oil and gas production of less than 100,000 BTU equivalent barrels per day. The credit is available until the later of 2016 or nine years after the first commercial production of oil and gas on the properties for which the credit applies. The small producer credit is capped at \$12 million annually for producers with less than 50,000 BTU equivalent barrels per day. The credits then phases out, reaching to zero for producers with 100,000 or more BTU equivalent barrels per day. The credit may only be used against a tax liability, providing the producer has a positive tax liability before the application of credits. The New Area Development Credit is a credit of up to \$6 million per company annually, for oil or gas produced from leases outside Cook Inlet and south of 68 degrees North latitude, providing the producer has a positive tax liability on that production before the application of credits. The credit is available until the later of 2016 or nine years after the first commercial production of oil and gas on the properties for which the credit applies.

### **Transitional Investment Expenditure Credit**

#### **AS 43.55.023(i)**

The transitional investment expenditure credit is a non-transferable credit for qualified oil and gas capital expenditures incurred between March 31, 2001 and April 1, 2006. It is only available to companies that did not have production in commercial quantities prior to January 1, 2008. The credit may not be used after December 31, 2013. The credit is 20% of qualified oil and gas capital expenditures incurred between March 31, 2001 and April 1, 2006, not to exceed 10% of the capital expenditures incurred between March 31, 2006 and January 1, 2008.

## **Credits Applicable to Corporate Income Tax**

### **Education Credit**

See "Credits Applicable to Multiple Tax Programs."

### **Gas Exploration and Development Credit**

#### **AS 43.20.043**

The Gas Exploration and Development Credit is a nontransferable credit for qualified expenditures for the exploration and development of non-North Slope natural gas reserves. The credit is 25% of qualified expenditures for investment after January 1, 2010; investments in existing units qualify. The credit is capped at 75% of tax liability as calculated before applying other credits.

### **Gas Storage Facility Credit**

#### **AS 43.20.046**

The Gas Storage Facility Credit is a non-transferable credit for the costs incurred to establish a natural gas storage facility. The credit is \$1.50 per thousand cubic feet of "working gas" storage capacity as determined by the Alaska Oil and Gas Conservation Commission. It does not apply to gas storage related to a gas sales pipeline on the North Slope. To qualify, the facility must operate as a public utility regulated by the Regulatory Commission of Alaska with open access for third parties. It is effective for facilities placed into service between January 1, 2011 and December 31, 2015. The maximum credit is the lesser of \$15 million or 25% of costs incurred to establish the facility.

## **Internal Revenue Code Credits Adopted By Reference**

### **AS 43.20.021**

Under Alaska's blanket adoption of the federal Internal Revenue Code, taxpayers can claim all federal incentive credits. Federal credits that refund other federal taxes are not allowed. Multistate taxpayers apportion their total federal incentive credits. In most cases, the credit is limited to 18% of the amount of the credit determined for federal income tax purposes which is attributable to Alaska.

### **LNG Storage Facility Credit**

#### **AS 43.20.047**

The LNG Storage Facility Credit is a non-transferable credit for the costs incurred to establish a storage facility for liquefied natural gas. The credit is lesser of \$15 million or 50% of costs incurred to establish the facility. It applies to facilities with a minimum storage capacity of 25,000 gallons of LNG, and that are public utilities regulated by the Regulatory Commission of Alaska. It is for facilities placed into service after January 1, 2011.

### **Oil and Gas Industry Service Expenditures Credit**

#### **AS 43.20.049**

The Oil and Gas Industry Service Expenditures Credit is a credit of 10% of qualified oil and gas industry service expenditures that are for in-state manufacture or in-state modification of oil and gas tangible personal property with a service life of three years or more. The credit may be applied to corporate income tax liabilities in amounts up to \$10 million per taxpayer per year. The credit is effective for expenditures incurred after January 1, 2014. The credit is not transferable but any amount of the credit that exceeds the taxpayer's liability may be carried forward up to five years.

### **Minerals Exploration Incentive Credit**

See "Credits Applicable to Multiple Tax Programs."

### **Veteran Employment Tax Credit**

#### **AS 43.20.048**

The Veteran Employment Credit is a non-transferable credit for corporate income taxpayers that employ qualified veterans in the State. A "qualified veteran" is a veteran who was unemployed for more than four weeks preceding the employment date and who was discharged or released from military service not more than ten years before employment date (for a disabled veteran) or not more than two years before employment date (for a veteran who is not disabled). The credit is \$3,000 for a disabled veteran or \$2,000 for a veteran who is not disabled for employment for a minimum of 1,560 hours during 12 consecutive months following the veteran's employment date. For seasonal employment, the credit is \$1,000 for a veteran employed for a minimum of 500 hours during three consecutive months following the employment date.

## **Credits Applicable to Fisheries Taxes**

### **Community Development Quota Credit**

#### **AS 43.77.040**

The Community Development Quota Credit is a non-transferable credit for contributions to an Alaska nonprofit corporation that is dedicated to fisheries industry related expenditures. The credit is available only for fishery resources harvested under a community development quota (CDQ). The credit is 100% of contribution amount up to a maximum of 45.45% of tax liability on fishery resources harvested under a CDQ.

**Education Credit**

See "Credits Applicable to Multiple Tax Programs."

**Other Taxes Credit****AS 43.77.030**

The Other Taxes Credit is a nontransferable credit for taxes paid to another jurisdiction on fishery resources landed in Alaska. The credit is 100% of taxes paid with a maximum of 100% of the Alaska tax liability on the fishery resources.

**Salmon Product Development Credit****AS 43.75.035**

The Salmon Product Development Credit is a non-transferable credit for eligible capital expenditures to expand value-added processing of Alaska salmon, including ice-making machines. The credit is 50% of qualified investments up to 50% of tax liability incurred for processing salmon during the tax year. The credit may be carried forward for three years, but the authorizing statute is scheduled to sunset on December 31, 2015.

**Scholarship Contributions Credit****AS 43.75.032, AS 43.77.035**

The Scholarship Contributions Credit is applicable to both the Fisheries Business Tax and the Fishery Resource Landing Tax. It is a non-transferable credit for contributions to the A.W. "Winn" Brindle memorial education loan account. The credit is 100% of the contribution amount, up to a maximum of 5% of tax liability.

## **Credits Applicable to Multiple Tax Programs**

**Education Credit****AS 21.96.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, AS 43.77.045**

The Education Credit is a nontransferable credit applicable to the Corporate Income Tax, Fisheries Business Tax, Fishery Resource Landing Tax, Insurance Premiums Tax, Title Insurance Premiums Tax, Mining License Tax, Oil and Gas Production Tax, and the Oil and Gas Property Tax. It is a nontransferable credit for contributions to vocational educational programs, accredited Alaska universities or colleges for educational purposes or facilities, annual intercollegiate sports tournaments, Alaska Native educational programs, and facilities that qualify under the Coastal American Partnership. The credit is available for up to 50% of annual contributions up to \$100,000, 100% of the next \$200,000, and 50% of annual contributions beyond \$300,000 up to \$10 Million. The credit for any one taxpayer cannot exceed \$5,000,000 annually across all eligible tax types. The credit at these rates is effective from January 1, 2011 until December 31, 2020, at which point the maximum credit for any taxpayer is \$150,000 per year.

**Film Production Credit****AS 43.98.030, under AS 21.09.210, AS 21.66.110, AS 43.20, AS 43.55, AS 43.56, AS 43.65, AS 43.75, AS 43.77**

The Film Production Credit is a transferable credit for expenditures on eligible film production activities in Alaska. Effective July 1, 2013: 1) a producer must spend at least \$75,000 in qualified expenditures over a consecutive 24-month period to qualify, 2) the credit is 30% of eligible film production expenditures, plus an additional 20% credit for wages paid to Alaska residents, plus

an additional 6% credit for filming in a rural area, plus an additional 2% credit for filming between October 1 and March 30,3) the credits must be used within six years, 4) the tax credit applies to multiple tax programs in addition to corporate income tax. The program is capped at a \$300 million maximum budget for all projects and expires on July 1, 2023.

### **Minerals Exploration Incentive Credit**

**AS 27.30.030, AS 43.20.044**

The Minerals Exploration Incentive Credit is applicable to the Corporate Income Tax, Mining License Tax, and Mineral Production Royalty. It is a non-transferable credit for eligible costs of mineral or coal exploration activities and must be used within fifteen years. The credit is 100% of allowable exploration costs with a maximum of \$20 million. For mining license tax (MLT), the credit is limited to the lesser of 50% of the MLT liability at the mining operation at which the exploration occurred or 50% of total MLT liability. For the corporate income tax, it is limited to the lesser of 50% of the MLT liability at the mining operation at which the exploration occurred or 50% of total CIT liability. For mineral royalty, the credit is limited to 50% of royalty liability from the mining operation at which the exploration activity occurred.

## **Responses to Specific Questions**

### ***CCED responded to Rep. Newman's question regarding encumbered funds allocated to departments for specific education and school funding.***

Funding for schools goes almost exclusively through the Dept. of Education and is not appropriated under AS 37.05.316-.317. Likewise grants for; water and sewer projects appropriated to ADEC/ Village Safe Water, roads, airports, and harbors through DOT&PF, or projects through the Alaska Energy Program are all appropriated under different statutory authorities and the provisions in this bill would not apply.

### ***Legislative Legal responded to Rep Wilson's question regarding the difference (if any) to a Repealer or Sunset provision.***

In legal terms there is no difference between a "Repealer" and a "Sunset" provision. The effect is still accomplished on a specified date.

### ***CCED responded to concerns about the administration of lapsing grants to unincorporated communities and named recipients and substantial work.***

Currently, AS 37.05.318 prohibits the Department from enacting regulations with regard to the administration of grants appropriated under 37.05.315 - .317, so there is no regulatory definition of this term. The Department however, does have an obligation to prudently manage these public funds.

In order to meet the intent of this statute, approximately seven months prior to the lapsing date of a legislative grant, grant administrators send a notice to all grantee's with a grant balance, notifying them of the upcoming funding lapse date. A copy of one of these notices and the response from the grantee is attached. In order for a grant to be extended, a grantee must meet the following 4 requirements:

1. A grant must have a balance of \$1,000 or more.
2. The grantee must file a written request.
3. The grantee must be current on progress and financial reporting.

4. Financial and Progress Reports must reflect that substantial progress towards project completion has been made on the project. If a grantee cannot demonstrate substantial ongoing progress, they must provide a written explanation for the delays and written assurance that the project can be successfully completed within one year.

The Department feels that item number 4 addresses the statutory requirement of determining substantial, ongoing work. While not a statutory requirement, to be consistent with all designated legislative grants, the Department currently use this same process for grants issued under the authority of AS 37.05.316 (Named Recipients) and .317 (Unincorporated Communities).

The following is an example of the current process.



THE STATE  
of ALASKA  
GOVERNOR SEAN PARNELL

Department of Commerce, Community,  
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

550 West Seventh Avenue, Suite 1640  
Anchorage, Alaska 99501  
Main: 907.269.4252  
TDD: 907.465.5437  
Fax: 907.269.4066

January 9, 2014

Derek Martin, City Manager  
City of Kotzebue  
PO Box 46  
Kotzebue, Alaska 99752

**Re: Important Information Regarding Grants due to lapse on June 30, 2014**

Dear Derek:

This notice is to inform you that the grant referenced below is due to lapse on June 30, 2014.

Grant #08-DC-465, Regional Recreation Center Construction

Please review the options on the attached form, check the appropriate box and return the completed form to our office no later than **February 14, 2014**. If you are requesting an extension for this grant, you will need to meet the necessary requirements on the attached form and submit supporting documentation.

If you have any questions please call me at (907)269-4252. I will be happy to assist you in the preparation of the required information.

Sincerely,

A handwritten signature in cursive script that reads "Rachel Spicer".

Rachel Spicer  
Grant Administrator II

Enclosures

## DESIGNATED LEGISLATIVE LAPSING GRANT CONFIRMATION

Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs

Grantee: City of Kotzebue	Grant #: 08-DC-465
Project Title: Regional Recreation Center Construction	Lapse Date: 06/30/2014
Amount of Award: \$250,000.00	Balance as of (01/9/2014): \$250,000.00

Please check one of the following boxes, sign and return this form to the address below no later than **February 14, 2014**.

- An extension of this grant is requested. Extensions are contingent upon approval and grants will not be extended past June 30, 2014, unless the following conditions are met:
1. A grant must have a balance of \$1,000.00 or more in order to be considered for an extension;
  2. A written request to extend the grant must be submitted to this office;
  3. Financial and Progress Reporting for the grant must be current; and
  4. Financial and Progress Reports must reflect that substantial progress toward project completion has been made on the project. If you cannot demonstrate substantial ongoing progress, you must provide a written explanation for the delays and written assurance that the project can be successfully completed by June 30, 2015, in order for the Department to consider a one year extension.
- The balance of funds will be spent prior to June 30, 2014, and it is understood that a final financial progress report is due to DCRA no later than July 15, 2014.
- This project is complete and it is understood that any unexpended funds on June 30, 2014, will lapse into the general fund.
- This grantee will be seeking a re-appropriation or a language amendment directly from the Legislature. It is understood that these changes are contingent upon legislative approval and funds may not be spent towards the new purpose until legislation passes and notification is received from DCRA. Financial reporting requirements and grant agreement conditions remain in effect for the current project while pending reappropriation or language amendment.

\_\_\_\_\_  
Signature of Authorized Chief Administrator

\_\_\_\_\_  
Date

Derek Martin, City Manager  
Printed Name and Title

Confirmations can be faxed to 907.269.4252, attached to an email to: [rachel.spicer@alaska.gov](mailto:rachel.spicer@alaska.gov) or mailed to: DCCED/DCRA, 550 West 7<sup>th</sup> Ave., Suite 1640, Anchorage, Alaska 99501-3510



P.O. Box 46  
Kotzebue, Alaska 99752

City Hall  
(907) 442-3401

Police Dept.  
(907) 442-3351

Fire Dept.  
(907) 442-3404

Public Works  
(907) 442-3401

February 10, 2014

**Rachel Spicer, Grants Administrator  
State of Alaska, DCCED  
DCRA Grants Section  
550 West 7<sup>th</sup> Avenue, Suite 1640  
Anchorage, Alaska 99501**

**RE: 08-DC-465: Regional Recreation Center Construction -Grant Extension Request**

Dear Ms. Spicer:

The City of Kotzebue is requesting a 6 month extension beyond the June 30, 2014 deadline to December 31, 2014. As you know, the City of Kotzebue, through its contractor Drake Construction Inc. (DCI) was able to place 40,000 cubic yards of Swan Lake fill at the project site. Site levelling, which included the placement of geotextile fabric & classified fill, took place at the end of the construction season. Unfortunately, the winter weather prevented the final grading of the five acre site, seeding of the ball field, installation of the security fencing, and installation of the site amenities such as the bleachers and ball field fencing. Some of these items will arrive on the July 2014 marine transportation service.

Therefore, the City of Kotzebue respectfully request that you extend this grant to December 31, 2014, as indicated in the attached form. Under separate cover, all financial/progress reports should be current.

Thank you for your consideration of this request. For any questions or comments, do not hesitate to contact me at (907) 442-5101.

Sincerely,  
City of Kotzebue

Derek Martin, City Manager

Cc: 484 DCCED Grant file

Enclosure: DCCED Grant Extension Request [1 pg]

## DESIGNATED LEGISLATIVE LAPSING GRANT CONFIRMATION

Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs

Grantee: City of Kotzebue	Grant #: 08-DC-465
Project Title: Regional Recreation Center Construction	Lapse Date: 06/30/2014
Amount of Award: \$250,000.00	Balance as of (01/9/2014): \$250,000.00

Please check one of the following boxes, sign and return this form to the address below no later than **February 14, 2014**.

An extension of this grant is requested. Extensions are contingent upon approval and grants will not be extended past June 30, 2014, unless the following conditions are met:

1. A grant must have a balance of \$1,000.00 or more in order to be considered for an extension;
2. A written request to extend the grant must be submitted to this office;
3. Financial and Progress Reporting for the grant must be current; and
4. Financial and Progress Reports must reflect that substantial progress toward project completion has been made on the project. If you cannot demonstrate substantial ongoing progress, you must provide a written explanation for the delays and written assurance that the project can be successfully completed by June 30, 2015, in order for the Department to consider a one year extension.

The balance of funds will be spent prior to June 30, 2014, and it is understood that a final financial progress report is due to DCRA no later than July 15, 2014.

This project is complete and it is understood that any unexpended funds on June 30, 2014, will lapse into the general fund.

This grantee will be seeking a re-appropriation or a language amendment directly from the Legislature. It is understood that these changes are contingent upon legislative approval and funds may not be spent towards the new purpose until legislation passes and notification is received from DCRA. Financial reporting requirements and grant agreement conditions remain in effect for the current project while pending reappropriation or language amendment.

  
Signature of Authorized Chief Administrator

01/31/14  
Date

Derek Martin, City Manager  
Printed Name and Title

Confirmations can be faxed to 907.269.4252, attached to an email to: [rachel.spicer@alaska.gov](mailto:rachel.spicer@alaska.gov) or mailed to: DCCED/DCRA, 550 West 7<sup>th</sup> Ave., Suite 1640, Anchorage, Alaska 99501-3510

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HB 306  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB306-DOR-TAX-02-24-14  
Title: EVAL. INDIRECT EXPENDITURES; TAX CREDITS  
Sponsor: THOMPSON  
Requester: (H) Finance

Department: Department of Revenue  
Appropriation: Taxation and Treasury  
Allocation: Tax Division  
OMB Component Number: 2476

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services	919.0		459.5	459.5	459.5	459.5	459.5
Travel	40.0		20.0	20.0	20.0	20.0	20.0
Services	43.4		21.7	21.7	21.7	21.7	21.7
Commodities	4.0		2.0	2.0	2.0	2.0	2.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>1,006.4</b>	<b>0.0</b>	<b>503.2</b>	<b>503.2</b>	<b>503.2</b>	<b>503.2</b>	<b>503.2</b>

**Fund Source (Operating Only)**

1004 Gen Fund	1,006.4		503.2	503.2	503.2	503.2	503.2
<b>Total</b>	<b>1,006.4</b>	<b>0.0</b>	<b>503.2</b>	<b>503.2</b>	<b>503.2</b>	<b>503.2</b>	<b>503.2</b>

**Positions**

Full-time	4.0		4.0	4.0	4.0	4.0	4.0
Part-time							
Temporary	6.0		1.0	1.0	1.0	1.0	1.0

<b>Change in Revenues</b>	***		***	***	***	***	***
---------------------------	-----	--	-----	-----	-----	-----	-----

**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? various

**Why this fiscal note differs from previous version:**

Initial version.

Prepared By: Johanna Bales, Deputy Director; Dan Stickel, Assistant Chief Economist  
Division: Tax  
Approved By: Angela M. Rodell, Commissioner  
Agency: Department of Revenue

Phone: (907)269-6620  
Date: 02/24/2014 07:45 PM  
Date: 02/24/14

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. HB 306

### Analysis

**Bill Language:**

This bill would impact the Department of Revenue in two ways: First, it would repeal several existing tax credit programs; and second, it would institute a requirement for a new annual report on indirect expenditures.

