


Leg. Finance - House & Senate Finance Comte Files (1975-76) 397
HB 307am, HB 307, 308, 309, 310



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.



Signature of Camera Operator

1/3/90

Date

COMMITTEE REPORT

SENATE

5/1/79

Mr. President:

Date _____

The Committee on FINANCE has had HR 307 AD
disallowing certain credits under the 1978 tax law

under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH S—JUNEAU 99801

May 19, 1975

The Honorable Bill Ray
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Dear Senator Ray:

re House Bill No. 307 am

House Bill No. 307 am, an Act disallowing certain credits under the Alaska Net Income Tax was introduced in the Senate Finance Committee, I am enclosing a copy of a memorandum dated May 19, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue describing the need for the remedial legislation and advising that there will be no administrative costs incurred.

If you or any member of the Senate Finance Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,



R. D. Stevenson
Special Assistant

RDS: sp
Enclosure

cc Gary L. Jenkins, Director
Audit Division
Department of Revenue

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: May 19, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: House Bill 307 am

House Bill 307 am is a housekeeping measure designed to eliminate from the Alaska Net Income Tax Act those references to credits provided at the Federal level through the Internal Revenue Code which do not have any applicability at State level or which duplicate other provisions at the State level.

The first credit eliminated is a credit on interest earned on certain U.S. Government obligations. This credit is provided by the Federal Government since the Federal Government does tax interest earned on its own securities. The State, however, is prohibited by Federal law from taxing that interest, hence it does not make sense to allow a credit in our statute.

The second credit eliminated is a credit allowed by the Federal Government for Federal taxes paid on gasoline which is then used for off-highway purposes. For the sake of administrative convenience the Federal system allows a claim for such refund to be made on the income tax return and the credit applied against income tax liability. Obviously, the State is not interested in refunding Federal gasoline taxes. We have a different procedure by which we refund State gasoline taxes paid for gasoline which is used for off-highway purposes. This provision would eliminate an unnecessary, irrelevant and possibly costly provision in the Federal code which is presently adopted by Alaska through our piggy-bank mechanism.

GLJ/bjm

Introduced: 3/18/75
Referred: Commerce and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 307 am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act disallowing certain credits under the Alaska
net income tax; and providing for an effective date."

7

8

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

9

* Section 1. AS 43.20 is amended by adding a new section to read:

10

Sec. 43.20.036. FEDERAL TAX CREDITS DISALLOWED. For purposes of
calculating the income tax payable under this chapter, the taxpayer may
not apply as a credit against his tax liability the

11

12

13

(1) credit on United States government obligations allowed
as to federal taxes under Internal Revenue Code sec. 35;

14

15

(2) credit for the federal excise tax on gasoline allowed
as to federal taxes under Internal Revenue Code sec. 39

16

17

* Sec. 2. This Act is retroactive to January 1, 1975, and relates only
to income earned and received after December 31, 1974.

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* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
070(c).

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118307

March 16, 1975

The Honorable Mike Eganer
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. Speaker:

In accordance with AS 24.30.025(a) and the Uniform Rules of the Alaska State Legislature, I am recommending a bill eliminating certain Medicaid pay credits from the computation of the Alaska net income tax. These credits serve basically Federal policy purposes and do not promote any legislative state aims.

Sincerely,

Ray H. Hanson
Governor



RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.



Signature of Camera Operator



Date

COMMITTEE REPORT

SENATE

5/15/75

Mr. President:

Date _____

The Committee on FINANCE has had HB 307 am
~~disallowing certain credits under the Alaska net income tax~~
under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH 5 — JUNEAU 99801

May 19, 1975

The Honorable Bill Ray
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Dear Senator Ray:

re House Bill No. 307 am

House Bill No. 307 am, an Act disallowing certain credits under the Alaska Net Income Tax was introduced in the Senate Finance Committee. I am enclosing a copy of a memorandum dated May 19, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue describing the need for the remedial legislation and advising that there will be no administrative costs incurred.

