

HB

88

<TARGET><BILL>HB 88</BILL><SUBJECT>HB
88</SUBJECT><COMM>HTRA29</COMM></TARGET>



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Revenue

COMMISSIONER'S OFFICE

State Office Building
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February 3, 2015

The Honorable Neal Foster, Co-Chair
The Honorable Shelley Hughes, Co-Chair
House Transportation Committee
State Capitol Building
Juneau, AK 99801

Dear Representatives Foster and Hughes:

The Department of Revenue (DOR) respectfully requests that HB 88, "An Act relating to remittance of tire fees; and providing for an effective date," be scheduled in the House Transportation Committee at your earliest convenience.

The purpose of this legislation is to change the deadline for vendors who sell tires to report and pay collected tire fees. A copy of Governor Walker's transmittal letter and fiscal notes accompany this request.

Your favorable consideration of this request is appreciated. If you need any additional information, please contact Jerry Burnett, Deputy Commissioner for the Department of Revenue at 907-465-3669.

Sincerely,

A handwritten signature in cursive script, appearing to read "Randall J. Hoffbeck".

Randall J. Hoffbeck
Commissioner

Cc: Darwin Peterson, Legislative Director, Office of the Governor
Jerry Burnett, Deputy Commissioner, Department of Revenue
Ken Alper, Director, Tax Division, Department of Revenue

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Governor Bill Walker
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January 28, 2015

The Honorable Mike Chenault
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Chenault:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the deadline for tire fees to be submitted to the State of Alaska by tire vendors.

Under Alaska law, vendors who sell tires are required to collect a fee for each tire sold and submit the fees to the State on a quarterly basis. The bill would change the deadline for vendors to report and pay collected tire fees. The current statutory language has caused confusion because some months have 31 days, and some vendors are late in submitting the collected fees. Therefore, the bill would amend AS 43.98.025 to make it clear to vendors that they have until the end of the month (regardless of the number of days in the month) to submit the fees. The bill would reduce administrative costs to the State of Alaska and benefit vendors by lessening the chance for accidental late filings.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script that reads "Bill Walker".

Bill Walker
Governor

Enclosure

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version:	HB 88
Fiscal Note Number:	1
(H) Publish Date:	1/30/2015

Identifier: 0044-DOR-TAX-1-16-15
 Title: FEES FOR TIRES
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Governor

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)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues	(30.3)							
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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) 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? 12/31/15

Why this fiscal note differs from previous version:

Prepared By:	Anna Kim	Phone:	(907)465-4773
Division:	Tax	Date:	01/15/2015 12:00 AM
Approved By:	Jerry Burnett, Deputy Commissioner	Date:	01/16/15
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

Analysis

The tire fee return and payments are currently due 30 days following the last day of the calendar quarter. For three calendar quarters, the return and payment are due prior to the last day of the month. This has caused confusion for taxpayers and caused them to file and pay late. Filing and paying late has resulted in a loss of the timely payment credit and the assessment of penalties and interest. This bill would align the due date of the return and payment with other tax types that have the due date as the last day of the month and would eliminate confusion regarding the due date.

The due dates for both the return and payment would be updated in the tax revenue management system.

We estimate \$30.3 loss of GF revenue from a decrease in tax, penalty and interest as a result of filing and paying on time.

Tax timely pay credit lost-\$15.0

Penalty-\$15.0

Interest-less than \$250 dollars