This bill repeals several tax credit programs, including the education tax credit, the exploration incentive credit, the veterans employment tax credit, the Winn Brindle scholarship credit, the salmon product development and utilization tax credits, the Community Development Quota tax credit, and the film production tax credit. The effective date for these changes is the day after the last day of the second regular session of the twenty-ninth legislature, meaning the repeals would take effect April 18, 2016. This bill provides transition language whereby any tax credits accrued before April 18, 2016 may be claimed in the year they are accrued or carried forward if allowed under existing provisions in each credit program.

This bill would require the Department to annually publish, by November 1 of each year, a new "Indirect expenditure report" providing detailed analysis of every "indirect expenditure" in the state. Indirect expenditures are broadly defined as any "credit, exemption, deduction, deferral, discount, exclusion, or other differential allowance designed to encourage an activity or benefit the public or a taxpayer and that results in foregone revenue for the state." Among other things, the Department would be required to identify the statutory authority for the expenditure, determine the intent of the legislature in authorizing the expenditure, estimate the annual revenue impact of the expenditure for the past five years, estimate the cost to administer the expenditure, and report the number of beneficiaries of the expenditure. The Indirect expenditure report would require significant new analysis, in particular for the expenditures other than tax credits. The Department would be required to conduct ongoing analysis of every indirect expenditure, and develop methodologies to measure and evaluate effectiveness.

There is no specific effective date for the expenditure reporting provisions within this bill. Therefore, the reporting provisions will take effect within 90 days after the Governor signs the bill into law. As such, the first report would more than likely be due on November 1, 2014. The department recently began implementation of a new revenue management system. The system will not be fully implemented until the summer of 2016. Although some of the data needed to fulfill the reporting requirements of this legislation will reside in an automated system, the majority of the data would be extracted through manual processes. Additionally, the November 1 due date would make it difficult to include all final data from the previous fiscal year, as many reconciliations would not be completed in time to include in the report. A more complete evaluation of the prior fiscal year could be achieved with a later due date for the report; DOR proposes a date of no earlier than December 31.

**Revenues:**

The revenue impact of this bill is indeterminant. This bill would repeal several tax credit programs effective April 18, 2016, including the education tax credit (\$7.2 million in FY 2013), the exploration incentive credit, (\$6.0 million in FY 2013; no new activity anticipated), the veterans employment tax credit (new program in 2013 for which we currently have no data), the Winn Brindle scholarship credit (\$0.2 million in FY 2013), the salmon product development tax credit (\$1.8 million in FY 2013), the salmon utilization tax credit (not currently in effect but still in statute), the Community Development Quota tax credit (\$0.5 million in FY 2013), and the film production tax credit (\$32.5 million issued and outstanding and an additional \$60 million expected to be awarded within the next two fiscal years).

For FY 2015, revenue may be reduced if companies claim more credits due to the impending repeal. For FY 2016, companies claiming more credits through April 17, 2016 may somewhat be offset by the credit expirations on April 18, 2016. For FY 2017 and beyond, there would likely be indeterminant increases in revenue due to the elimination of the credits; however some of the credits can be carried forward into those years.

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. HB 306

Analysis Continued

**Revenues (cont.):**

For the film production tax credit, a total of \$300 million was authorized for the program. For any credits pre-approved before the repeal date, those credits could be awarded for up to three years after repeal, and carried forward for an additional six years. Therefore, we do not see any significant revenue increase by repealing this program as outlined in the bill.

**Expenditures:**

This bill would require the Department of Revenue to analyze each and every indirect expenditure in the state. The Department currently administers 22 tax programs, and would also be required to analyze numerous programs in other state agencies. Compiling this report annually would be a major undertaking and would require significant staff resources.

We anticipate needing at least 10 new positions in FY 2015 to undertake the initial analysis required of all indirect expenditures incurred by DOR and all other state agencies; four Economist III positions, four Tax Technician III positions, and two College Intern IV positions. The new positions would be hired in FY 2015, to perform the significant research and work that would be needed in advance of the first required report. We then anticipate that we will need to retain five positions to implement the ongoing annual reporting requirement: Two Economist III positions, two Tax Technician III positions, and a College Intern IV. The costs shown include the payroll and benefits costs for the new positions, the interagency costs associated with these positions, the travel costs for these positions, and the computer and office supply costs. It is assumed that two of these long-term positions would be in Juneau and three in Anchorage.

Although this legislation would repeal the film production tax credit program, the effective date of the repeal is outside the scope of this fiscal note. For any credits pre-approved before the repeal date, those credits may be awarded for up to three years after repeal, and carried forward for an additional six years. Therefore, the film program and staffing would need to be maintained throughout the time horizon of this fiscal note. When originally established, the department requested and received three additional positions to administer the film program. Although the positions were approved, the department did not receive funding for two of the positions. Therefore, the repeal of the film production tax credit would result in personal service savings of \$147.5 thousand to the department and the three positions requested would be eliminated from the department's budget, beyond the time horizon of this fiscal note.

The repeal of the other tax credit programs would not result in a decrease in program costs to the department.

**Regulations:**

Regulations adopted by the department for the repealed tax credit programs would be repealed at various times following the expiration of time limits for claiming or carrying forward the relevant credits (i.e. in 2016 and beyond).

# ALASKA STATE LEGISLATURE

**Session:**

**State Capitol Building  
Room 500  
Juneau, Alaska 99801-2186  
Phone (907) 465-3004  
Toll Free: (877) 465-3004**



**Interim:**

**1292 Sadler Way, Ste. 308  
Fairbanks, Alaska 99701  
Phone: (907) 452-1088  
Toll Free: (877) 465-3004**

## REPRESENTATIVE STEVE THOMPSON DISTRICT 3

### **"An Act Relating to Tax Credits and Administration of Tax Credit Programs"**

HB 306 is sound fiscal policy. HB 306 provides the legislature with an effective tool to identify and capture potential lost revenue. A Legislative Research report shows that over the past five years, the State has forgone almost half a billion dollars through identified indirect spending across all departments, inclusive of \$20 million in Department of Revenue tax credits not related to oil and gas.

HB 306 will provide a mechanism to help the legislature identify its spending by providing information on indirect expenditures, and capital grants to projects by bringing them back before the legislature for fiscal review.

HB 306 lapses grants to capital projects that have not begun substantial, ongoing work within five years of the effective date of the appropriation or allocation. Thereby, each capital project without action within a five-year period will lapse, if its ongoing existence is not justified for re-appropriation.

Secondly, HB 306 requires that before the start of the first regular session of each new Legislature, the Dept. of Revenue provide to the chairs of the Finance Committees, and the Legislative Finance Division, a report on indirect expenditures. An "indirect expenditure" is defined in HB 306 as a credit, exemption, deduction, deferral, discount, exclusion, or other differential allowance designed to encourage an activity to benefit the public by forgoing revenue to the state, an example being the credits used against corporate taxes.

Then, the Legislative Finance Division will take Department of Revenue's report and analyze the indirect expenditures for each department, as scheduled in the bill, with subsequent reviews every six years. The Legislative Finance will then issue a report to the legislature providing an estimate of forgone revenue due to the indirect expenditure, an estimate of monetary benefits, whether the legislative intent of the statute is being met, a recommendation as to continuance of the indirect expenditure, its economic effect, and an explanation of the methodology used in preparing the report.

Lastly, the bill sunsets specific Department of Revenue Tax Credits, not related to gas or oil by the end of the Second Regular Session of the Twenty-Ninth Legislature. Bringing these credits back before future Legislatures for a review will continue to guarantee the effectiveness of the State's indirect spending.

I urge and thank you for supporting HB 306 and ensuring Alaska continues to live within our means.

E-mail [Representative\\_Steve\\_Thompson@akleg.gov](mailto:Representative_Steve_Thompson@akleg.gov)

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 14, 2014

**SUBJECT:** Sectional of HB 306 (Work Order No. 28-LS1396N)

**TO:** Representative Steve Thompson  
Attn: Brodie Anderson

**FROM:** Emily Nauman *Emily Nauman*  
Legislative Counsel

You have requested a sectional summary of the above-described draft bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 makes an amendment conforming to the repeal of AS 21.96.075 (insurance tax credit for gifts to the Alaska Fire Standards Council).

Section 2 requires the Legislative Finance Division to prepare and deliver to the legislature an indirect expenditure report.

Section 3 sets out a schedule of the departments to be reviewed and the contents of the indirect expenditure report prepared by the Legislative Finance Division.

Section 4 lapses an appropriation or allocation to a named recipient for a project if, five years after appropriation or allocation, the project has not begun.

Section 5 lapses an appropriation or allocation to an unincorporated community for a project if, five years after appropriation or allocation, the project has not begun.

Section 6 amends AS 37.25.020 to state that an appropriation made for a capital project is valid for the life of the project unless work on the project has not begun within five years after the effective date of the appropriation.

Section 7 makes an amendment conforming to the repeal of AS 27.30 (administration of the exploration incentive credit).

Section 8 makes an amendment conforming to the repeal of AS 27.30 (administration of the exploration incentive credit).

Section 9 requires the Department of Revenue to prepare and deliver to the legislature a report of indirect expenditures. The section sets out the contents of the report and directs all departments, agencies, and public corporations to provide the commissioner of the Department of Revenue with any information necessary to complete the indirect expenditures report. The section also defines "indirect expenditures."

Section 10 makes an amendment conforming to the repeal of AS 27.30 (administration of the exploration incentive credit).

Section 11 makes an amendment conforming to the repeal of AS 43.77.040 (credit for the fishery resource harvested under the community development quota).

Section 12 repeals, on the day after the last day of the second regular session of the twenty-ninth legislature, the following credits and statutes related to the administration of credits:

- AS 21.66.110(b) (related to the administration of the insurance tax education credit);
- AS 21.96.070 (insurance tax education credit);
- AS 21.96.075(c)(2) (administration of the education tax credits and the cap on the insurance tax credit for gifts to the Alaska Fire Standards Council);
- AS 24.20.271(12) (administration of the film production tax credit);
- AS 27.30.010 - 27.30.099 (administration of the exploration incentive credit);
- AS 43.20.014 (income tax education credit);
- AS 43.20.044 (exploration incentive credit);
- AS 43.20.048 (veteran employment tax credit);
- AS 43.55.019 (oil or gas producer education credit);
- AS 43.56.018 (property tax education credit);
- AS 43.65.018 (mining business education credit);
- AS 43.75.018 (fisheries business education credit);
- AS 43.75.032 (fisheries business tax credit for scholarship contributions);
- AS 43.75.035 (fisheries business salmon product development tax credit);
- AS 43.75.036 (fisheries business salmon utilization tax credit);
- AS 43.75.130(b) (administration of the fisheries business tax credit for scholarship contributions);
- AS 43.75.130(f) (administration of the fisheries business salmon product development tax credit, fisheries business salmon utilization tax credit, and the film production tax credit);
- AS 43.75.130(g) (administration of the fisheries business salmon product development tax credit, fisheries business salmon utilization tax credit, and the film production tax credit);
- AS 43.77.035 (fisheries resource landing tax credit for scholarship contributions);

Representative Steve Thompson

February 14, 2014

Page 3

- AS 43.77.040 (fisheries resource landing tax credit for the fishery resource harvested under the community development quota);
- AS 43.77.045 (fisheries resource landing tax education credit);
- AS 43.77.060(e) (administration of the fisheries resource landing tax credit for scholarship contributions, fisheries resource landing tax education credit, and the film production tax credit)
- AS 43.98.030 (film production tax credit);
- AS 44.25.100 - 44.25.190 (administration of the film production tax credit).

ELN:ray

14-067.ray

# INDIRECT EXPENDITURES

## PROVISIONS IN ALASKA LAW

---

LEGISLATIVE RESEARCH SERVICES  
ALASKA STATE LEGISLATURE

MAY 2013





# LEGISLATIVE RESEARCH SERVICES

Alaska State Legislature  
Division of Legal and Research Services  
State Capitol, Juneau, AK 99801

(907) 465-3991 phone  
(907) 465-3908 fax  
[research@legis.state.ak.us](mailto:research@legis.state.ak.us)

---

## Research Brief

TO: Representative Steve Thompson  
FROM: Patricia Young, Manager  
DATE: May 31, 2013  
RE: Indirect Expenditures: Provisions in Alaska Law  
*LRS Report 13.355*

---

*You asked for a list of every form of indirect spending within state law or regulation that could be identified. You asked that we include provisions such as tax credits, deductions, modifications, exemptions, and any other programs or provisions that result in forgone revenue to the State. You also asked that the list include the fiscal impact of each provision for the past five years.*

---

The attached report is the first effort at identifying and compiling information on programs or provisions that reduce the amount of revenue that might otherwise be generated. Such compilations in other states—states with relatively more complex tax systems—typically refer to such reports as *tax expenditure reports*. Because many of the provisions in Alaska law that confer such preferential treatment do not relate to the tax system, we refer to this as a report on indirect expenditures.

---

### Indirect Expenditures—Spending by Another Name

---

Provisions that confer preferential treatment come in many forms, including credits, exemptions, deductions, deferrals, exclusions, and deferral allowances. Such provisions are called *expenditures* because of their similarity to direct spending programs. Like direct spending, *expenditures* are used to further public policy goals such as encouraging specified activities or providing some assistance or benefit to persons, businesses, or groups.

Unlike direct spending items, however, expenditures are not itemized and do not go through the scrutiny of the budget process. Unless a sunset date is included, a provision may continue indefinitely. There is typically no requirement that policymakers reconsider whether the public purpose is still relevant or whether the expenditure continues to be a good use of public funds when weighed against other spending.

This report, which reflects the effort of numerous individuals in various agencies, is meant to provide information to facilitate a review of such expenditures. We do not present it as definitive. Rather, it lists and briefly describes as many of the indirect expenditures as could be identified and provides for each, the underlying public purpose, the legal citation, and as much of the fiscal impact as could be isolated and measured within the time frame of this report.

---

### Identifying Criteria

---

We asked agency personnel to evaluate programs and provisions and to include those that

- have an impact on state revenue;
- confer preferential treatment;
- result in forgone revenue;
- are not itemized in the state budget as an expenditure; and
- are subject to state legislative authority.

For each such program or provision identified by the agency, we requested the following details:

- the controlling legal (statutory or regulatory) citation;
- the year the provision went into effect;
- a description of the provision and its purpose;
- detail on the entities or class of individuals who benefit from the provision, including the numbers of beneficiaries;
- the expiration or sunset date, if any; and
- the fiscal impact of the provision for each of the previous five fiscal years.

---

#### Agency Responses

---

Aside from formatting and certain editorial changes, the report contains information as compiled by individuals in the various agencies. Because we requested the most inclusive overview, some provisions that are included may not actually fit our definition of an indirect expenditure; because the time frame for the department personnel to assemble the information was short, some provisions that would fit may have been overlooked. Given more time, and in some cases, additional resources, agencies might better calibrate their responses and might be able to provide additional information on fiscal impacts.

---

#### Measuring Fiscal Impacts

---

Summing the impact or effectiveness of any given provision presents conceptual challenges. As noted by a representative of the Department of Revenue, quantifying provisions, such as deductions, lower tax rates, exemptions, and certain other incentives may be impractical or impossible where details are not captured in an automated, systematic way. Further, affixing a definite cause to an action is problematic, and ascertaining whether or to what extent an action, such as increased exploration, was occasioned by a discrete tax credit rather than changes in the price of the underlying commodity and the economy as a whole may be highly speculative. Ultimately, we believe it important to note, the fiscal impact of an expenditure provision is not necessarily the same as the revenue that would be gained by repeal of the provision.

<b>INDIRECT EXPENDITURES</b>				
<b>Department or Agency</b>	<b>Administration</b>	<b>Administration</b>	<b>Administration</b>	<b>Administration</b>
<b>Division</b>	<b>Motor Vehicles</b>	<b>Motor Vehicles</b>	<b>Motor Vehicles</b>	<b>Motor Vehicles</b>
<b>Program:</b> (Name by which the program is generally known)	Motor vehicle license plates and registration fees for disabled veterans	Motor vehicle license plates and registration fees for disabled persons	Motor vehicle license plates and registration fees for Gold Star Family	Motor vehicle license plates and registration fees for amateur radio users
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Waives registration fees for disabled veterans	Waives registration fees for disabled persons	Waives registration fees for survivors of those killed in the line of duty	Waives registration fees for certain amateur radio users
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 28.10.421 AS 28.10.421 AS 28.10.181	AS 28.10.421 AS 28.10.421 AS 28.10.181	AS 28.10.421 AS 28.10.181 (a)(l)	AS 28.10.421 AS 28.10.181 (i)
<b>Year Enacted</b> (Benefit Provision)	2002	2002	2007	1978
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Determined by Legislature	Determined by Legislature	Determined by Legislature	Determined by Legislature
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Disabled veterans	Disabled persons	Family of those killed in the line of duty	Certain amateur radio users
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Average of 1,604 per year	Average of 3,960 per year	Average of 20 per year	Average of 172 per year
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>	\$132,600	\$369,350	\$1,200	\$17,000
<b>FY2009</b>	\$143,100	\$383,800	\$1,550	\$17,650
<b>FY2010</b>	\$155,550	\$400,150	\$2,000	\$17,550
<b>FY2011</b>	\$174,900	\$409,850	\$2,350	\$17,400
<b>FY2012</b>	\$195,950	\$417,150	\$2,750	\$16,600

INDIRECT EXPENDITURES				
Department or Agency	Administration	Administration	Administration	Administration
Division	Motor Vehicles	Motor Vehicles	Motor Vehicles	Motor Vehicles
<b>Program:</b> (Name by which the program is generally known)	Motor vehicle license plates and registration fees for Purple Heart recipients	Motor vehicle license plates and registration fees for Prisoners of War	Motor vehicle license plates and registration fees for Pearl Harbor survivors	Motor vehicle license plates and registration fees for senior citizens
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Waives registration fees for Purple Heart recipients	Waives registration fees for Prisoners of War	Waives registration fees for Pearl Harbor survivors	Waives registration fees for citizens 65 years or older
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 28.10.421 AS 28.10.181 (q)	AS 28.10.421 AS 28.10.421 AS 28.10.181 (a)(l)	AS 28.10.421 AS 28.10.411 AS 28.10.181 (d)	AS 28.10.411 (f)
<b>Year Enacted</b> (Benefit Provision)	Unknown	1984	1988	1978
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Determined by Legislature	Determined by Legislature	Determined by Legislature	Determined by Legislature
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Purple Heart recipients	Prisoners of War	Pearl Harbor survivors	Persons 65 years or older
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Average of 339 per year	Average of 5 per year	Average of 4 per year	Average of 3,171 per year
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$30,900	\$750	\$500	\$317,100
FY2009	\$32,150	\$500	\$450	\$317,100
FY2010	\$33,450	\$450	\$400	\$317,100
FY2011	\$33,800	\$500	\$350	\$317,100
FY2012	\$39,000	\$350	\$200	\$317,100