If you or any member of the Senate Finance Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,



R. D. Stevenson
Special Assistant

RDS:sp
Enclosure

cc Gary L. Jenkins, Director
Audit Division
Department of Revenue

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: May 19, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: House Bill 307 am

House Bill 307 am is a housekeeping measure designed to eliminate from the Alaska Net Income Tax Act those references to credits provided at the Federal level through the Internal Revenue Code which do not have any applicability at State level or which duplicate other provisions at the State level.

The first credit eliminated is a credit on interest earned on certain U.S. Government obligations. This credit is provided by the Federal Government since the Federal Government does tax interest earned on its own securities. The State, however, is prohibited by Federal law from taxing that interest, hence it does not make sense to allow a credit in our statute.

The second credit eliminated is a credit allowed by the Federal Government for Federal taxes paid on gasoline which is then used for off-highway purposes. For the sake of administrative convenience the Federal system allows a claim for such refund to be made on the income tax return and the credit applied against income tax liability. Obviously, the State is not interested in refunding Federal gasoline taxes. We have a different procedure by which we refund State gasoline taxes paid for gasoline which is used for off-highway purposes. This provision would eliminate an unnecessary, irrelevant and possibly costly provision in the Federal code which is presently adopted by Alaska through our piggy-bank mechanism.

GLJ/bjm

Introduced: 3/18/75
Referred: Commerce and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 307 am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act disallowing certain credits under the Alaska
7 net income tax; and providing for an effective date."

8

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

9

* Section 1. AS 43.20 is amended by adding a new section to read:

10

Sec. 43.20.036. FEDERAL TAX CREDITS DISALLOWED. For purposes of

11

calculating the income tax payable under this chapter, the taxpayer may
12 not apply as a credit against his tax liability the

13

(1) credit on United States government obligations allowed

14

as to federal taxes under Internal Revenue Code sec. 35;

15

(2) credit for the federal excise tax on gasoline allowed

16

as to federal taxes under Internal Revenue Code sec. 39

17

* Sec. 2. This Act is retroactive to January 1, 1975, and relates only

18

to income earned and received after December 31, 1974.

19

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-

20

070(c).

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#

118 307

March 19, 1976

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.050(a) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill eliminating certain Federal tax credits from the computation of the Alaska net income tax. These credits serve basically Federal policy purposes and do not promote any legitimate State aims.

Sincerely,

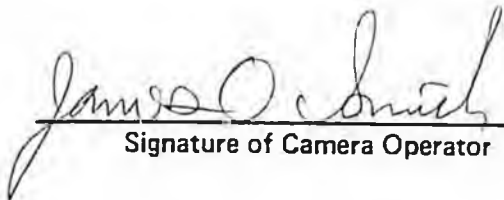
Jay E. Hammond
Governor

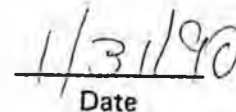


RECORDS CERTIFICATION



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Signature of Camera Operator


Date

An Act disallowing certain credits under the Alaska net income tax; and providing for an effective date.

COMMITTEE REPORT

HOUSE

Mr. Speaker:

Date May 19 1975

The Committee on FINANCE has had HB 307

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

Introduced: 3/18/75
Referred: Commerce and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 307

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act disallowing certain credits under the Alaska
7 net income tax; and providing for an effective date."

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

9 * Section 1. AS 43.20 is amended by adding a new section to read:

10 Sec. 43.20.036. FEDERAL TAX CREDITS DISALLOWED. (a) For purposes
11 of calculating the income tax payable under this chapter, the taxpayer
12 may not apply as a credit against his tax liability the

13 (1) credit on United States government obligations allowed
14 as to federal taxes under Internal Revenue Code sec. 35;

15 (2) credit for the federal excise tax on gasoline allowed
16 as to federal taxes under Internal Revenue Code sec. 39; and

17 [(3) credit for political contributions allowed as to
18 federal taxes by Internal Revenue Code sec. 41.

19 (b) The disallowance of the credit in (a)(3) of this section
20 does not preclude use of the credit allowed under sec. 10(c)(10) of
21 this chapter.]