INDIRECT EXPENDITURES				
Department or Agency	Administration	Administration	Administration	Administration
Division	Motor Vehicles	Motor Vehicles	Motor Vehicles	Motor Vehicles
<b>Program:</b> (Name by which the program is generally known)	Motor vehicle license plates and registration fees for municipal government and charitable organizations	State Identification Cards for seniors	Motor vehicle license plates and registration fees for State-owned vehicles	\$10 fee waiver for government agencies.
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Discounts vehicle registration fees from \$100 to \$10 for vehicles owned by municipal governments, charitable or non-profit organizations, church/religious organizations, Alaska Native Tribal Village Councils	Waives identification card fees (\$15) for applicants 60 years old or older	Waives registration fees for State-owned vehicles	Fee waiver for government agencies requesting driver and vehicle records from DMV
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 28.10.421 (d) AS 28.10.181 (a) AS 28.10.181 (e)	AS 18.65.310 (g)	AS 28.10.421	AS 28.15.151 (c)
<b>Year Enacted</b> (Benefit Provision)	1978	1973 or 1976	Unknown	1978
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Determined by Legislature	Determined by Legislature	Determined by Legislature	Determined by Legislature
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Vehicles owned by municipality or charitable organizations	Persons 60 years or older	State of Alaska	Government Agencies
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Average of 5,146 per year	Average 9,613 per year	Average 1,111 per year	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund	Unrestricted General Fund	Unknown
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>	\$442,080	\$113,160	\$54,650	
<b>FY2009</b>	\$454,095	\$149,895	\$53,850	
<b>FY2010</b>	\$460,575	\$163,725	\$55,590	
<b>FY2011</b>	\$472,455	\$161,265	\$57,900	
<b>FY2012</b>	\$486,270	\$132,930	\$55,450	

INDIRECT EXPENDITURES		
Department or Agency	Administration	
Division	Motor Vehicles	
<b>Program:</b> (Name by which the program is generally known)	Organ Donor Registry	
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	DMV hosts the application for Life Alaska Donor Services; there is no way to bill them for the service so DMV absorbs the cost in its budget	
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	Unknown	
<b>Year Enacted</b> (Benefit Provision)	2009	
<b>Sunset or Expiration date</b> (If applicable)		
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Unknown	
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Life Alaska Donor Services	
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	1	
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Division of Motor Vehicles Budget	
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009		
FY2010	\$6,913	
FY2011	\$6,552	
FY2012	\$7,547	

INDIRECT EXPENDITURES				
Department or Agency	Alaska Court System	Alaska Court System	Alaska Court System	Alaska Court System
Division	Trial Courts	Trial Courts	Trial Courts	Trial Courts
<b>Program:</b> (Name by which the program is generally known)	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Suspended Court Ordered Fines/Surcharges	Ignition Interlock Device Credit against Fines	Exemption from Payment of Fees due to Determination of Indigency	Defensive Driving Course Completion Credit against Fines
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 12.55.080	AS 12.55.102	Adm.R. 9 & 10	By Court Order
<b>Year Enacted</b> (Benefit Provision)	1962	1989	1980	n/a
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage corrective behavior	Encourage corrective behavior	Allows access to court system for disadvantaged individuals	Encourage corrective behavior
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)				
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)				
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.				
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>	\$7,062,961	\$0	\$81,587	\$104,175
<b>FY2009</b>	\$6,808,338	\$0	\$104,037	\$81,538
<b>FY2010</b>	\$6,845,963	\$0	\$232,370	\$122,727
<b>FY2011</b>	\$6,574,688	\$162,646	\$152,613	\$192,389
<b>FY2012</b>	\$5,859,923	\$439,340	\$157,971	\$181,509

INDIRECT EXPENDITURES				
Department or Agency	Alaska Court System	Alaska Court System	Alaska Court System	Alaska Court System
Division	Trial Courts	Trial Courts	Trial Courts	Trial Courts
<b>Program:</b> (Name by which the program is generally known)	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Community Work Service order in Lieu of Fine or Surcharge	State of Alaska Agencies Exempt from Filing, Copy and Certifying Fees	Headlight Requirements (Correctable)	Taillight Requirements (Correctable)
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 12.55.055	Adm.R. 9(f)(1)	13 AAC 04.020	13 AAC 04.025
<b>Year Enacted</b> (Benefit Provision)	2005	1980	pre-1959	pre-1959
<b>Sunset or Expiration date</b> (if applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage corrective behavior	Reduce the administrative costs of one state agency charging another state agency for services	Encourage corrective action	Encourage corrective action
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)				
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)				
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.				
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$74,575	\$61,085	\$14,970	\$13,070
FY2009	\$51,217	\$81,530	\$18,410	\$15,600
FY2010	\$67,496	\$77,913	\$24,160	\$14,630
FY2011	\$47,922	\$76,571	\$41,570	\$18,600
FY2012	\$44,538	\$72,396	\$60,830	\$24,760

INDIRECT EXPENDITURES				
Department or Agency	Alaska Court System	Alaska Court System	Alaska Court System	Alaska Court System
Division	Trial Courts	Trial Courts	Trial Courts	Trial Courts
<b>Program:</b> (Name by which the program is generally known)	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Reflector Requirements (Correctable)	Stop Light Requirements (Correctable)	Turn Light Requirements (Correctable)	Additional Lighting Requirements (Correctable)
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	13 AAC 04.030	13 AAC 04.030	13 AAC 04.037	13 AAC 04.040
<b>Year Enacted</b> (Benefit Provision)	pre-1959	pre-1959	1979	pre-1959
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage corrective action	Encourage corrective action	Encourage corrective action	Encourage corrective action
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)				
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)				
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.				
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$120	\$3,200	\$400	\$840
FY2009	\$160	\$4,320	\$440	\$1,040
FY2010	\$80	\$5,800	\$640	\$160
FY2011	\$280	\$8,760	\$880	\$80
FY2012	\$440	\$10,200	\$800	\$280

**INDIRECT EXPENDITURES**

Department or Agency	Alaska Court System	Alaska Court System	Alaska Court System	Alaska Court System
Division	Trial Courts	Trial Courts	Trial Courts	Trial Courts
<b>Program:</b> (Name by which the program is generally known)	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Parking Light Requirements (Correctable)	Additional Lights Required For Emergency Vehicle (Correctable)	Restrictions On Lighting Equipment (Correctable)	Brake Requirements (Correctable)
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	13 AAC 04.070	13 AAC 04.090	13 AAC 04.145	13 AAC 04.205
<b>Year Enacted</b> (Benefit Provision)	pre-1959	pre-1959	pre-1959	1979
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage corrective action	Encourage corrective action	Encourage corrective action	Encourage corrective action
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)				
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)				
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.				
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$50	\$0	\$100	\$180
FY2009	\$0	\$0	\$240	\$180
FY2010	\$40	\$40	\$250	\$90
FY2011	\$80	\$0	\$700	\$270
FY2012	\$120	\$0	\$590	\$180

INDIRECT EXPENDITURES				
Department or Agency	Alaska Court System	Alaska Court System	Alaska Court System	Alaska Court System
Division	Trial Courts	Trial Courts	Trial Courts	Trial Courts
<b>Program:</b> (Name by which the program is generally known)	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Horn/Warning Device Requirements (Correctable)	Muffler Requirements (Correctable)	Mirror Requirements (Correctable)	Tinted Windows (Correctable)
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	13 AAC 04.210	13 AAC 04.215	13 AAC 04.220	13 AAC 04.223
<b>Year Enacted</b> (Benefit Provision)	pre-1959	pre-1959	pre-1959	1992
<b>Sunset or Expiration date</b> (if applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage corrective action	Encourage corrective action	Encourage corrective action	Encourage corrective action
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)				
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)				
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.				
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$0	\$1,740	\$1,710	\$37,800
FY2009	\$0	\$1,260	\$2,460	\$55,950
FY2010	\$0	\$2,880	\$1,860	\$52,500
FY2011	\$0	\$2,550	\$2,340	\$92,472
FY2012	\$120	\$2,370	\$2,340	\$72,900

INDIRECT EXPENDITURES				
Department or Agency	Alaska Court System	Alaska Court System	Alaska Court System	Alaska Court System
Division	Trial Courts	Trial Courts	Trial Courts	Trial Courts
<b>Program:</b> (Name by which the program is generally known)	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Windshield and wiper requirements (Correctable)	Steering Assembly / Wheel Align/Body Condition (Correctable)	Tire Restrictions And Requirements (Correctable)	Air-Conditioning Equipment Requirements (Correctable)
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	13 AAC 04.225	13 AAC 04.227	13 AAC 04.230	13 AAC 04.255
<b>Year Enacted</b> (Benefit Provision)	pre-1959	1979	pre-1959	1969
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage corrective action	Encourage corrective action	Encourage corrective action	Encourage corrective action
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)				
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)				
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.				
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$480	\$0	\$200	\$100
FY2009	\$450	\$200	\$200	\$0
FY2010	\$410	\$0	\$50	\$0
FY2011	\$1,460	\$0	\$250	\$0
FY2012	\$2,150	\$400	\$200	\$0

INDIRECT EXPENDITURES				
Department or Agency	Alaska Court System	Alaska Court System	Alaska Court System	Alaska Court System
Division	Trial Courts	Trial Courts	Trial Courts	Trial Courts
<b>Program:</b> (Name by which the program is generally known)	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Emission Control System Requirements (Correctable)	Anti-Spray Device Requirements (Correctable)	Safety Belt Requirements (Correctable)	Energy Absorption System Requirements (Correctable)
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	13 AAC 04.257	13 AAC 04.265	13 AAC 04.270	13 AAC 04.272
<b>Year Enacted</b> (Benefit Provision)	1979	pre-1959	1961	1979
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage corrective action	Encourage corrective action	Encourage corrective action	Encourage corrective action
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)				
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)				
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.				
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>	\$0	\$1,260	\$225	\$1,425
<b>FY2009</b>	\$0	\$440	\$375	\$370
<b>FY2010</b>	\$100	\$700	\$450	\$1,050
<b>FY2011</b>	\$0	\$1,000	\$375	\$1,200
<b>FY2012</b>	\$0	\$1,850	\$225	\$1,875

INDIRECT EXPENDITURES				
Department or Agency	Alaska Court System	Alaska Court System	Alaska Court System	Alaska Court System
Division	Trial Courts	Trial Courts	Trial Courts	Trial Courts
<b>Program:</b> (Name by which the program is generally known)	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Other Equipment Required: Horn/Mirrors/Tires/etc. (Bicycle) (Correctable)	Fail To Provide Child Safety Device 1st Offense (Correctable)	License Carried/ Exhibited On Demand (Correctable)	Proof Of Insurance To Be Carried And Exhibited On Demand (Correctable)
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	13 AAC 04.355	AS 28.05.095	AS 28.15.131	AS 28.22.019
<b>Year Enacted</b> (Benefit Provision)	1979	1984	1978	2002
<b>Sunset or Expiration date</b> (if applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage corrective action	Encourage corrective action	Encourage corrective action	Encourage corrective action
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)				
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)				
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.				
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$0	\$0	\$3,800	\$404,460
FY2009	\$0	\$0	\$2,300	\$1,441,290
FY2010	\$0	\$0	\$2,650	\$2,167,600
FY2011	\$0	\$0	\$5,250	\$2,758,250
FY2012	\$40	\$800	\$9,500	\$2,964,500

INDIRECT EXPENDITURES			
Department or Agency	Alaska Court System	Alaska Court System	
Division	Trial Courts	Trial Courts	
<b>Program:</b> (Name by which the program is generally known)	Fee/Fine/Cost Dismissal or Credit	Fee/Fine/Cost Dismissal or Credit	
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Operating Vehicle w/Studded/Chained Tires When Prohibited (Correctable)	Anti-Spray Devices Required (Correctable)	
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 28.35.155	AS 28.35.253	
<b>Year Enacted</b> (Benefit Provision)	1976	1986	
<b>Sunset or Expiration date</b> (If applicable)			
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage corrective action	Encourage corrective action	
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)			
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)			
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.			
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>			
<b>FY2008</b>	\$2,000	\$2,340	
<b>FY2009</b>	\$6,400	\$1,920	
<b>FY2010</b>	\$8,700	\$2,040	
<b>FY2011</b>	\$19,650	\$3,240	
<b>FY2012</b>	\$18,055	\$2,880	

INDIRECT EXPENDITURES		
Department or Agency	Commerce, Community & Economic Development	Commerce, Community & Economic Development
Division	Banking and Securities	Banking and Securities
<b>Program:</b> (Name by which the program is generally known)	Banking	Securities
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Exempts licensed small loan companies from the requirement of a business license	Allows securities registrants and notice filers to renew for two years for a discount of \$100. (usual fee is \$600 annually, or two years for \$1,100)
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 06.02.030	3 AAC 08.920 (3),(4) and (5)
<b>Year Enacted</b> (Benefit Provision)	1978	1999
<b>Sunset or Expiration date</b> (If applicable)	N/A	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Reduces regulatory burden on small business	Reduces regulatory burden on issuers of securities and work load on the division for renewal processing
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Licensed Small Loan Companies	Securities issuers can extend the registration of the securities from one to two years without additional filing costs or paperwork responsibilities; securities holders may benefit from slightly lower administrative fees charged by the issuers
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	one business	Between 2,773 and 3,504 securities issuers benefit directly per year.
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Receipt Supported Services	Receipt Supported Services
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$50	\$350,400
FY2009	\$50	\$277,300
FY2010	\$50	\$340,200
FY2011	\$50	\$282,100
FY2012	\$50	\$340,400

INDIRECT EXPENDITURES		
Department or Agency	Commerce, Community & Economic Development	Commerce, Community & Economic Development
Division	Community & Regional Affairs	Corporations, Business and Professional Licensing
<b>Program:</b> (Name by which the program is generally known)	Bulk Fuel Loan Program	Business Licensing
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Statutory interest rate for borrowers is 4%; Statutes allow a 1% or 2% interest reduction on subsequent loans for borrowers in good standing	FY08-FY09 business license fee is \$50 a year for a sole proprietor who is 65 years or older any time during the year the license is issued (half the price of a normal one year business license) FY10-FY12 business license fee is \$25 a year for a sole proprietor who is 65 years or older any time during the year the license is issued (half the price of a normal one year business license)
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 42.45.280 3 AAC 161.045	AS 43.70.030 (a)(1-2) 12 AAC 12.010 (a)(1-2)
<b>Year Enacted</b> (Benefit Provision)	2013	2003
<b>Sunset or Expiration date</b> (If applicable)	N/A	none
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Interest reduction is an incentive to remain in good standing in revolving loan program	Unknown
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Entity purchasing loan to generate power or supply the public with fuel for use	Senior citizens
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Currently there are 57 borrowers; this number is expected to vary between 50 and 80 in the future	For FY09-FY12 ranges from 1,300 to 1,700. Average is 1,512. Accurate FY08 data not available. Note: license fees in FY08 & FY09 were double the current amount.
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	The Bulk Fuel loan program is a revolving loan program; program expenses come from the loan fund. The existing interest structure is expected to pay all costs of the program and keep the total loan fund at the current existing level of at least \$23.5 million. This program began on 2013, so there has been no past fiscal impact.	General Fund (per AS 43.70.080)
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$0	unknown
FY2009	\$0	\$75,400
FY2010	\$0	\$32,600
FY2011	\$0	\$42,500
FY2012	\$0	\$38,400

INDIRECT EXPENDITURES		
Department or Agency	Commerce, Community & Economic Development	Commerce, Community & Economic Development
Division	Corporations, Business and Professional Licensing	Corporations, Business and Professional Licensing
<b>Program:</b> (Name by which the program is generally known)	Corporations	Corporations
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Corporation tax on a biennial report for a domestic (Alaskan) corporation is \$100 and for a foreign (non-Alaskan) corporation is \$200	Corporation tax on a biennial report for a domestic (Alaskan) limited liability company is \$100 and for a foreign (non-Alaskan) limited liability company is \$200
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 10.06.845 (a)	3 AAC 16.065
<b>Year Enacted</b> (Benefit Provision)	1988	1995
<b>Sunset or Expiration date</b> (If applicable)	none	none
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Unknown	Unknown
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Domestic business corporations	Domestic limited liability company
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Ranges from 4,446 to 5,116 Average is 4,723	Ranges from 4,398 to 6,520 Average is 5,432
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	General Fund (per AS 10.06.858)	General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$511,600	\$439,800
FY2009	\$444,600	\$460,400
FY2010	\$487,500	\$563,700
FY2011	\$453,500	\$599,900
FY2012	\$464,200	\$652,000

<b>INDIRECT EXPENDITURES</b>		
<b>Department or Agency</b>	<b>Commerce, Community &amp; Economic Development</b>	<b>Commerce, Community &amp; Economic Development</b>
<b>Division</b>	<b>Corporations, Business and Professional Licensing</b>	<b>Corporations, Business and Professional Licensing</b>
<b>Program:</b> (Name by which the program is generally known)	Corporations	Corporations
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Corporation tax on a biennial report for a domestic (Alaskan) limited liability partnership is \$100 and for a foreign (non-Alaskan) limited liability partnership is \$200	Corporation tax on a creation filing for a domestic (Alaskan) corporation is \$100 and for a foreign (non-Alaskan) corporation is \$200
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	3 AAC 16.055(c)	AS 10.06.845(a)
<b>Year Enacted</b> (Benefit Provision)	1997	1988
<b>Sunset or Expiration date</b> (If applicable)	none	none
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Unknown	Unknown
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Domestic limited liability partnership	Domestic business corporations
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Ranges from 5 to 23 Average is 15	Ranges from 549 to 803 Average is 628
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	General Fund	General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$1,600	\$80,300
FY2009	\$600	\$58,500
FY2010	\$2,300	\$60,900
FY2011	\$500	\$59,600
FY2012	\$2,300	\$54,900

INDIRECT EXPENDITURES		
Department or Agency	Commerce, Community & Economic Development	Commerce, Community & Economic Development
Division	Corporations, Business and Professional Licensing	Corporations, Business and Professional Licensing
<b>Program:</b> (Name by which the program is generally known)	Corporations	Corporations
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Corporation tax on a creation for a domestic (Alaskan) limited liability company is \$100 and for a foreign (non-Alaskan) limited liability company is \$200	The corporation tax on a creation filing for a domestic (Alaskan) limited liability partnership is \$100 and for a foreign (non-Alaskan) limited liability partnership is \$200
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	3 AAC 16.065	3 AAC 16.055(c)
<b>Year Enacted</b> (Benefit Provision)	1995	1997
<b>Sunset or Expiration date</b> (If applicable)	none	none
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Unknown	Unknown
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Domestic limited liability company	Domestic limited liability partnership
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Ranges from 2,710 to 3,488 Average is 3,074	Ranges from 4 to 6 Average is 5
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	General Fund	General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$306,500	\$500
FY2009	\$278,800	\$600
FY2010	\$271,000	\$500
FY2011	\$332,200	\$400
FY2012	\$348,800	\$500

INDIRECT EXPENDITURES		
Department or Agency	Commerce, Community & Economic Development	Commerce, Community & Economic Development
Division	Corporations, Business and Professional Licensing	Corporations, Business and Professional Licensing
<b>Program:</b> (Name by which the program is generally known)	Professional Licensing; all programs	Professional Licensing; Big Game Commercial Services Board
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Provides a pro-rated rate for renewal of the license for those who make initial application for a professional license within 90 days of its biennial expiration	The amount of the license fee for a nonresident shall be two times the amount of the license fee for a resident
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	12 AAC 02.030	AS 08.54.770
<b>Year Enacted</b> (Benefit Provision)	1981	1996
<b>Sunset or Expiration date</b> (if applicable)	none	none
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Streamlines licensing paperwork and expense for those who make initial application for a professional license within 90 days of its biennial expiration	Licensing of guides is funded from program receipts. The additional cost assessed against nonresident guides reflects costs nonresidents do not pay for land and resource management, and other costs associated with the process. The two-to-one ratio does not nearly cover land management expenditures by Alaska residents in which nonresidents do not participate. (Senate Finance Committee hearing testimony on HB 335, 1996)
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Any licensee applying for a professional license within 90 days of its natural expiration date	The legislative intent appears to equalize the cost of program-related land management and law enforcement by recouping costs via higher fees for out-of-state residents. Therefore, there may be no actual "benefit" to applicants with Alaska residency.
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	This specific type of application is not separately identified or quantified, so it is unknown	Resident license-holders for this program as of 2/25/13: 628 at license fee \$450 and 578 at license fee \$250. There are currently 64 nonresidents at license fee \$900 and 301 Nonresidents at license fee \$500.
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Receipt Supported Services	Receipt Supported Services
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		n/a
FY2009		n/a
FY2010	Unknown	n/a
FY2011		n/a
FY2012		n/a

INDIRECT EXPENDITURES		
Department or Agency	Commerce, Community & Economic Development	Commerce, Community & Economic Development
Division	Corporations, Business and Professional Licensing	Economic Development
<b>Program:</b> (Name by which the program is generally known)	Professional Licensing; Collection Agencies	Pay on Time Program
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	The application fee and the biennial license fee for a nonresident operator or nonresident agency license are double the same fees established by regulations under AS 08.01.065 for a resident operator or agency	1% interest rate incentive for following year to borrowers that make payment timely
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 08.24.370	3 AAC 80.065 (p)
<b>Year Enacted</b> (Benefit Provision)	1968	8/1/2000
<b>Sunset or Expiration date</b> (If applicable)	none	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Legislative intent is unknown.	Purpose to give borrowers that consistently pay timely an incentive. The program also saves the division money by reducing the number of extensions, soft collections contacts, workouts and other collection activity associated with borrowers that do not pay on time.
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Per AS 08.24.370, Nonresident operator or collection agency license is the same as for residents. The fees for Nonresident licenses are double those established by regulations under AS 08.01.065 for a resident operator or agency. Unknown whether intended to benefit residents or penalize nonresidents.	Commercial fishing harvesters
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Resident license-holders for this program as of 2/25/13: 38 at license fee \$200. There are currently 443 nonresidents at license fee \$400. Branch offices are not counted since the fee is the same regardless of residency.	Approximately 828 based on 5 year average
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Receipt Supported Services	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	n/a	\$263,439
FY2009	n/a	\$212,866
FY2010	n/a	\$241,773
FY2011	n/a	\$305,121
FY2012	n/a	\$363,804

<b>INDIRECT EXPENDITURES</b>		
<b>Department or Agency</b>	<b>Commerce, Community &amp; Economic Development</b>	<b>Commerce, Community &amp; Economic Development</b>
<b>Division</b>	<b>Insurance</b>	<b>Insurance</b>
<b>Program:</b> (Name by which the program is generally known)	Premium Deduction	Deduction of Claims Paid
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Premium deductions from premium written due to cancellations, returned premiums, the unabsorbed premiums refunded to policy holders, refunds, savings, savings coupons and other similar returns to policy holders	Premium tax on hospital and medical service corporations is based on 6% of gross premiums less claims paid
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 21.09.210 (b)	AS 21.09.210 (b)(2)
<b>Year Enacted</b> (Benefit Provision)	1966	1966
<b>Sunset or Expiration date</b> (if applicable)	N/A	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Returning of policy premium when a policy is not in force	Establishment of premium tax on hospital and medical service corporations
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	All admitted insurance companies except for hospital medical service corporations, fraternal benefits societies and title insurance companies	Hospitals and medical service corporations
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	The number of companies ranged from 153 - 168 from 2007 to 2011. The estimated revenue impact is calculated as dividends * tax rate (2.7)	2 companies benefit. The estimated revenue impact is calculated as claims paid * tax rate (6%)
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	General Fund	General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$984,681	\$9,950,570
FY2009	\$938,694	\$11,154,833
FY2010	\$918,288	\$11,211,849
FY2011	\$936,015	\$11,427,532
FY2012	\$901,068	\$11,890,941

INDIRECT EXPENDITURES		
Department or Agency	Commerce, Community & Economic Development	Commerce, Community & Economic Development
Division	Insurance	Insurance
<b>Program:</b> (Name by which the program is generally known)	Wet Marine and Transportation tax	Tax Exempt State Premiums
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Premium tax on insurer of wet marine and transportation contracts. 3/4 of 1% on its gross underwriting profit which is less direct losses paid	Premiums paid by the state for insurance policies and contracts purchased under AS 39.30 are exempt from taxation
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 21.09.210 (d)	AS 21.09.210 (i)
<b>Year Enacted</b> (Benefit Provision)	1966	1966
<b>Sunset or Expiration date</b> (if applicable)	N/A	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Establishment of premium taxes on wet marine and transportation contracts	Reducing the cost of premiums to employees working for the State of Alaska
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Property/Casualty insurer, reciprocal insurer	All admitted insurance companies except for fraternal benefit societies and title insurance companies
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	The number of companies ranged from 22 - 30 from 2007 to 2011. The estimated revenue impact is calculated as direct losses paid * tax rate (.75%)	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	General Fund	General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$91,989	Without reviewing 5,000+ premium tax reports, the cost to the state is not ascertainable
FY2009	\$64,726	
FY2010	\$110,169	
FY2011	\$84,459	
FY2012	\$117,618	

INDIRECT EXPENDITURES		
Department or Agency	Commerce, Community & Economic Development	Commerce, Community & Economic Development
Division	Insurance	Insurance
<b>Program:</b> (Name by which the program is generally known)	Lower Tax Rate	Unauthorized Company Tax
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Lower tax rate on individual life insurance policy premiums over \$100,000. The first \$100,000 taxed at 2.7% and anything over \$100,000 taxed at .1%	Tax exemption for insurance of risks of the state or a political subdivision of this state, or to insurance of aircraft primarily engaged in interstate or foreign commerce
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 21.09.210 (m)	AS 21.33.055 (c)
<b>Year Enacted</b> (Benefit Provision)	1998	1992
<b>Sunset or Expiration date</b> (If applicable)	N/A	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Lower the cost for very large individual life insurance policies	Exempt State of Alaska and entities engaging in aircraft used for interstate or foreign commerce from paying tax
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Life Insurance Companies	Nonadmitted companies - all companies not allowed to do business in Alaska
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	The number of companies ranged from 13 - 16 from 2007 to 2011. The estimated revenue impact is calculated as premiums over \$100,000 per individual policy * tax rate (2.7%)	None
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	General Fund	General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$1,754,644	\$0
FY2009	\$3,279,105	\$0
FY2010	\$2,247,950	\$0
FY2011	\$5,424,128	\$0
FY2012	\$11,525,267	\$0

INDIRECT EXPENDITURES		
Department or Agency	Commerce, Community & Economic Development	Commerce, Community & Economic Development
Division	Insurance	Insurance
<b>Program:</b> (Name by which the program is generally known)	Independently Procured Tax	Surplus Lines Tax
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Tax exemption for insurance of risks of the state or a political subdivision of this state, or to insurance of aircraft primarily engaged in interstate or foreign commerce	Deduction from premiums written for return premium transactions
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 21.33.061 (g)	AS 21.34.180
<b>Year Enacted</b> (Benefit Provision)	1985	1966
<b>Sunset or Expiration date</b> (If applicable)	N/A	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Exempt State of Alaska and entities engaging in aircraft used for interstate or foreign commerce from paying tax	Establishment of premium taxes on surplus lines contracts
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Insureds that procure insurance directly from a nonadmitted company	Insured as taxes are passed on to them
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	None	The number of insured policies averaged 630 per year. The estimated revenue impact is calculated as return premium * tax plus fee rate (3.7%)
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	General Fund	General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$0	\$92,078
FY2009	\$0	\$118,632
FY2010	\$0	\$114,236
FY2011	\$0	\$109,975
FY2012	\$0	\$121,535

INDIRECT EXPENDITURES		
Department or Agency	Commerce, Community & Economic Development	Commerce, Community & Economic Development
Division	Insurance	Insurance
<b>Program:</b> (Name by which the program is generally known)	Surplus Lines Tax	Alaska Comprehensive Health Insurance Association Tax Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Tax exemption for insurance of risks of the state or a political subdivision of this state, to an agency of state government or its political subdivisions, or to insurance of aircraft primarily engaged in interstate or foreign commerce	Tax credit of 50% of assessment by the Alaska Comprehensive Health Insurance Association
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 21.34.180 (i)	AS 21.55.220 (f)
<b>Year Enacted</b> (Benefit Provision)	1966	2006
<b>Sunset or Expiration date</b> (if applicable)	N/A	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Exempt State of Alaska and entities engaging in aircraft used for interstate or foreign commerce from paying tax	Reduce taxes paid for companies paying into the Alaska Comprehensive Health Insurance Association
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Insured as taxes are passed on to them	All insurance companies that write the particular type of health coverage that is assessed
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	The number of insured policies averaged 210 per year. The estimated revenue impact is calculated as premium * tax plus fee rate (3.7%)	The number of companies ranged from 59 - 109 from 2007 to 2011. The estimated revenue impact is calculated as CHIA assessment * 50%
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	General Fund	General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$507,673	\$2,250,000
FY2009	\$353,218	\$2,895,551
FY2010	\$616,902	\$1,249,860
FY2011	\$615,341	\$4,716,336
FY2012	\$789,366	\$4,023,209

INDIRECT EXPENDITURES		
Department or Agency	Commerce, Community & Economic Development	Commerce, Community & Economic Development
Division	Insurance	Insurance
<b>Program:</b> (Name by which the program is generally known)	Education Tax Credit	Alaska Fire Standards Council Tax Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Education tax credit for donations to allowable educational entities Up to \$5 million credit until 2021—then goes down to \$150,000 aggregate among other statute sections	Tax credit for gift to Alaska Fire Standards Council. Allowed up to tax on fire premiums written Credit maximum of \$150,000, but combined with other tax credits, up to \$5 million until 2021, when it goes back to \$150,000 combined
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 21.96.070	AS 21.96.075
<b>Year Enacted</b> (Benefit Provision)	1994	2000
<b>Sunset or Expiration date</b> (If applicable)	Changes in 2021	Changes in 2021
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage donations for educational purposes	Encourage donations for the Alaska Fire Standards Council
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	All admitted companies	Property/Casualty insurer; Reciprocal Insurer
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	The number of companies ranged from 2 - 3 from 2007 to 2011. The estimated revenue impact is calculated as laid out in statute	None
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	General Fund	General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$425,000	\$0
FY2009	\$450,000	\$0
FY2010	\$450,000	\$0
FY2011	\$300,000	\$0
FY2012	\$400,500	\$0

INDIRECT EXPENDITURES			
Department or Agency	Education and Early Development	Education and Early Development	Education and Early Development
Division	Library Archives Museums	Library Archives Museums	Library Archives Museums
<b>Program:</b> (Name by which the program is generally known)	State Museum//Sheldon Jackson Museum	State Museum//Sheldon Jackson Museum	State Museum//Sheldon Jackson Museum
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Entry Fee//Senior Discount - \$1.00 off for those 65 years or older	Entry Fee waived for those 18 years or younger	Entry Fee for Tour Company visitors//\$1.56 off of entry fee
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	4 AAC 58.010	4 AAC 58.010	Letter of Agreement
<b>Year Enacted</b> (Benefit Provision)	2012	1987	unknown
<b>Sunset or Expiration date</b> (If applicable)			
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Senior Citizen Discount	Student Discount	Net benefit to the museum as it draws folks that may not have visited the museum otherwise
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Individuals 65 years or older	Individuals 18 years or younger (students)	Groups arriving with negotiated tour company
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	3,128 senior discounts in FY12	5,880 in FY08 7,019 in FY09 7,719 in FY10 6,355 in FY11 5,752 in FY12	14,464 in FY08 16,679 in FY09 13,882 in FY10 7,968 in FY11 7,209 in FY12
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	General fund	General fund	General fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>			
FY2008			\$13,447
FY2009			\$16,646
FY2010			\$13,544
FY2011			\$4,660
FY2012	\$3,128	\$0	\$17,741

**INDIRECT EXPENDITURES**

<b>Department or Agency</b>	<b>Education and Early Development</b>	<b>Education and Early Development</b>	<b>Education and Early Development</b>
<b>Division</b>	<b>Library Archives Museums</b>	<b>Student Loan Corporation (ASLC)</b>	<b>Commission on Postsecondary Education</b>
<b>Program:</b> (Name by which the program is generally known)	State Museum//Sheldon Jackson Museum	Teacher Education Loan (TEL)	Winn Brindle Memorial Education Loan (WB)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Blue Star Military discount//Free admission to active military and their immediate families	Under certain conditions 100% of a borrower's obligation to repay loan principal and interest is discharged	Under certain conditions 50% of a borrower's obligation to repay loan principal and interest is discharged
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	National Program	AS 14.43.600-.700	AS 14.43.250-.325
<b>Year Enacted</b> (Benefit Provision)	2012	1984	1986
<b>Sunset or Expiration date</b> (If applicable)		N/A	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Federal program to benefit those serving our country in the military	Encourage Alaska high school graduates to become elem/secondary educators who then teach in rural communities in Alaska	Encourage Alaska high school graduates to be trained in some fisheries-related occupation and be employed in that occupation in Alaska
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Active duty military and their families	TEL Borrowers who satisfy the terms and conditions for loan forgiveness	WB borrowers who satisfy the terms and conditions for loan forgiveness
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	115 Blue Star Military admissions in FY12	Varies. There are currently 507 borrowers with outstanding TEL loans	Varies. There are currently 167 borrowers with outstanding WB loans
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	General fund	Loan payments are receipts of ASLC. Those receipts are reduced by the amount of any discharge of debt	Loan payments are receipts of the WB Fund which is periodically capitalized by donations made by fisheries related business in exchange for a tax credit. Receipts to the WB Fund are reduced by the amount of any discharged debt
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>			
FY2008		\$398,177	\$47,340
FY2009		\$367,553	\$55,861
FY2010		\$274,062	\$88,177
FY2011		\$265,914	\$105,613
FY2012	\$690	\$132,150	\$71,260

<b>INDIRECT EXPENDITURES</b>			
<b>Department or Agency</b>	<b>Education and Early Development</b>	<b>Education and Early Development</b>	<b>Education and Early Development</b>
<b>Division</b>	<b>Commission on Postsecondary Education</b>	<b>Student Loan Corporation (ASLC)</b>	<b>Student Loan Corporation (ASLC)</b>
<b>Program:</b> (Name by which the program is generally known)	WWAMI Graduate Medical Education Program (WWAMI)	Alaska Student Loan Program (ASL)	Various education loan programs financed by ASLC
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Under certain conditions 100% of a WWAMI participant's obligation to repay financial support provided by the state is discharged	Under certain conditions up to 50% of a borrower's obligation to repay loan principal and interest is discharged	ASLC annual approves a discount of some percent value to be provided to borrowers who meet specific criteria
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 14.43.510	AS 14.43.120(j) Repealed 1987	AS 14.42.200-210
<b>Year Enacted</b> (Benefit Provision)	2007	1971	2001
<b>Sunset or Expiration date</b> (If applicable)	N/A	1987	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage Alaskan WWAMI participants to return to or remain in Alaska to practice in their medical field	Encourage Alaska residents to complete postsecondary education and reside in Alaska thereafter	Lower education loan costs to borrowers
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	WWAMI participants who satisfy the employment conditions associated with the state's support costs	ASL borrowers with qualifying loans	Borrowers who repay their obligations through cost-effective methods; demonstrate an outstanding payment history; and, or reside in Alaska while in repayment
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Varies. There are currently 161 WWAMI participants with outstanding financial support obligations	Varies. There are currently more than 10,500 ASL borrowers with outstanding loans	Varies. There are currently approximately 31,000 borrowers with outstanding loans that could be eligible for a benefit in any given year
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	WWAMI program costs are paid from the Unrestricted General Fund	Loan payments are receipts of ASLC. Those receipts are reduced by the amount of any discharge of debt	Loan payments are receipts of ASLC. Those receipts are reduced by the amount of any reduction of loan balances
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>			
<b>FY2008</b>	\$91,651	\$7,279	\$4,448,502
<b>FY2009</b>	\$88,382	\$2,452	\$4,007,660
<b>FY2010</b>	\$126,363	\$3,835	\$2,796,518
<b>FY2011</b>	\$145,515	\$2,335	\$1,068,046
<b>FY2012</b>	\$292,725	\$11,613	\$1,072,286

INDIRECT EXPENDITURES				
Department or Agency	Environmental Conservation	Environmental Conservation	Environmental Conservation	Environmental Conservation
Division	Environmental Health	Environmental Health	Environmental Health	Environmental Health
<b>Program:</b> (Name by which the program is generally known)	Food Safety & Sanitation	Food Safety & Sanitation	Food Safety & Sanitation	Food Safety & Sanitation
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Plan review fee discount of 20%	Plan review fee discount of 20%	Plan review fee discount of 50%	Fee exemption
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	18 AAC 31.050 (d)	18 AAC 31.050 (e)	18 AAC 31.050 (f)	18 AAC 31.050 (p)(1)
<b>Year Enacted</b> (Benefit Provision)	Prior to FY08	Prior to FY08	Prior to FY08	Prior to FY08
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Reduced time required to review multiple applications from a single operator within the same establishment allows for a reduction in the fees	Reduced time required to review multiple applications from a single operator within the same establishment allows for a reduction in the fees	There is a very limited risk for establishments that serve only hot beverages and/or non-potentially hazardous food received commercially packaged	It is a benefit to tax-exempt entities to not have a fee for fundraisers for their organizations, as a fee would reduce the funds raised
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Operators with three (3) or more types of operations within a single food establishment	Operators with both food service and bar/tavern service	Hot beverage facilities	501(c)(3) tax exempt organizations
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	34 facilities	686 facilities	89 facilities	265 facilities
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	GFPR	GFPR	GFPR	GFPR
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$1,100	\$44,400	\$6,800	\$90,300
FY2009	\$1,100	\$44,400	\$6,800	\$90,300
FY2010	\$1,100	\$44,400	\$6,800	\$90,300
FY2011	\$1,100	\$44,400	\$6,800	\$90,300
FY2012	\$1,100	\$44,400	\$6,800	\$90,300

INDIRECT EXPENDITURES				
Department or Agency	Environmental Conservation	Environmental Conservation	Environmental Conservation	Environmental Conservation
Division	Environmental Health	Environmental Health	Environmental Health	Environmental Health
<b>Program:</b> (Name by which the program is generally known)	Food Safety & Sanitation	Food Safety & Sanitation	Food Safety & Sanitation	Food Safety & Sanitation
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Fee exemption	50% discount on annual permit fees	Fee exemption	50% discount on annual permit fees
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	18 AAC 31.050 (p)(2) AS 44.46.025 (d)	18 AAC 31.050 (r)	18 AAC 31.050 (t) AS 44.46.025 (d)	18 AAC 31.050 (u)
<b>Year Enacted</b> (Benefit Provision)	Prior to FY08	Prior to FY08	Prior to FY08	Prior to FY08
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	By statute, the program cannot charge these facilities a fee	Entities receiving this benefit are non-profit organizations	By statute, the program cannot charge these facilities a fee	This allows a small pro-ration of fees for facilities that commence business in the last two months of the billing year
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Schools and Head Start Programs	501(c)(4), (c)(10), or (c)(19) tax exempt organizations	School, class, or school club	New establishments
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	399 facilities	57 facilities	29 facilities	60 facilities
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	GFPR	GFPR	GFPR	GFPR
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>	\$159,600	\$7,200	\$4,600	\$8,800
<b>FY2009</b>	\$159,600	\$7,200	\$4,600	\$8,800
<b>FY2010</b>	\$159,600	\$7,200	\$4,600	\$8,800
<b>FY2011</b>	\$159,600	\$7,200	\$4,600	\$8,800
<b>FY2012</b>	\$159,600	\$7,200	\$4,600	\$8,800