22 * Sec. 2. This Act is retroactive to January 1, 1975, and relates only
23 to income earned and received after December 31, 1974.

24 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
25 10.070(c).

26 3/16
27 A MEMORANDUM
28 HAS NO EFFECT
29 IS ON GOV'S DESK

TO: R. D. Stevenson
Special Assistant

DATE : April 2, 1975

FROM: Frederick P. Boetsch, C.P.A. *FB* SUBJECT: House Bill 307
Deputy Commissioner, Taxation

House Bill 307 is a housekeeping measure designed to eliminate from the Alaska Net Income Tax Act those references to credits provided at the Federal level through the Internal Revenue Code which do not have any applicability at State level or which duplicate other provisions at the State level.

The first credit eliminated is a credit on interest earned on certain U. S. Government obligations. This credit is provided by the Federal government since the Federal Government does tax interest earned on its own securities. The State, however, is prohibited by Federal law from taxing that interest, hence it does not make sense to allow a credit in our statute.

The second credit eliminated is a credit allowed by the Federal government for Federal taxes paid on gasoline which is then used for off-highway purposes. For the sake of administrative convenience the Federal system allows a claim for such refund to be made on the income tax return and the credit applied against income tax liability. Obviously, the State is not interested in refunding Federal gasoline taxes. We have a different procedure by which we refund State gasoline taxes paid for gasoline which is used for off-highway purposes. This provision would eliminate an unnecessary, irrelevant and possibly costly provision in the Federal code which is presently adopted by Alaska through our piggy-back mechanism.

The credit for political contributions allowed by the Federal system in Internal Revenue Code Section 41 is a duplication of the full \$50 credit against Alaska taxes provided by AS 43.20.010 (c) (10). The elimination of this credit is also included in House Bill 212. Since these bills were drafted independently, however, it was included in this miscellaneous clean-up bill as it obviously is a duplication and does not make sense when applied at the State level.

We do not have any estimates on the effect of these bills on the State Treasury since the information is not included in our data base. We are developing statistics on the political campaign contributions credit as allowed under AS 43.20.(10) (c) (10), but will not have that information available until later this year since this is the first year in which the credit applies. The Treasury effect of this provision would be a \$4.00 for every \$50.00 contribution.

There are no administrative problems connected with this bill.

FPB:ch



RECORDS CERTIFICATION

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James O. Smith
Signature of Camera Operator

1/31/90
Date

"An Act relating to tobacco taxation; and providing for an effective date."

COMMITTEE REPORT

4/18/75

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HB 308

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Chairman

"An Act relating to tobacco taxation; and providing for an effective date."

3/18/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speaker:

Date 4/18/75

The Committee on COMMERCE has had HB 308

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR HB 308 AND THAT

CS FOR HB 308 DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

[Signature] _____
[Signature] _____
Ramona Kelley _____

Members NOT concurring in the Majority report:

[Signature] recommends: no
Freeman recommends: Do not Pass
_____ recommends: _____
_____ recommends: _____
_____ recommends: _____

[Signature] Chairman

Introduced: 3/18/75
Referred: Commerce and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 308

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to tobacco taxation; and providing
7 for an effective date."

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

9 * Section 1. AS 43.50.190(a) is amended to read:

10 (a) There is levied an excise tax of three and one-half mills
11 [ONE AND ONE-HALF MILLS] on each cigarette imported or acquired in
12 this state.

13 * Sec. 2. AS 43.18.100(b) is amended to read:

14 (b) The commissioner shall administer the program of reimburse-
15 ment authorized under this section and shall provide by regulation for
16 the filing of applications for reimbursement, the form of proof of
17 costs for which application for reimbursement is made, and other
18 regulations necessary to administer the program. The commissioner
19 shall exclude from the total school construction cost of the local
20 district all state and federal funds included in these costs except
21 funds provided under this section and AS 43.50.140. [IN APPROVING
22 APPLICATIONS FOR REIMBURSEMENT, THE COMMISSIONER SHALL OFFSET AGAINST
23 THE AMOUNT OF REIMBURSEMENT AUTHORIZED THE AMOUNT OF ANY FUNDS DISTRI-
24 BUTED TO THE BOROUGH OR CITY IN THE SECOND PRECEDING FISCAL YEAR FROM
25 THE SCHOOL FUND PROVIDED FOR IN AS 43.50.140.]