<b>INDIRECT EXPENDITURES</b>				
<b>Department or Agency</b>	<b>Environmental Conservation</b>	<b>Environmental Conservation</b>	<b>Environmental Conservation</b>	<b>Environmental Conservation</b>
<b>Division</b>	<b>Environmental Health</b>	<b>Environmental Health</b>	<b>Environmental Health</b>	<b>Environmental Health</b>
<b>Program:</b> (Name by which the program is generally known)	Food Safety & Sanitation	Food Safety & Sanitation	Food Safety & Sanitation	Food Safety & Sanitation
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	No statutory authority to charge for facilities inspected. No permits issued and therefore no fees charged	Statutory authority to charge for facilities inspected, but no permits issued and therefore no fees charged	Statutory authority to charge for facilities inspected, but no permits issued and therefore no fees charged	No statutory authority to charge for facilities inspected. No permits issued and therefore no fees charged
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	18 AAC 30 AS 44.46.020	18 AAC 30 AS 44.46.025	18 AAC 30 AS 44.46.025	18 AAC 23 AS 44.46.020
<b>Year Enacted</b> (Benefit Provision)	Prior to FY08	Prior to FY08	Prior to FY08	Prior to FY08
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Facilities are inspected on an annual basis. No permit is issued, so no fee is charged	Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged	Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged	Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Pools and spa operators	Overnight accommodations facilities	Public toilets, showers, and Laundromat operators	Hair and nail salon operators
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	119 facilities	2,486 inspected facilities	223 inspected facilities	637 facilities
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	GFPR	GFPR	GFPR	GFPR
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>				
<b>FY2009</b>				
<b>FY2010</b>	Unknown	Unknown	Unknown	Unknown
<b>FY2011</b>				
<b>FY2012</b>				

INDIRECT EXPENDITURES				
Department or Agency	Environmental Conservation	Environmental Conservation	Environmental Conservation	Environmental Conservation
Division	Environmental Health	Environmental Health	Environmental Health	Environmental Health
<b>Program:</b> (Name by which the program is generally known)	Food Safety & Sanitation	Food Safety & Sanitation	Food Safety & Sanitation	Solid Waste
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Prohibited from charging fees	Although we perform the inspections, we are prohibited from charging fees directly because DCCED has the authority to issue licenses for these facilities. DEC has an RSA with DCCED to cover some of the cost associated with these inspections	No Food Worker Card fees charged in FY08, FY09, and FY10	Exempt from charging fees in regulation
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	18 AAC 30 AS 44.46.025 (d)	18 AAC 23	Internal EH policy	18 AAC 60.700 (i)(1)
<b>Year Enacted</b> (Benefit Provision)	Prior to FY08	Prior to FY08	FY08	1998
<b>Sunset or Expiration date</b> (if applicable)			FY10	
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	These facilities are inspected by complaint only and the Department is prohibited by statute from charging a fee	DEC does not have authority to charge fees even though we perform the inspections	To encourage people to apply for Food Worker Cards	To encourage and promote non-disposal activities. Facility is exempt from fee per regulation
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Schools - Sanitation only	Body art facility operators	Food workers	Composting facilities
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	518 facilities	49 facilities	49,876 individuals	2 facilities
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	GFPR	GFPR and IA	GFPR	GFPR
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008				
FY2009				
FY2010	Unknown	Unknown		
FY2011				
FY2012				

INDIRECT EXPENDITURES				
Department or Agency	Environmental Conservation	Environmental Conservation	Environmental Conservation	Environmental Conservation
Division	Environmental Health	Environmental Health	Environmental Health	Environmental Health
<b>Program:</b> (Name by which the program is generally known)	Solid Waste	Laboratory Services	Laboratory Services	Laboratory Services
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Exempt from charging fees in regulation	Paralytic Shellfish Toxin Testing - no charge to industry	Shellfish Growing Waters Testing - no charge to industry	Dairy Testing
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	18 AAC 60.700 (i)(2)	Legislature funded an increment so the industry would not be charged	Legislature funded an increment so the industry would not be charged	Not addressed in regulation
<b>Year Enacted</b> (Benefit Provision)	1998			Prior to FY08
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	To encourage and promote non-disposal activities, facility is exempt from fee per regulation	Public Industry Health	Public Industry Health	Public Industry Health
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Landspreading of biosolids	Commercial Shellfish Harvesters	Commercial Shellfish Harvesters	All businesses required to perform dairy testing
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	4 facilities	310 operators	310 operators	3 operators
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	GFPR	GFPR	GFPR	GFPR
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>	\$4,800	\$74,800	\$15,800	\$1,900
<b>FY2009</b>	\$4,800	\$69,300	\$12,700	\$6,700
<b>FY2010</b>	\$4,800	\$68,800	\$13,900	\$30,100
<b>FY2011</b>	\$4,800	\$71,300	\$13,900	\$35,400
<b>FY2012</b>	\$4,800	\$65,600	\$8,500	\$39,400

INDIRECT EXPENDITURES				
Department or Agency	Environmental Conservation	Environmental Conservation	Environmental Conservation	Environmental Conservation
Division	Environmental Health	Environmental Health	Water	Water
<b>Program:</b> (Name by which the program is generally known)	Laboratory Services	Laboratory Services	Wastewater Discharge Permitting	Municipal Grants and Loans
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Cheese Testing	Slaughter Facility Testing (Historically charged \$17, instead of \$25)	Storm water plan review fee waived / Wastewater permit fee waived	Discounted interest rates on SRF Loans to municipalities (as reported in Annual Legislative Report)
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	Not addressed in regulation	Not addressed in regulation	AS 44.46.020 (5)( C) AS 44.45.025	AS 37.05.035
<b>Year Enacted</b> (Benefit Provision)	Prior to FY08	Prior to FY08	1993	
<b>Sunset or Expiration date</b> (If applicable)			12/31/2012	
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Public Industry Health	Public Industry Health	Reduces State costs to State funded public schools	Discounted interest rates on SRF Loans to municipalities
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	All businesses required to perform cheese testing	All businesses required to perform hazard control plan (HACCP) for slaughter facility	Public schools discharging wastewater regulation covers all charitable organizations exempt from federal taxation	Municipalities that receive loans for Clean Water or Drinking Water Projects
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	1 operator	4 facilities	3 waivers (2004-2011) 2 waivers (2012-2013)	In any given year, approximately 150-160 active loans
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	GFPR	GFPR	General Fund	Restricted Revenue - Clean Water Fund and Drinking Water Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$4,500	\$400	\$800	\$729,600
FY2009	\$4,400	\$600	\$800	\$1,595,700
FY2010	\$1,400	\$1,300	\$800	\$645,500
FY2011	\$1,400	\$1,300	\$1,400	\$2,960,400
FY2012	\$800	\$1,100	\$1,400	\$859,600

INDIRECT EXPENDITURES			
Department or Agency	Environmental Conservation	Environmental Conservation	
Division	Water	Water	
<b>Program:</b> (Name by which the program is generally known)	Municipal Grants and Loans	Wastewater Discharge Permitting	
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Principal Forgiveness on SRF Loans to municipalities	Reduced general and individual permit fees for wastewater discharge facilities	
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	EPA Requirement to receive capitalization grants	18 AAC 72.956-7	
<b>Year Enacted</b> (Benefit Provision)	SFY 2010		
<b>Sunset or Expiration date</b> (If applicable)			
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Principal forgiveness based on certain criteria for disadvantaged communities	Decreased State regulation fees for small businesses	
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Municipalities that qualify for partial principal forgiveness on loans for Clean Water and Drinking Water Projects	Businesses with fewer than 20 employees	
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	In any given year we have appx. 150-160 active loans - not all loans qualify for partial principal forgiveness.	Unknown universe of wastewater discharge businesses across AK with less than 20 employees.	
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Restricted Revenue - Clean Water Fund and Drinking Water Fund	\$40-\$390 per discount per business	
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>			
FY2008	\$0	Unknown	
FY2009	\$0		
FY2010	\$37,346,400		
FY2011	\$5,898,200		
FY2012	\$3,598,400		

INDIRECT EXPENDITURES				
Department or Agency	Fish and Game	Fish and Game	Fish and Game	Fish and Game
Division	Commercial Fisheries Entry Commission	Commercial Fisheries Entry Commission	Commercial Fisheries Entry Commission	Commercial Fisheries Entry Commission
<b>Program:</b> (Name by which the program is generally known)	Nonresident fee differential	Reduced permit fees (low income)	Permit fees waived (fishery closures)	Reduced application fee (low income)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Nonresidents of Alaska pay an annual surcharge to obtain their CFEC fishing permit(s)	Reduce the annual renewal fee of CFEC permits for qualifying low-income individuals (50% less than the base permit fees)	Waive or reimburse the cost of renewing an annual CFEC fishing permit if the fishery was closed	Reduced limited entry permit application fees (Fee reduced from \$100 to \$50 for qualifying individuals)
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	20 AAC 05.245 (a) (7) AS 16.43.160	20 AAC 05.245 (c)-(e) AS 16.43.160 (d)	20 AAC 05.425	20 AAC 05.250
<b>Year Enacted</b> (Benefit Provision)	2006 (current structure)	1975	1986	1987
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Nonresident surcharge partially compensates for benefits State of AK provides to Nonresident commercial fisherman	Assist low-income fishermen in their ability to renew annual commercial fishing permits	Provide partial compensation to persons who lose their fishing opportunities due to season-long closures	Assist low-income fishermen in their ability to apply for a commercial limited entry permit
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Alaska residents	Individuals who meet federal food stamps guidelines	Individuals who renew permits for fisheries that close	Individuals who meet federal food stamps guidelines
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	In 2012--3,252 nonresident permit holders DID pay fee differential, and 8,802 resident permit holders DID NOT	335 individuals in 2012 paid reduced fees	Fees for 918 permits waived in 2012	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.				
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008				
FY2009				
FY2010				
FY2011				
FY2012				

INDIRECT EXPENDITURES				
Department or Agency	Fish and Game	Fish and Game	Fish and Game	Fish and Game
Division	Commercial Fisheries Entry Commission	Commercial Fisheries Entry Commission	Sport Fish & Wildlife	Sport Fish & Wildlife
<b>Program:</b> (Name by which the program is generally known)	Reduced surcharge; immediate fishing (low income)	Reduced permit transfer fee (low income)	Resident Senior Card	Resident Disabled Veterans Card
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	\$80 surcharge for expedited CFEC service is waived for qualified individuals with low income	Permit transfer fee is reduced from \$50 to \$25 for qualified individuals with low income	Resident seniors ages 60 and older are eligible to receive a complimentary card to fish, hunt, trap along with a king salmon and duck stamp for life as long as they remain a resident \$77 discount	Resident disabled veterans who meet Fish and Game eligibility receive a complimentary card to fish and hunt along with a king salmon and duck stamp for life as long as they remain a resident \$63 discount
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	20 AAC 05.425 (e) (1)	20 AAC 05.1910 (h)	AS 16.05.400	AS 16.05.341
<b>Year Enacted</b> (Benefit Provision)	2007	2002	1980	1996
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Assist low-income fishermen in their ability to immediately fish	Assist low-income fishermen with the fees associated with CFEC permit transfers		
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Individuals who meet federal food stamps guidelines	Individuals who meet federal food stamps guidelines	Alaska resident seniors aged 60 or older who remain a resident	Alaska resident disabled veterans (incurred a 50% disability or greater) who remain a resident
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Approximately 1-2 per year	Approximately 2-3 per year	Estimated between 59,000 and 67,000 depending on the year	Estimated between 4,000 and 6,700 depending on the year
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.			Fish and Game Fund	Fish and Game Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008			\$4,119,731	\$16,569
FY2009			\$4,395,545	\$21,168
FY2010			\$4,668,433	\$19,593
FY2011			\$4,955,104	\$20,853
FY2012			\$5,220,600	\$23,247

<b>INDIRECT EXPENDITURES</b>				
<b>Department or Agency</b>	<b>Fish and Game</b>	<b>Fish and Game</b>	<b>Fish and Game</b>	<b>Fish and Game</b>
<b>Division</b>	<b>Sport Fish &amp; Wildlife</b>	<b>Sport Fish</b>	<b>Sport Fish</b>	<b>Sport Fish</b>
<b>Program:</b> (Name by which the program is generally known)	Low Income License	Blind Sport Fish License	Yukon Reciprocal Fishing License	Yukon Reciprocal King Salmon Stamp
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Residents who meet F&G's low income eligibility can purchase a \$5 license to fish, hunt, trap, along with a king salmon stamp and duck stamp \$72 discount	Residents who are visually impaired can purchase a \$0.25 fishing license along with a king salmon stamp \$33.75 discount	Yukon residents who provide proof they purchased a Yukon fishing license are eligible to purchase a sport fishing license at Alaska resident rate \$56 discount	Yukon residents who provide proof they purchased a Yukon fishing license are eligible to purchase a king salmon stamp at Alaska resident rate \$90 discount
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 16.05.340	AS 16.05.340 and AS 16.05.403	AS 16.05.340 and 5 AAC 75.007	AS 16.05.340 and 5 AAC 75.007
<b>Year Enacted</b> (Benefit Provision)	1969	1967	2005	2005
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)				
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Residents who meet F&G's low income eligibility of annual income of \$8,200 or receiving state or federal welfare assistance.	Residents who meet F&G's visually impaired requirement according to AS 16.05.403	Yukon residents	Yukon residents
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Between 16,000 and 21,000 depending on the year	Between 35 and 60 depending on the year	Between 2,100 and 2,300 depending on the year	Between 2,100 and 2,300 depending on the year
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Fish and Game Fund	Fish and Game Fund	Fish and Game Fund	Fish and Game Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>	\$1,202,472	\$1,924	\$116,480	\$67,680
<b>FY2009</b>	\$1,365,768	\$1,620	\$113,456	\$68,490
<b>FY2010</b>	\$1,420,272	\$1,688	\$123,984	\$58,950
<b>FY2011</b>	\$1,508,688	\$1,215	\$132,832	\$63,990
<b>FY2012</b>	\$1,501,704	\$1,181	\$130,368	\$62,010

<b>INDIRECT EXPENDITURES</b>				
<b>Department or Agency</b>	<b>Fish and Game</b>	<b>Fish and Game</b>	<b>Fish and Game</b>	<b>Fish and Game</b>
<b>Division</b>	<b>Sport Fish &amp; Wildlife</b>	<b>Wildlife</b>	<b>Sport Fish</b>	<b>Sport Fish &amp; Wildlife</b>
<b>Program:</b> (Name by which the program is generally known)	Resident Military Reserves	Nonresident Military Hunting License	Nonresident Military Fishing License	Nonresident Military Fish and Hunt Licenses
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Resident active members of the National Guard, Coast Guard or Military Reserves are eligible to receive an annual complimentary fishing and hunting license \$48 discount	Nonresident military service on active duty permanently stationed in Alaska can purchase a hunting license at resident rate \$61 discount	Nonresident military service on active duty permanently stationed in Alaska can purchase a fishing license at resident rate \$121 discount	Nonresident military service on active duty permanently stationed in Alaska can purchase a combo fishing and hunting license at resident rate \$182 discount
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 16.05.341	AS 16.05.340	AS 16.05.340	AS 16.05.340
<b>Year Enacted</b> (Benefit Provision)	2008	1977	1977	1977
<b>Sunset or Expiration date</b> (If applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)				
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Resident active members of the National Guard, Coast Guard or Military Reserves	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Between 1,300 and 1,700 depending on the year	Between 100 and 700 depending on the year	Between 3,700 and 4,400 depending on the year	Between 100 and 1,200 depending on the year
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Fish and Game Fund	Fish and Game Fund	Fish and Game Fund	Fish and Game Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>	\$0	\$0	\$486,783	\$25,298
<b>FY2009</b>	\$65,568	\$6,588	\$498,157	\$69,160
<b>FY2010</b>	\$74,496	\$33,062	\$481,580	\$198,198
<b>FY2011</b>	\$83,808	\$40,382	\$493,317	\$178,360
<b>FY2012</b>	\$78,048	\$34,587	\$561,803	\$210,938

INDIRECT EXPENDITURES				
Department or Agency	Fish and Game	Fish and Game	Fish and Game	Fish and Game
Division	Sport Fish	Wildlife	Wildlife	Wildlife
<b>Program:</b> (Name by which the program is generally known)	Nonresident Military King Salmon Stamp	Nonresident Military Brown Bear Tag	Nonresident Military Black Bear Tag	Nonresident Military Bison Tag
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Nonresident military service on active duty permanently stationed in Alaska can purchase a king salmon stamp at resident rate \$80 discount.	Nonresident military service on active duty permanently stationed in Alaska can purchase game tag at the resident rate \$475 discount	Nonresident military service on active duty permanently stationed in Alaska can receive a free tag	Nonresident military service on active duty permanently stationed in Alaska can receive a free tag
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 16.05.340	AS 16.05.340	AS 16.05.340	AS 16.05.340
<b>Year Enacted</b> (Benefit Provision)	1977	1977	1977	1977
<b>Sunset or Expiration date</b> (if applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)				
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Between 1,500 and 1,800 depending on the year	Between 25 and 50 depending on the year	Not able to determine the number of beneficiaries as they are not required to be issued a tag	Not able to determine the number of beneficiaries as they are not required to be issued a tag
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Fish and Game Fund	Fish and Game Fund	Fish and Game Fund	Fish and Game Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$119,360	\$0		
FY2009	\$137,040	\$0		
FY2010	\$126,400	\$12,825		
FY2011	\$122,880	\$23,275		
FY2012	\$141,760	\$16,150		

**INDIRECT EXPENDITURES**

Department or Agency	Fish and Game	Fish and Game	Fish and Game	Fish and Game
Division	Wildlife	Wildlife	Wildlife	Wildlife
<b>Program:</b> (Name by which the program is generally known)	Nonresident Military Caribou Tag	Nonresident Military Deer Tag	Nonresident Military Elk Tag	Nonresident Military Goat Tag
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Nonresident military service on active duty permanently stationed in Alaska can receive a free tag	Nonresident military service on active duty permanently stationed in Alaska can receive a free tag	Nonresident military service on active duty permanently stationed in Alaska can receive a free tag	Nonresident military service on active duty permanently stationed in Alaska can receive a free tag \$300 discount
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 16.05.340	AS 16.05.340	AS 16.05.340	AS 16.05.340
<b>Year Enacted</b> (Benefit Provision)	1977	1977	1977	1977
<b>Sunset or Expiration date</b> (if applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)				
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Not able to determine the number of beneficiaries as they are not required to be issued a tag	Not able to determine the number of beneficiaries as they are not required to be issued a tag	Not able to determine the number of beneficiaries as they are not required to be issued a tag	Between 3 and 5 depending on the year
<b>Fiscal impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Fish and Game Fund	Fish and Game Fund	Fish and Game Fund	Fish and Game Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008				
FY2009				
FY2010				\$900
FY2011				\$900
FY2012				

INDIRECT EXPENDITURES				
Department or Agency	Fish and Game	Fish and Game	Fish and Game	Fish and Game
Division	Wildlife	Wildlife	Wildlife	Wildlife
<b>Program:</b> (Name by which the program is generally known)	Nonresident Military Moose Tag	Nonresident Military Bull Muskox Tag	Nonresident Military Cow Muskox Tag	Nonresident Military Sheep Tag
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Nonresident military service on active duty permanently stationed in Alaska can receive a free tag	Nonresident military service on active duty permanently stationed in Alaska can purchase at the resident rate	Nonresident military service on active duty permanently stationed in Alaska can purchase at the same rate as a resident. Also, non-residents are not allowed to hunt cow muskox	Nonresident military service on active duty permanently stationed in Alaska can receive a free tag \$425 discount
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 16.05.340	AS 16.05.340	AS 16.05.340	AS 16.05.340
<b>Year Enacted</b> (Benefit Provision)	1977	1977	1977	1977
<b>Sunset or Expiration date</b> (if applicable)				
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)				
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Not able to determine the number of beneficiaries as they are not required to be issued a tag	Not able to determine the number of beneficiaries as they are not required to be issued a tag	Not able to determine the number of beneficiaries as they are not required to be issued a tag	Between 3 and 5 depending on the year
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Fish and Game Fund	Fish and Game Fund	Fish and Game Fund	Fish and Game Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008				
FY2009				
FY2010				\$1,275
FY2011				\$2,125
FY2012				\$1,275

INDIRECT EXPENDITURES			
Department or Agency	Fish and Game	Fish and Game	
Division	Wildlife	Wildlife	
<b>Program:</b> (Name by which the program is generally known)	Nonresident Military Wolf Tag	Nonresident Military Wolverine Tag	
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Nonresident military service on active duty permanently stationed in Alaska can receive a free tag	Nonresident military service on active duty permanently stationed in Alaska can receive a free tag	
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 16.05.340	AS 16.05.340	
<b>Year Enacted</b> (Benefit Provision)	1977	1977	
<b>Sunset or Expiration date</b> (If applicable)			
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)			
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Nonresident military service on active duty permanently stationed in Alaska	Nonresident military service on active duty permanently stationed in Alaska	
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Not able to determine the number of beneficiaries as they are not required to be issued a tag	Not able to determine the number of beneficiaries as they are not required to be issued a tag	
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Fish and Game Fund	Fish and Game Fund	
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>			
FY2008			
FY2009			
FY2010			
FY2011			
FY2012			

**INDIRECT EXPENDITURES**

Department or Agency	DHSS	DHSS	DHSS
Division	Public Health	Public Health	Public Health
<b>Program:</b> (Name by which the program is generally known)	SHARP II (Health Care Professions Loan Repayment and Incentive Program)	Public Health Nursing / Reasonable fees, collection, non-denial of services	Bureau of Vital Statistics
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Repayment of educational loans, direct incentives for certain health care professionals	No denial of public health service because of inability to pay. Reduced fees on a sliding scale based on income and family size using USDHHS annual poverty guidelines. Waives fees if it is in the public interest for communicable disease control or in response to a public health emergency	Provides up to four free copies of a veteran's death certificate--discount is \$30 for the first certificate and \$25 for the 2nd-4th copies
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 29.18 7 AAC 24	7 AAC 80.010-060	AS 18.50.320
<b>Year Enacted</b> (Benefit Provision)	2012	12/6/1986	9/16/2012
<b>Sunset or Expiration date</b> (If applicable)	2019 - Report due in 5 years	N/A	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Increase access to health care in rural Alaska	Assures protection of the overall public health by making public health services available to all individuals regardless of their ability to pay	Honor veterans by making it easier to apply for benefits
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Ten types of health care professionals and all Alaskans, particularly in rural areas	Low income Alaskans specifically and all Alaskans generally	Qualified applicants such as family members or personal representatives
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Up to 90 each health care facilities and practitioners	Average of approximately 52,000 individuals a year receive public health nursing services and are eligible to receive the benefit if needed	Approximately 30% of the deaths reported in Alaska annually, or 1,000, indicate the decedent was a veteran
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund and General Fund Program Receipts	Total Restricted Revenue - GF Program Receipts	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>			
FY2008		Estimated average \$1,300,000	
FY2009		Estimated average \$1,300,000	
FY2010	Program not in existence	Estimated average \$1,300,000	Program not in existence
FY2011		Estimated average \$1,300,000	
FY2012		\$1,368,012	

INDIRECT EXPENDITURES			
Department or Agency	Health and Social Services	Health and Social Services	Health and Social Services
Division	Public Health	Public Health	Alaska Pioneer Home
<b>Program:</b> (Name by which the program is generally known)	Women's, Children's, and Family Health (WCFH) Pediatric Specialty Clinics	HB 310 Vaccine	Pioneer Home Payment Assistance Program
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Fees charged to patients are based on the published Alaska Medicaid fee schedule and not the market price Sliding Scale fee calculation sheet	Free vaccine for specific aged individuals - vaccine is limited to those listed in the legislation	Provides for the Pioneer Home Payment Assistance Program allowing residents to reside in the Pioneer Homes when they do not have the funds to pay the full monthly rate
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 37.10.050 (c)	HB310 CH 24 SLA 2012	7 AAC 74.045
<b>Year Enacted</b> (Benefit Provision)	Unknown	5/23/2012	Regulations revised 10/15/2004
<b>Sunset or Expiration date</b> (If applicable)		6/30/2015	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Enables the fees charged for clinic visits to be consistent for all patients attending the clinic; patients with private insurance or no coverage are charged the same amount that is in the current Medicaid fee schedule	Assures protection of the overall public health by making certain vaccine available to un-insured and under-insured children and seniors	Provides for the Pioneer Home Payment Assistance Program allowing residents to reside in the Pioneer Homes when they do not have the funds to pay the full monthly rate
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Any patient seen at the four types of clinics: genetics, metabolic, cleft lip and palate and/or neurodevelopmental autism	Free vaccine un-insured, under-insured and senior Alaskans	Pioneer Home Residents
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	370 +/- patients annually	Approximately 18,000 children (0-18) Approximately 7,000 adults	130 (as of 2/14/13)
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	GF Program Receipts	Designated General Fund	\$6,089,716—based on 2/14/13 deferred rate Designated GF General Fund Program Receipts or Pioneer Home resident payments
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>			
FY2008	\$0	\$0	\$6,439,587 Based on 12/31/08 deferred rate
FY2009	\$263	\$0	\$6,989,428 Based on 12/31/09 deferred rate
FY2010	\$951	\$0	\$5,475,105 Based on 12/31/10 deferred rate
FY2011	\$768	\$0	\$4,860,878 Based on 12/31/11 deferred rate
FY2012	\$214	\$438,000	\$5,698,988 Based on 12/31/12 deferred rate

INDIRECT EXPENDITURES		
Department or Agency	Labor & Workforce Development	Labor & Workforce Development
Division	Workers' Compensation	Workers' Compensation
<b>Program:</b> (Name by which the program is generally known)	Failure to Insure/Assessment of Civil Penalties	Insurer/Self-Insured Compensation Report Late Filing Penalties
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	By regulation, the Alaska Workers' Compensation Board has authority to suspend a portion of a civil penalty assessed against an employer who fails to carry workers' compensation insurance	Commissioner has authority to waive all or part of late report filing penalties assessed against an insurer/self-insured employer, if 95% of the reports filed by the employer in the calendar year were timely. Each employer is required to submit a compensation report on each claim when payment is initiated, the pay type or benefit amount is changed, or the claim is terminated. Report is due within 28 days of the triggering event. If the report is late, there is a statutory civil penalty of \$100 per day (maximum of \$1,000). At the end of each calendar year, the Division totals the amount of civil penalties due
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 23.30.080 (f) 8 AAC 45.176	AS 23.30.155 (c) and .155 (m) 8 AAC 45.136
<b>Year Enacted</b> (Benefit Provision)	Statute 2005 Regulation 2010	Statute 1988 Regulation 1999
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Waiving penalty under 8 AAC 45.176 -- is to encourage an employer to agree to the calculated civil penalty without litigation, freeing up Board time and resources Waiving a penalty under AS 23.30.080 --is to avoid extreme financial hardship to an employer, or putting the employer out of business (Workers' Compensation Appeals Commission Case: <i>Alaska R&amp;C Communications v SOA</i> , Decision No. 88, 9/16/2008)	Waiving the penalties AS 23.30.155 is a way of forgiving the occasional untimely report of insurers/self-insured employers that provide the vast majority of their reports timely
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Uninsured employers benefit from reduced civil penalties	Insurance companies, claims administrators, and self-insured employers benefit from reduced civil penalties
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	103 employers had their civil penalties reduced by stipulation under 8 AAC 45.176 15 employers had their civil penalties reduced at hearing by the Board	Varies from year to year On average, 36 companies have their penalties waived
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	The civil penalties assessed under AS 23.30.080 and 8 AAC 45.176 accrue to the Workers' Compensation Benefits Guaranty Fund (Designated General Fund)	The civil penalties assessed under AS 23.30.155(c) accrue to the Second Injury Fund (Designated General Fund).
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$3,941	\$45
FY2009	\$52	\$45
FY2010	\$56	\$110
FY2011	\$855	\$53
FY2012	\$1,351	\$36

INDIRECT EXPENDITURES		
Department or Agency	Labor & Workforce Development	Labor & Workforce Development
Division	Labor Standards and Safety	Alaska Vocational Technical Center (AVTEC)
<b>Program:</b> (Name by which the program is generally known)	Alaska Occupational Safety and Health (AKOSH) enforcement informal conference	AVTEC Tuition Waiver
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	By regulation, during an AKOSH informal conference the director, on behalf of the commissioner, may change the penalty assessed against an employer. An AKOSH informal conference provides an opportunity for an employer to meet with the director and discuss any issues related to an inspection, citation and notice of proposed penalty. The informal conference may result in an adjustment of penalties to settle the alleged violation(s)	AVTEC provides tuition waivers to up to one Seward High School student, one Kenai Peninsula Borough School District student, and seven students via the Alaska School Counselors Association
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 18.60.095 8 AAC 61.155	None
<b>Year Enacted</b> (Benefit Provision)	Statute 1973 Regulation 1975	2000
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Penalty reductions assist with quicker and less expensive resolutions of citations and penalties along with faster hazard abatement. Formal contests are time consuming and costly and during the period a case is in formal contest the hazards associated with alleged violations are not required to be corrected, while all hazards must be verified as corrected under the terms of an informal settlement agreement achieved through informal conference	To encourage Alaska high school graduates to attend AVTEC for vocational training
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Any employer may take advantage of the informal conference process, but there is no guarantee that this process will result in a penalty reduction	Nominated graduating high school students
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Number varies from year to year and has not been tracked Number of employers who take advantage of the informal conference process is from 100 to 200 per year	Up to nine recipients in a year
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund Offsetting fiscal impacts to informal settlements: settlement amounts must be paid within 30 days to maintain any penalty reduction, thus increasing certainty of payment and reducing future costs associated with collections and legal action to collect delinquent penalties	General Fund Program Receipts (Designated General Fund) The exact fiscal impact would vary based on the number of participants and the tuition rate for their training programs
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$42	\$5,250
FY2009	\$28	\$18,060
FY2010	\$56	\$5,500
FY2011	\$43	\$6,050
FY2012	\$33	\$8,250

INDIRECT EXPENDITURES				
Department or Agency	Natural Resources	Natural Resources	Natural Resources	Natural Resources
Division	Parks & Outdoor Recreation	Mining, Land and Water	Mining, Land and Water	Mining, Land and Water
<b>Program:</b> (Name by which the program is generally known)	Disabled Veterans camping pass	Exploration incentive credits for mining activities	Sale of material at less than Fair Market Value	Sale of material at less than Fair Market Value
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Free camping pass to disabled veterans of this country for use in state park campgrounds	Provides exploration incentive credit for exploration activities	Convey materials at less than fair market value for mitigation of a flooding area where excess material deposition contributes to flooding	Provides 200 cubic yards for personal use by individual for free; <30,000 c.y. for commercial use at no cost for 10 year period; >30,000 c.y. at price of 20% of representative regional price or 20% of FMV for a period of 10 years
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 41.21.026 (d)	AS 27.30.010	AS 38.05.872 (b)	AS 38.05.555 (f)
<b>Year Enacted</b> (Benefit Provision)	1987	1995	2012	2012
<b>Sunset or Expiration date</b> (if applicable)	N/A	N/A	N/A	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Provide a benefit to disabled veterans	For purpose of determining existence, location, extent, or quality of a locatable or leasable mineral or coal deposit	To make it easier to remove gravel/sand where excess deposits may cause the flooding	Create incentive for development of peat as a source of heat or power
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Disabled Veterans	Mining Industry (a person, partnership, corporation, or LLC)	Municipalities, State/Federal agencies, or other entities	Individuals, organized or unorganized communities, tribal governments, or private profit or nonprofit organizations
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	1,210 (annual average 2008-2012) 3.4 million potential beneficiaries (US Census Bureau, 11/11)	Most recent beneficiary—Pogo Mine; as others come online, they may apply (e.g., Kensington)	None to date; however, City of Seward has expressed interest	None to date
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Designated GF - DPOR is forgoing fees/program receipts		DMLW would be selling the material at less than FMV (forgoing potential revenue)	DMLW would be selling the material at less than FMV (forgoing potential revenue)
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>	\$288,800		\$0	\$0
<b>FY2009</b>	\$248,000	\$314,469	\$0	\$0
<b>FY2010</b>	\$334,600	\$1,216,980	\$0	\$0
<b>FY2011</b>	\$260,800	\$2,517,412	\$0	\$0
<b>FY2012</b>	\$80,800	\$0	\$0	\$0

INDIRECT EXPENDITURES				
Department or Agency	Natural Resources	Natural Resources	Natural Resources	Natural Resources
Division	Mining, Land and Water	Oil & Gas	Oil & Gas	Oil & Gas
<b>Program:</b> (Name by which the program is generally known)	Public and Charitable Use	Oil Shale	Exploration Incentive credits for oil and gas activities	Exploration Incentive credits for oil and gas activities
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Provides lease, sale, or other disposal of state land or resources to certain entities for less than fair market value	The commissioner may waive payment of royalty and rental during the first five years of the lease	EIC may not exceed 50% of eligible costs relating to activities performed on state-owned lands and 25% of eligible costs related to activities performed on land in but not owned by the state	Credits available for both drilling and geophysical survey costs; up to 50% of costs incurred for drilling and for geological surveys
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 38.05.810 (a)	AS 38.05.160	AS 41.09.010	AS 38.05.180 (j)
<b>Year Enacted</b> (Benefit Provision)	1959	1959	1994	1983
<b>Sunset or Expiration date</b> (If applicable)	N/A	N/A	N/A	N/A
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Provide state land or coal deposits suitable for mining for less than appraised value that serve a public purpose and are in the public interest	Encourage the production of petroleum products from shale	Encourage O&G exploratory work on state land	Encourage O&G exploratory work on state land
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	State or federal agency or political subdivision; government owned utility, nonprofit cooperative association; nonprofit	O&G Companies	O&G Companies	O&G Companies
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	7 issued in 2012 154 are in issued status and 18 in early entry authorization	None known	As of 2007, none (6/30/07 was last date for qualifying work)	22 exploratory wells qualified; last claim was in 1994; total fiscal impact was \$54,692,614
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.				
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008			\$0	\$0
FY2009			\$0	\$0
FY2010	Unknown		\$0	\$0
FY2011			\$0	\$0
FY2012			\$0	\$0

<b>INDIRECT EXPENDITURES</b>				
<b>Department or Agency</b>	<b>Natural Resources</b>	<b>Natural Resources</b>	<b>Natural Resources</b>	<b>Natural Resources</b>
<b>Division</b>	<b>Oil &amp; Gas</b>	<b>Oil &amp; Gas</b>	<b>Oil &amp; Gas</b>	<b>Oil &amp; Gas</b>
<b>Program:</b> (Name by which the program is generally known)	Royalty Relief	Royalty Relief	Royalty Modification	Royalty Modification
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Royalty relief for Cook Inlet platforms	Royalty relief for small Cook Inlet discoveries	Royalty modification for Ooguruk Unit	Royalty modification for Nikaitchuq Unit
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 38.05.180 (f)(6)	AS 38.05.180 (f)(5)	AS 38.05.180 (j)(1)(A), (2), (3), (4)(A), (5)	AS 38.05.180 (j)(1)(A), (2), (3), (4)(A), (5)
<b>Year Enacted</b> (Benefit Provision)	2003	1998	2006	2008
<b>Sunset or Expiration date</b> (if applicable)	No sunset clause	10 yrs. after restart of production	No sunset clause	No sunset clause
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Incentives to lessees to continue to produce from Cook Inlet platforms which were not economically viable at a 12.5% royalty rate	Incentives to lessees to restart production from Cook Inlet leases that had been shut in prior to 1988	Stimulate increased production on ANS	Stimulate increased production on ANS
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Cook Inlet oil lessees	Cook Inlet oil and gas lessees	North Slope Oil and Gas lessees	North Slope Oil and Gas lessees
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	6 companies	12 companies	2 companies	ENI (ENI has not yet met the threshold for royalty reduction)
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$11,013,757	\$1,971,904	\$651,792	\$0
FY2009	\$6,302,276	\$1,535,118	\$6,434,129	\$0
FY2010	\$7,244,449	\$1,109,080	\$19,214,995	\$0
FY2011	\$12,482,905	\$844,851	\$22,031,229	\$0
FY2012	\$14,855,924	\$1,207,137	\$20,722,222	\$0

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Exploration Incentive Credit	Qualified Capital Expenditure and Well Lease Expenditure Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	A non-transferrable credit for the cost of drilling or seismic work performed under a limited time period established by the Commissioner of the Department of Natural Resources. The credit is up to 50% of the cost of drilling or seismic work, not to exceed 50% of the tax liability to which it is being applied. This credit may also be applied against the state royalty	A transferable tax credit for qualified oil and gas capital expenditures in the state. Taken in lieu of exploration incentive credits under AS 43.55.025 (Oil and Gas Production Tax) and gas exploration credits under AS 43.20.043 (Net Income Tax). The credit is 20% of eligible expenditures, or 40% for qualified well lease expenditures outside the North Slope. For credits earned for North Slope capital expenditures under AS 43.55.023(a), no more than half the credit may be applied in a single calendar year
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 38.05.180 (i)	AS 43.55.023 (a) and (i)
<b>Year Enacted</b> (Benefit Provision)	1978	2006, Amended 2007
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Increased oil and gas exploration	Increase oil and gas exploration and production
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Oil and gas explorers or producers	Oil and gas explorers or producers
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	0	Approximately 53
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$0	\$268,000,000
FY2009	\$0	\$458,000,000
FY2010	\$0	\$569,000,000
FY2011	\$0	\$766,000,000
FY2012	\$0	\$603,000,000

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Carried-Forward Annual Loss Credit	Small Producer/New Area Development Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	A transferable credit for a carried-forward annual loss, as defined as a producer or explorer's adjusted lease expenditures that are not deductible in calculating production tax values for the calendar year. The credit is 25% of the carried-forward annual loss. If a transferable credit certificate is applied for North Slope losses, the certificate is split in half with the first half available for redemption immediately and the second half available in the following year	A non-transferable credit for oil and gas produced by small producers, defined as having average taxable oil and gas production of less than 100,000 BTU equivalent barrels per day, or for oil and gas produced on leases outside Cook Inlet and below 68 degrees North latitude, providing the producer has a positive tax liability on that production before the application of other credits. Credit is available until the later of 2016 or 9 years after first commercial production of oil and gas on the properties for which the credit applies
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.55.023 (b)	AS 43.55.024 (a) and (c)
<b>Year Enacted</b> (Benefit Provision)	2006, Amended 2008	2006
<b>Sunset or Expiration date</b> (If applicable)	None	2016
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Increase oil and gas exploration and production	Increase oil and gas production by small producers in new areas of development
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Oil and gas explorers or producers	Small oil and gas producers
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Approximately 40	Approximately 20
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		\$31,000,000
FY2009		\$27,000,000
FY2010	Totals included in Qualified Capital Expenditure Credits above	\$27,000,000
FY2011		\$52,000,000
FY2012		\$53,000,000

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Transitional Investment Expenditure Credit	Alternative Credit for Exploration
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	A non-transferable credit for qualified oil and gas capital expenditures incurred between March 31, 2001 and April 1, 2006. Only available to companies that did not have production in commercial quantities prior to January 1, 2008. Credit may not be used after December 31, 2013. The credit is 20% of qualified oil and gas capital expenditures incurred between March 31, 2001 and April 1, 2006, not to exceed 10% of the capital expenditures incurred between March 31, 2006 and January 1, 2008	Transferable credit for certain O&G exploration activity expenditures. Outside Cook Inlet: 40% for seismic costs outside an existing unit, 30% for drilling costs more than 25 miles from an existing unit, 30% for pre-approved new targets more than 3 miles from an existing well, and 40% for pre-approved new targets more than 3 miles from a well and more than 25 miles from an existing unit. For Cook Inlet: 40% for seismic costs outside an existing unit, 30% for drilling costs more than 10 miles from an existing unit, 30% for pre-approved new targets, and 40% for drilling costs that are more than 10 miles from an existing unit and pre-approved new targets
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.55.023 (i)	AS 43.55.025 (a)(1)-(4)
<b>Year Enacted</b> (Benefit Provision)	2006, Amended 2008	2003, Amended 2008
<b>Sunset or Expiration date</b> (If applicable)	12/31/2013	2016
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Increased oil and gas production.	Increased oil and gas exploration
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Small oil and gas producers	Oil and gas explorers and producers
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	1 - 4	Approximately 5
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$73,000,000	\$60,000,000
FY2009	\$0	\$42,000,000
FY2010	Confidential	\$66,000,000
FY2011	Confidential	\$19,000,000
FY2012	Confidential	\$57,000,000

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Cook Inlet Jack-Up Rig Credit	Frontier Basin Credit
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	A credit for exploration expenses for the first three wells drilled by the first jack-up rig for wells that test pre-Tertiary; all three wells must be drilled by unaffiliated parties using the same rig. The credit is 100% of costs for the first well up to \$25 million, 90% of costs for the second well up to \$22.5 million, and 80% of costs for the third well up to \$20 million. If the exploration well is brought into production, operator shall repay 50% of the credit over 10 years following production start-up	A credit for expenses for the first 4 persons to drill exploration wells and the first 4 persons to conduct seismic projects within an area designated in AS 43.55.025(p). The credit is for lesser of 80% of qualified exploration drilling expenses or \$25 million; or for seismic projects, credit is for lesser of 75% of qualified seismic exploration expenditures or \$7.5 million. Includes expenditures incurred for work performed after 6/1/12 and before 7/1/16
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.55.025 (a)(5)	AS 43.55.025 (a)(6)-(7)
<b>Year Enacted</b> (Benefit Provision)	2010	2013
<b>Sunset or Expiration date</b> (If applicable)	2016	2016
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Increase oil and gas exploration and production in Cook Inlet	Increase oil and gas exploration and production outside the North Slope and Cook Inlet
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Oil and gas explorers or producers	Oil and gas explorers and producers.
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	0	0
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
<b>FY2008</b>	Credit program began in FY 2010	Credit program began in FY 2013
<b>FY2009</b>		
<b>FY2010</b>	\$0	
<b>FY2011</b>	\$0	
<b>FY2012</b>	\$0	

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Federal Tax Credits (Applicable to Corporate Income Tax)	Gas Exploration and Development Credit (Applicable to Corporate Income Tax)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Under Alaska's blanket adoption of the IRC, taxpayers can claim all federal incentive credits. Federal credits that refund other federal taxes are not allowed. Multi-state taxpayers apportion their total federal incentive credits. For most credits, credit is limited to 18% of the amount of the credit determined for federal income tax purposes which is attributable to Alaska	A non-transferable credit for qualified expenditures for exploration and development of non-North Slope natural gas reserves. The Credit is 25% of qualified expenditures for investment after 1/1/10. Credit is capped at 75% of tax liability as calculated before applying other credits
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.20.021	AS 43.20.043
<b>Year Enacted</b> (Benefit Provision)	1975	2003, Amended 2010
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Unknown	Encourage non-North Slope gas development
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	All businesses that pay Alaska Corporate Income Tax	Oil and gas explorers and producers
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	2
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009		Credit not available until FY 2011
FY2010	Not tracked	
FY2011		Confidential
FY2012		Unknown

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Gas Storage Facility Credit (Applicable to Corporate Income Tax)	Veteran Employment Tax Credit (Applicable to Corporate Income Tax)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	A credit for the costs incurred to establish a gas storage facility. Does not apply to gas storage related to a gas sales pipeline on the North Slope. Facility shall be operated as a public utility regulated by the Alaska RCA with open access for 3rd parties. Effective for facilities placed into service between 1/1/11 and 12/31/15. The credit is \$1.50 per thousand cubic feet of "working gas" storage capacity as determined by AOGCC. Max credit is the lesser of \$15 million or 25% of costs incurred to establish the facility	Credit for employing qualified veterans in state. "Qualified veteran" means unemployed for more than 4 weeks prior to employment date and discharged or released from military service no more than 10 years before employment date (disabled vet) or not more than 2 years before employment date (non-disabled vet). The credit is \$3,000 (disabled vet) or \$2,000 (not disabled) for employment for at least 1,560 hours during 12 consecutive months after employment date. For seasonal employment, credit is \$1,000 for veteran employed for a minimum of 500 hours during 3 consecutive months following employment date
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.20.046	AS 43.20.048
<b>Year Enacted</b> (Benefit Provision)	2011	2012
<b>Sunset or Expiration date</b> (If applicable)	12/31/2015	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourages building of gas storage facility	Encourages hiring of veterans
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Developers, producers and users of natural gas	Veterans and businesses that hire the veterans
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	0	0
<b>Fiscal impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009	Credit program began in 2011	
FY2010		Credit program began in 2013
FY2011		
FY2012	\$0	

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	LNG Storage Facility Credit (Applicable to Corporate Income Tax)	Internal Revenue Code Adopted by Reference - "S" Corps (Applicable to Corporate Income Tax)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	A credit for the costs incurred to establish a storage facility for liquefied natural gas. Applies to facilities with minimum storage capacity of 25,000 gallons of LNG and that are public utilities regulated by Alaska RCA Effective for facilities placed in service after January 1, 2011	Excludes small corporations from tax ("S Corps")
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.20.047	AS 43.20.021
<b>Year Enacted</b> (Benefit Provision)	2012	Prior to 1988
<b>Sunset or Expiration date</b> (if applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourages building of LNG storage facility	To streamline tax administration
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Developers, producers and users of LNG	All corporations electing Subchapter S status
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	0	Approximately 6,000
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009	Credit program began in 2012	
FY2010		Unknown
FY2011		
FY2012	\$0	

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Foreign Royalty Exclusion (Applicable to Corporate Income Tax)	Small Business Exemption (Applicable to Corporate Income Tax)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Excludes 80% of foreign royalties from taxable income	Exempts certain small corporations from tax
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.20.145	AS 43.20.012
<b>Year Enacted</b> (Benefit Provision)	1991	2012
<b>Sunset or Expiration date</b> (If applicable)	None	1-Jul-23
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Unknown	Encourage small business development
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	All taxable corporations, except oil and gas companies	Certain small corporations with assets less than \$50M
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	250	Unknown
<b>Fiscal impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009		
FY2010	Unknown	Unknown
FY2011		
FY2012		

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Reduced Tax Rate on Capital Gains (Applicable to Corporate Income Tax)	Exclude Income from Certain Vessels from Tax (Applicable to Corporate Income Tax)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Capital gains taxed at maximum rate of 4.5%. All other income is taxed at maximum rate of 9.4%	Foreign flagged vessels other than cruise ships operating in Alaska waters are exempt from tax
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.20.021 (c)	AS 43.20.021 (h)
<b>Year Enacted</b> (Benefit Provision)	Prior to 1988	2006
<b>Sunset or Expiration date</b> (if applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage capital investments	To encourage foreign vessels to come to Alaska
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	All corporations	Shipping companies
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009		
FY2010	Unknown	Unknown
FY2011		
FY2012		

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Exempt corporations from tax that are participants in contract under Stranded Gas Development Act (Applicable to Corporate Income Tax)	Water's Edge Combination Reporting (Applicable to Corporate Income Tax)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Corporations that are a party to a contract under stranded gas development act are exempt from corporate income tax filing requirements	All non oil and gas corporations file using water's edge method of combination. Water's edge combination allows companies to exclude foreign intangible holding companies, tax haven companies, and foreign operating companies
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.20.145 (g)	AS 43.20.145
<b>Year Enacted</b> (Benefit Provision)	2006	1991
<b>Sunset or Expiration date</b> (if applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Promote building a gas pipeline	Unknown
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	None	All taxable corporations, except oil and gas companies
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	0	Approximately 6,000
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$0	Unknown
FY2009	\$0	
FY2010	\$0	
FY2011	\$0	
FY2012	\$0	

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Film Production Credit (Applicable to Corporate Income Tax)	Education Credit (Applicable to Multiple Tax Programs)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	A transferable credit for expenditures on eligible film production activities in Alaska. Producer must spend at least \$100,000 in a consecutive 24-month period to qualify. Credit program extended and revised effective 7/1/13. The credit is 30% of eligible film production expenditures, plus an additional 10% credit for wages paid to Alaska residents, plus an additional 2% credit for filming in a rural area, plus an additional 2% credit for filming between October 1 and March 30. Program is capped at \$100 million for all projects	Non-transferable credit for contributions to vocational educational programs, accredited Alaska universities or colleges for educational purposes or facilities, annual intercollegiate sports tournaments, AK Native educational programs, facilities that qualify under the Costal American Partnership. Credit is 50% of annual contributions up to \$100,000; 100% of the next \$200,000; and 50% of annual contributions beyond \$300,000. Credit cannot exceed \$5,000,000 annually across all eligible tax types. Effective at these rates from January 1, 2011 until December 31, 2020 when the maximum credit from any taxpayer is \$150,000 per year
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.98.030	AS 21.20.014, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, AS 43.77.045,
<b>Year Enacted</b> (Benefit Provision)	2008	1987, last Amended 2012
<b>Sunset or Expiration date</b> (If applicable)	2023	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage film production in Alaska	Encourages private businesses that pay tax to contribute to Alaska educational institutions and facilities
<b>Benefit Recipient</b> (Class or classes of Individuals or businesses who receive the benefit)	Film production companies and Alaska corporate taxpayer if they can purchase the credits at a discount	Taxpayers that make contributions to educational facilities and programs.
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	24	10-15 annually
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
<b>FY2008</b>	Credit program began in FY 2009	\$2,958,458
<b>FY2009</b>		\$1,663,933
<b>FY2010</b>	\$0	\$2,358,446
<b>FY2011</b>	\$193,765	\$2,909,066
<b>FY2012</b>	\$2,684,836	\$3,375,825

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Minerals Exploration Incentive Credit (Applicable to Multiple Tax Programs)	Scholarship Contribution Credit (Applicable to Fisheries Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Non-transferable credit for eligible costs of mineral or coal exploration activities. Credit must be used within 15 years. The credit is 100% of allowable exploration costs with a maximum of \$20 million. Credit is limited to: (1) for mining license tax, the lesser of 50% of the MLT liability at the mining operation at which the exploration occurred or 50% of total MLT liability; (2) for corporate income tax, the lesser of 50% of the MLT liability at the mining operation at which the exploration occurred or 50% of total CIT liability, and (3) for mineral royalty, 50% of royalty liability from the mining operation at which the exploration activity occurred	A non-transferrable credit for contributions to the A. W. "Winn" Brindle memorial education loan account established under AS 14.43.250. The credit is 100% of contribution amount up to a maximum of 5% of tax liability
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 27.30.030, AS 43.20.044	AS 43.75.032 AS 43.77.035
<b>Year Enacted</b> (Benefit Provision)	1995	1986
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourages mineral exploration	Encourages contributions to scholarships
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Mineral exploration companies	Students awarded the A.W. "Winn" memorial education loans
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Less than 5	6 - 7
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$0	\$177,288
FY2009	\$0	\$192,792
FY2010	<\$1 million	\$123,060
FY2011	<\$1 million	\$184,817
FY2012	\$6,000,000	\$175,338

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Salmon Product Development Credit (Applicable to Fisheries Taxes)	Community Development Quota Credit (Applicable to Fisheries Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	A non-transferable credit for eligible capital expenditures to expand value-added processing of Alaska salmon including ice making machines. Credit is 50% of qualified investments up to 50% of tax liability incurred for processing of salmon during the tax year	A non-transferable credit for contributions to an Alaskan nonprofit corporation that are dedicated to fisheries industry-related expenditures. Credit is available only for fishery resource harvested under a community development quota (CDQ). The credit is 100% of contribution amount up to a maximum of 45.45% of tax liability on fishery resources harvested under a CDQ
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.75.035	AS 43.77.040
<b>Year Enacted</b> (Benefit Provision)	2003, last Amended 2010	1993
<b>Sunset or Expiration date</b> (If applicable)	2019	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourages adding value to Alaska salmon	Unknown
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Fishermen, fish processors	Rural coastal communities
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	28 - 42	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$4,501,973	\$0
FY2009	\$3,121,697	\$0
FY2010	\$4,074,071	\$0
FY2011	\$2,057,255	\$0
FY2012	\$71,598	\$0

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Reduced Tax Rate for Small Fish Processors (Applicable to Fisheries Taxes)	Property Tax
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Fishers processing on vessels 65 ft. or less qualify for lower 3% tax rate Regular tax rate is 5%	Excludes from taxation intangible drilling expenses
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.75.015 (d) AS 43.75.020 (c)	AS 43.56.060 (f)
<b>Year Enacted</b> (Benefit Provision)	2004	1973
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Small business development	Encourages drilling for oil and gas
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Small fish processors	Oil and Gas Property Taxpayers
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	97 - 111	Approximately 12
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$37,982	Unknown
FY2009	\$45,541	
FY2010	\$41,183	
FY2011	\$53,645	
FY2012	\$61,145	

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Exemption from Studded Tire Fee for Lightweight Studs	Personal exemption from cigarette tax (Applicable to Tobacco Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Excludes tires that are studded with studs weighing less than 1.1 grams each from the \$5 fee	Excludes the first 400 cigarettes personally transported into the state by an individual for that individual's personal consumption during the calendar month from the cigarette tax
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.98.025(b)	AS 43.50.090c(d) and AS 43.50.190c(c)
<b>Year Enacted</b> (Benefit Provision)	2003	2004
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourage use of light weight studs to prevent possible road damage	Tax break for travelers
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Any individual who purchases tires with lighter weight studs	Any individual travelling and purchasing cigarettes outside of the state
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	\$0.038 per cigarette is deposited in the School Fund. AS 43.50.140 \$0.062 per cigarette is deposited into the Unrestricted General Fund. Of this amount, 8.9% is deposited into the Tobacco Use Education and Cessation Fund (Designated General Fund). AS 43.50.190 (d)
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009		
FY2010	Filers do not have to report the number of tires sold with lighter weight studs.	There are no reporting requirements for cigarettes personally transported into the state.
FY2011		
FY2012		

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Personal exemption from other tobacco products tax (Applicable to Tobacco Taxes)	Timely filing discount (Applicable to Tobacco Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Excludes all other tobacco products brought into the state or made in the state for personal consumption and not for sale from the tobacco tax	Gives a four-tenths of one percent of the tobacco tax due deduction to cover the expense of accounting and filing the return
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.50.300	AS 43.50.330 (b)
<b>Year Enacted</b> (Benefit Provision)	1988	1997
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Tax break for users of other tobacco products	Deduction for the cost of accounting and filing a return
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Individuals purchasing or transporting other tobacco products out of state for personal consumption	All licensees who pay the tobacco tax
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	26-35
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		\$36,995
FY2009		\$40,767
FY2010	Unknown	\$41,500
FY2011		\$46,852
FY2012		\$48,182

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Tax stamp discount (Applicable to Tobacco Taxes)	Timely filing discount (Applicable to Motor Fuel Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Gives a discount of up to \$50,000 as compensation for affixing stamps to packs	Gives a timely filing credit of 1% of the total monthly tax due to a maximum of \$100
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.50.540c (c)	AS 43.40.010 (c)
<b>Year Enacted</b> (Benefit Provision)	2004	1951, last Amended 1997
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Compensation for affixing stamps to packs of cigarettes	Encourages timely filing of tax return
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	All tobacco licensees that purchase tax stamps	All licensed dealers
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	10 - 13	81
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund and Designated General Fund	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$384,786	\$76,325
FY2009	\$346,341	\$57,090
FY2010	\$322,403	\$56,375
FY2011	\$320,918	\$65,752
FY2012	\$307,838	\$65,636

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Foreign Fuel Exemption (Applicable to Motor Fuel Taxes)	Foreign Flight Exemption (Applicable to Motor Fuel Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Exempts fuel consigned to foreign countries from the motor fuel tax	Exempts fuel used in flights going to foreign countries or continue on from foreign countries from the motor fuel tax
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.40.100 (2)(A)	AS 43.40.100 (2)(B)
<b>Year Enacted</b> (Benefit Provision)	1949, last Amended 2001	1949, last Amended 2001
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Encourages refueling activities at the Ted Stevens International Airport	Encourages refueling activities at the Ted Stevens International Airport
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Fuel consigned to foreign countries	Air carriers with foreign flights
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Designated General Fund	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		\$6,410,818
FY2009		\$3,410,961
FY2010	Unknown	\$4,487,751
FY2011		\$4,413,074
FY2012		\$4,647,267

<b>INDIRECT EXPENDITURES</b>		
<b>Department or Agency</b>	<b>Revenue</b>	<b>Revenue</b>
<b>Division</b>	<b>Tax</b>	<b>Tax</b>
<b>Program:</b> (Name by which the program is generally known)	Stationary Power Plant Exemption (Applicable to Motor Fuel Taxes)	Non-Profit Power Association Exemption (Applicable to Motor Fuel Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Exempts fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public from the motor fuel tax	Exempts fuel used by nonprofit power associations or corporations for generating electric energy for resale
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.40.100 (2)(C)	AS 43.40.100 (2)(D)
<b>Year Enacted</b> (Benefit Provision)	1949, last Amended 2001	1949, last Amended 2001
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Possibility of lowering the cost of power to the general public	Gives non-profit power associations or corporations a tax break
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Public utilities	Non-profit power associations or corporations
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	2
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Designated General Fund	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009		
FY2010	Unknown	Unknown
FY2011		
FY2012		

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Charitable Institution Exemption (Applicable to Motor Fuel Taxes)	Stationary Power Plant Exemption (for home heating) (Applicable to Motor Fuel Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Exempts fuel used by charitable institutions from the motor fuel tax	Exempts fuel used in stationary power plants that generate electrical energy for private residential consumption from the motor fuel tax
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.40.100 (2)(E)	AS 43.40.100 (2)(H)
<b>Year Enacted</b> (Benefit Provision)	1949, last Amended 2001	1949, last Amended 2001
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Gives a tax break to charitable institutions	Gives a tax break to stationary power plants that use motor fuel to generate electricity for private residence
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	All 501(c)(3) charities	Residential power generator users
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Designated General Fund	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
<b>FY2008</b>		
<b>FY2009</b>		
<b>FY2010</b>	Unknown	Unknown
<b>FY2011</b>		
<b>FY2012</b>		

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Heating Fuel Exemption (Applicable to Motor Fuel Taxes)	Small Generator Exemption (Applicable to Motor Fuel Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Exempts fuel used to heat private or commercial buildings or facilities from the motor fuel tax	Exempts fuel used in stationary power plants of 100 kilowatts or less that generate electrical power for commercial enterprises not for resale from the motor fuel tax
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.40.100 (2)(I)	AS 43.40.100 (2)(K)
<b>Year Enacted</b> (Benefit Provision)	1949, last Amended 2001	1949, last Amended 2001
<b>Sunset or Expiration date</b> (if applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Gives a tax break to commercial buildings that use motor fuel to heat the facility	Gives a tax break to small stationary power plants that use motor fuel to generate electricity that is not for resale
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	All heating fuel users	Commercial generator users
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Designated General Fund	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009		
FY2010	Unknown	Unknown
FY2011		
FY2012		

**INDIRECT EXPENDITURES**

Department or Agency Division	Revenue Tax	Revenue Tax
<b>Program:</b> (Name by which the program is generally known)	Bunker Fuel Exemption (Applicable to Motor Fuel Taxes)	Off-Highway Use Reduced Rate (Applicable to Motor Fuel Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Exempts bunker fuel from the motor fuel tax	Refunds 6 cents per gallon for tax-paid motor fuel that was used for non-highway use
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.40.100 (2)(L)	AS 43.40.030 (a)
<b>Year Enacted</b> (Benefit Provision)	1949, last Amended 2001	1955, last Amended 1982
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Tax break for users of bunker fuel	Refunds for taxes paid on motor fuel that was used for off-highway purposes
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Users of bunker fuel	Non-highway fuel users
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Designated General Fund	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>	Unknown	\$5,253,835
FY2008		\$3,878,311
FY2009		\$2,435,332
FY2010		\$5,510,077
FY2011		\$5,025,439

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Reduced Rates based on usage (Applicable to Motor Fuel Taxes)	Long Term Rental Exemption (Applicable to Vehicle Rental Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Different tax rates based on usage. The tax rate is 8 cents per gallon except for the following: 4 and 7/10 cents for aviation gasoline, 5 cents on fuel used in watercraft, 3 and 2/10 cents for aviation fuel (other than gasoline)	Excludes car rentals or leases over 90 days from the vehicle rental tax
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.40.010 (a)	AS 43.52.010
<b>Year Enacted</b> (Benefit Provision)	1951, last Amended 1997	2003
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Unknown	To tax only short term renters
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Users of fuel for different purposes	Passenger vehicle lessees
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Designated General Fund	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009		
FY2010	Unknown	Unknown
FY2011		
FY2012		

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Long Term Rental Exemption (RV's) (Applicable to Vehicle Rental Taxes)	Taxicab Exemption (Applicable to Vehicle Rental Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Excludes recreational vehicle rentals or leases over 90 days from the vehicle rental tax	Excludes taxicab rentals from the vehicle rental tax
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.52.030	AS 43.52.099 (2)(E)
<b>Year Enacted</b> (Benefit Provision)	2003	2004
<b>Sunset or Expiration date</b> (if applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	To tax only short term renters	To not tax the taxicab industry
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Recreational vehicle lessees	Taxi Drivers (Lessees)
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Designated General Fund	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009		
FY2010	Unknown	Unknown
FY2011		
FY2012		

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Warranty Work Exemption (Applicable to Vehicle Rental Taxes)	Moving Truck Exemption (Applicable to Vehicle Rental Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Exempts a vehicle provided by an automobile dealer to a customer as replacement transportation from the vehicle rental tax	Exempts rental trucks from the vehicle rental tax
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.52.099 (2)(G)	AS 43.52.099 (2)(F)
<b>Year Enacted</b> (Benefit Provision)	2006	2006
<b>Sunset or Expiration date</b> (if applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Tax fairness	Tax fairness
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Warranty holders	Persons relocating
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Designated General Fund	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009		
FY2010	Unknown	
FY2011		
FY2012		

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Small Miner Exemption (Applicable to Mining License Taxes)	3.5-year Exemption (Applicable to Mining License Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Tax Rate - threshold allows for no tax due if taxable income is \$40,000 or less	A new mining operation is exempt from the tax under AS 43.65 for 3.5 years after production begins, under the authority of DNR AS 27.30.010
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.65.010 (c)	AS 43.65.010 (a)
<b>Year Enacted</b> (Benefit Provision)	1955	1951
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Unknown	Encourages new mining operations
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Small miners	New mining operations
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	Unrestricted General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008	\$17,645	Unknown
FY2009	\$12,890	
FY2010	\$8,414	
FY2011	Unknown	
FY2012	Unknown	

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Depletion Deduction (Applicable to Mining License Taxes)	Small Brewery Reduced Rate (Applicable to Alcoholic Beverage Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	A percentage depletion deduction is allowed for certain types of mining (e.g., coal mines); all others must use cost depletion	Allows qualifying brewers a reduced rate of tax. If they qualify, they pay \$0.35 a gallon on beer and malt beverages instead of the \$1.07 full rate of tax
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.65.010 (e)	AS 43.60.010 (c)
<b>Year Enacted</b> (Benefit Provision)	1955	2002
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Unknown	Gives a tax break to small breweries
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Coal mines: 10%; metal mines, fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc, lepiolite, spodumene, carite, vail and sagger clay, or tock asphalt mines and potash mines or deposits: 15%; and sulphur mines or deposits: 23%	Domestic brewers who meet the federal qualifications of 26 U.S.C. 5051(a)(2), are allowed to apply for a reduced rate of tax within the State of Alaska on the first 60,000 barrels of beer sold in the state each fiscal year
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Unrestricted General Fund	50% into Unrestricted General Fund, 50% into Alcohol and Other Drug Abuse Treatment and Prevention Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		\$1,680,476
FY2009		\$1,774,518
FY2010	Unknown	\$1,934,449
FY2011		\$2,410,491
FY2012		\$2,453,766

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Small Passenger Vessel Exemption (Applicable to Commercial Passenger Vessel Taxes)	Tax Reduction for Local Levies (Applicable to Commercial Passenger Vessel Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Exclusion of vessels with fewer than 250 berths	Provides a reduction in the state's passenger fee for similar fees paid to local government entities
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.52.295(1)(A)	AS 43.52.255
<b>Year Enacted</b> (Benefit Provision)	2006	2010
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Tax break to small passenger vessels	Encourage cruise ship activity in Alaska
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Cruise ship passengers	Cruise ship passengers
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Designated General Fund	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		Tax reduction not effective until FY 2011
	FY2008	
	FY2009	
	FY2010	Unknown
	FY2011	\$11,846,936
FY2012	\$12,170,756	

INDIRECT EXPENDITURES		
Department or Agency	Revenue	Revenue
Division	Tax	Tax
<b>Program:</b> (Name by which the program is generally known)	Large Passenger Vessel Gambling Tax Deduction (Applicable to Commercial Passenger Vessel Taxes)	Large Passenger Vessel Gambling Tax Deduction (Applicable to Commercial Passenger Vessel Taxes)
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Allows a deduction of federal and municipal taxes paid from gambling gross income	Allows a deduction of federal and municipal taxes paid from gambling gross income.
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AS 43.35.210	AS 43.35.210
<b>Year Enacted</b> (Benefit Provision)	2006	2006
<b>Sunset or Expiration date</b> (If applicable)	None	None
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Unknown	Unknown
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Cruise ship companies	Cruise ship companies
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	Unknown	Unknown
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Designated General Fund	Designated General Fund
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>		
FY2008		
FY2009		
FY2010	Unknown	Unknown
FY2011		
FY2012		

INDIRECT EXPENDITURES				
Department or Agency	Transportation and Public Facilities	Transportation and Public Facilities	Transportation and Public Facilities	Transportation and Public Facilities
Division	Alaska Marine Highway	Alaska Marine Highway	Alaska Marine Highway	Alaska Marine Highway
<b>Program:</b> (Name by which the program is generally known)	Children's discounted tariffs	Senior Citizen's discounted tariffs	Underage discounted tariffs	Youth Group discounted tariffs
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Children aged 6-11 receive a 50% discount on the route based Adult passenger tariff	Senior's aged 65 and older receive a 50% discount on the route based Adult passenger tariff	Children aged 5 & under travel free (passage only)	Organized Youth Groups receive a 50% discount on the route based Adult passenger tariff
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	Unknown	AMHS Policy and Procedure # 3-14	Unknown	AMHS Policy and Procedure # 3-18
<b>Year Enacted</b> (Benefit Provision)	Unknown	Unknown	Unknown	Unknown
<b>Sunset or Expiration date</b> (If applicable)	We believe there is no Sunset Clause	We believe there is no Sunset Clause	We believe there is no Sunset Clause	We believe there is no Sunset Clause
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Benefit families with children while traveling for any purpose	Reduce transportation costs	Benefit families with children while traveling for any purpose	Provides youth with the academic and social development that travel provides at a discounted cost
<b>Benefit Recipient</b> (Class or classes of Individuals or businesses who receive the benefit)	Qualified children ages 6-11	Qualified Seniors aged 65 and older	Qualified Children aged 5 and under	Qualified Youth Group members
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	On average 8,200 individuals use this per year	Recent Average usage of 18,500 individuals use this per year	On average 6,500 individuals use this per year	On average 6,600 individuals use this per year
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Alaska Marine Highway Fund--Designated GF	Alaska Marine Highway Fund--Designated GF	Alaska Marine Highway Fund--Designated GF	Alaska Marine Highway Fund--Designated GF
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>	\$632,745	\$281,710	\$1,209,532	\$675,476
<b>FY2009</b>	\$591,735	\$305,413	\$1,216,804	\$652,469
<b>FY2010</b>	\$630,669	\$242,914	\$1,275,344	\$673,951
<b>FY2011</b>	\$620,615	\$543,803	\$1,391,097	\$686,890
<b>FY2012</b>	\$665,913	\$561,015	\$1,372,220	\$688,513

INDIRECT EXPENDITURES				
Department or Agency	Transportation and Public Facilities	Transportation and Public Facilities	Transportation and Public Facilities	Transportation and Public Facilities
Division	Alaska Marine Highway	Alaska Marine Highway	Alaska Marine Highway	Alaska Marine Highway
<b>Program:</b> (Name by which the program is generally known)	Disability Pass	Veteran Disability Pass	Employee Annual Passes	Employee Trip Passes
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Qualified Disabled Individuals receive a 50% discount on the route specific Adult passenger tariff	Qualified Disabled Veterans receive a 50% discount on the route specific Adult passenger tariff	Qualified AMHS employees and their immediate families free passenger/vehicle travel space available basis	Qualified AMHS employees are allowed free passage when traveling to and from work plus workers who have not obtained annual passes can request annual pass privileges through trip passes
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AMHS Policy and Procedure # 7-8	AMHS Policy and Procedure # 7-9	CBA with MMP, MEBA, IBU-AMHS P&P # 7-1	CBA with MMP, MEBA, IBU-AMHS P&P # 7-2
<b>Year Enacted</b> (Benefit Provision)	Unknown	Unknown	Unknown	Unknown
<b>Sunset or Expiration date</b> (If applicable)	We believe there is no Sunset Clause	We believe there is no Sunset Clause	Current CBA's terminate 6/30/2014	Current CBA's terminate 6/30/2014
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Reduce transportation costs for qualified disabled Americans	Reduce transportation costs for qualified disabled American Veterans	Collective Bargaining Agreement with Vessel Employee Unions	Collective Bargaining Agreement with Vessel Employee Unions
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Qualified Disabled Americans	Qualified Disabled American Veterans	Qualified Union members who work on AMHS vessels	Qualified Union members who work on AMHS vessels
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	On average 100 individuals use this per year	On average 300 individuals use this per year	On average 810 employees use this per year	On average 575 employees use this per year
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Alaska Marine Highway Fund—Designated GF	Alaska Marine Highway Fund—Designated GF	Alaska Marine Highway Fund—Designated GF	Alaska Marine Highway Fund—Designated GF
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$12,398	\$31,200	\$1,233,832	\$372,176
FY2009	\$12,695	\$36,029	\$1,237,580	\$342,865
FY2010	\$10,876	\$41,870	\$929,553	\$302,647
FY2011	\$22,468	\$33,352	\$1,183,180	\$350,957
FY2012	\$13,500	\$52,561	\$1,091,976	\$329,261

**INDIRECT EXPENDITURES**

Department or Agency	Transportation and Public Facilities	Transportation and Public Facilities	Transportation and Public Facilities	Transportation and Public Facilities
Division	Alaska Marine Highway	Alaska Marine Highway	Alaska Marine Highway	Alaska Marine Highway
<b>Program:</b> (Name by which the program is generally known)	Interpretive Passes	Trooper/USFS Enforcement Passes	Alcohol Control Board Passes	National/Guard Militia Passes
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Contractual agreements with Federal Government Agencies (USFS, USFG) for Interpretive Services	Contractual agreements with State & Federal Government Agencies (State Troopers, USFS) for enforcement presence	Issued to qualified employees of the board (in exchange for waiving fees related to alcohol permits)	Issued to qualified members traveling to and from training exercises
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	See various MOA's re: intergovernmental exchange of services	See various MOA's re: intergovernmental exchange of services	AMHS Policy and Procedure # 7-4 No known contract or agreement	AS 19.65.035 AMHS P&P # 7-10
<b>Year Enacted</b> (Benefit Provision)	Unknown	Unknown	Unknown	2000
<b>Sunset or Expiration date</b> (if applicable)	Final agreement with USFS expires 9/30/14	Both agreements expire 9/30/13	Unknown	No sunset
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Provide added passenger enjoyment on selected AMHS vessels	Provide added enforcement appearance on board AMHS Vessels	Mitigate Federal Government programs that provide services to Alaska	Mitigate Federal Government programs that provide services to Alaska
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	USFS and USFG Interpreters	State Trooper and USFS Enforcement Personnel	Qualified Alcohol Control Board employees	Qualified National/Guard Militia members
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	On average there are 3-4 Interpreters per year	This program had 268 participants in 2008 but that number has dropped to 28 in 2012	On average 2 people per year use this	On average approximately 3 people per year are using this
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Alaska Marine Highway Fund—Designated GF	Alaska Marine Highway Fund—Designated GF	Alaska Marine Highway Fund—Designated GF	Alaska Marine Highway Fund—Designated GF
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
FY2008	\$72,332	\$125,259	\$1,604	\$1,168
FY2009	\$94,036	\$75,549	\$1,666	\$2,190
FY2010	\$66,261	\$53,942	\$1,759	\$1,713
FY2011	\$49,159	\$20,959	\$836	\$551
FY2012	\$20,996	\$15,096	\$2,416	\$1,582

INDIRECT EXPENDITURES				
Department or Agency	Transportation and Public Facilities	Transportation and Public Facilities	Transportation and Public Facilities	
Division	Alaska Marine Highway	Alaska Marine Highway	Alaska Marine Highway	
<b>Program:</b> (Name by which the program is generally known)	USCG Sea Marshall Passes	MEBA Union Business Passes	MTAB Board Member Passes	
<b>Description of Provision:</b> (What does it do? Describe the discount, exemption, credit, etc.)	Issued to qualified members traveling to and from official Sea Marshall business	Issued to qualified MEBA union members traveling for union related business	Issued to current board members for official MTAB business travel - (Offsets to AMHS Budget)	
<b>Authorizing Alaska Statute, Regulation or Other Authority</b> (Benefit Provision)	AMHS Policy and Procedure # 7-4	CBA with MEBA - AMHS P&P -7-4	AS 19.65.150 AMHS P&P 7-4	
<b>Year Enacted</b> (Benefit Provision)	Unknown	Unknown	2008	
<b>Sunset or Expiration date</b> (If applicable)	Unknown	Current CBA's terminate 6/30/2014	No sunset	
<b>Public Purpose:</b> (Public policy purpose for which this benefit exists)	Mitigate Federal Government programs that provide services to Alaska	Collective Bargaining Agreement with Vessel Employee Union	Mitigating SOA sponsored board costs and allowing board members better understanding of system	
<b>Benefit Recipient</b> (Class or classes of individuals or businesses who receive the benefit)	Qualified Sea Marshalls	MEBA Union members traveling for union related business	MTAB Board Members traveling on official MTAB Business	
<b>Number of Beneficiaries</b> (Business and/or individuals who receive the benefit on an annual basis)	One person used this in 1 year	This pass has not been used since 2003	There are currently 11 Board members and this number has held steady for the last 5 years	
<b>Fiscal Impact</b> Impact to the Unrestricted General Fund, Designated General Fund, or Other Restricted Revenue. If Designated or Other Restricted, please explain.	Alaska Marine Highway Fund--Designated GF	Alaska Marine Highway Fund--Designated GF	Alaska Marine Highway Fund--Designated GF	
<b>ESTIMATED ANNUAL REVENUE IMPACT BY FISCAL YEAR</b>				
<b>FY2008</b>	\$0	\$0	\$3,654	
<b>FY2009</b>	\$0	\$0	\$2,122	
<b>FY2010</b>	\$0	\$0	\$6,206	
<b>FY2011</b>	\$356	\$0	\$518	
<b>FY2012</b>	\$0	\$0	\$352	

## 2013 Tax Expenditure Report

### AGENCY CONTACTS

John Boucher	Office of Management and Budget	907.465.4677
April Shoemaker	Office of the Governor	907.465.3520
Curtis Thayer	Department of Administration	907.465.5671
Crystal Koeneman	Department of Commerce, Community, and Economic Development	907.465.2503
Kaci Schroeder	Department of Corrections	907.465.1854
Marcy Herman	Department of Education and Early Development	907.465.2803
Diane Barrans	Postsecondary Education Commission	907.465.2113
Thomas Cherian	Department of Environmental Conservation	907.465.5256
Marit Carlson-Van Dort	Department of Environmental Conservation	907.465.5871
Ben Mulligan	Department of Fish and Game	907.465.6137
Ben Brown	Commercial Fisheries Entry Commission	907.465.6942
Wilda Laughlin	Department of Health and Social Services	907.465.1613
Paula d Scavera	Department of Labor and Workforce Development	907.465.4531
Cori Badgley	Department of Law	907.465.2132
McHugh Pierre	Department of Military and Veterans Affairs	907.428.6009
Esther Tempel	Department of Natural Resources	907.465.4730
Kelly Howell	Department of Public Safety	907.465.4336
Alicia Egan	Department of Revenue	907.465.6829
Laura Achee	Alaska Permanent Fund Corporation	907.796.1522
Mary Siroky	Department of Transportation and Public Facilities	907.465.8974
Constance McKenzie	Department of Transportation and Public Facilities	907.465.4772
Doug Wooliver	Alaska Court System	907.463.4750
Chris Christensen	University of Alaska	907.450.8007
Michelle Rizk	University of Alaska	907.450.8187
Stacy Schubert	Alaska Housing Finance Corporation	907.330.8445
Ted Leonard	Alaska Industrial Development and Export Authority	907.771.3050
Sara Fisher-Goad	Alaska Industrial Development and Export Authority	907.771.3012