26 * Sec. 3. AS 43.50 is amended by adding new sections to read:

27 Article 3. Alaska Tobacco Products Tax.

28 Sec. 43.50.200. TOBACCO PRODUCTS TAX. (a) There is levied upon
29 each person who manufactures, imports or acquires tobacco products in

COMMITTEE COPY

1 this state an excise tax of 35 per cent of the wholesale price of the
2 tobacco products manufactured, imported or acquired in the state.

3 (b) It is the intent and purpose of this section to provide for
4 the levy and collection of this excise tax from the person who first
5 acquires the tobacco products in this state.

6 Sec. 43.50.210. RETURNS AND THE PAYMENT OF TAX. (a) On or
7 before the last day of each calendar month each person liable for the
8 tax imposed by secs. 200 - 270 of this chapter shall file a return
9 with the department under penalty of perjury. The return shall state
10 the amount of tobacco products manufactured, imported or acquired by
11 the person during the preceding calendar month, the wholesale price of
12 the tobacco products, and other information which the department may
13 require.

14 (b) The tax imposed by this article on all tobacco products
15 manufactured, imported and acquired during a particular month is due
16 on the last day of the following calendar month.

17 Sec. 43.50.220. LIEN. The tax levied under this article and the
18 penalty and interest on the tax are first and paramount liens upon all
19 the real and personal property of the person liable for the tax.

20 Sec. 43.50.230. REMEDY. The remedy of distraint of property set
21 out in AS 43.20.270 applies to the tax levied in secs. 200 - 270 of
22 this chapter.

23 Sec. 43.50.240. CIVIL PENALTY. Five per cent shall be added to
24 the tax for each 30-day period or fraction of the period during which
25 the taxpayer fails to file a return or report or fails to pay the full
26 amount of the tax or a portion or a deficiency of the tax as finally
27 determined by the department and required by secs. 200 - 270 of this
28 chapter, unless it is shown that the failure is due to a reasonable
29 cause and not to wilful neglect. The penalty may not exceed 25 per

1 cent in the aggregate. The penalty shall be collected at the same
2 time, in the same manner and as a part of the original tax but if the
3 original tax is paid before the neglect is discovered, the penalty
4 shall be collected in the same manner as the original tax. The depart-
5 ment shall prescribe by regulation examples of circumstances which
6 constitute reasonable cause for purposes of this section.

7 Sec. 43.50.250. INTEREST. When a tax levied in secs. 200 - 270
8 of this chapter becomes delinquent, it bears interest at the rate of
9 eight per cent a year.

10 Sec. 43.50.260. TAXPAYER REMEDIES. (a) A person aggrieved by
11 the action of the department in fixing the amount of a tax or in im-
12 posing a penalty may apply to the department within 60 days from the
13 date of mailing of the notice required to be given to him by the
14 department, giving notice of the grievance, and requesting an informal
15 conference. At the conference the person aggrieved may present argu-
16 ments and evidence relevant to the amount of tax or penalty due the
17 state. If the department determines that a correction is warranted,
18 the department shall make the correction.

19 (b) A person aggrieved by the action of the department in fixing
20 the amount of a tax or in imposing a penalty may apply to the department
21 and request a formal hearing

22 (1) in place of the informal conference provided for in (a)
23 of this section, within 60 days from the date of the notice required
24 to be given to him by the department; or

25 (2) within 30 days after decision resulting from an informal
26 conference.

27 (c) At the formal hearing the department may subpoena witnesses
28 and may administer oaths and make inquiries necessary to determine the
29 amount of the tax or penalty due the state. The person aggrieved may

1 present arguments and evidence relevant to the amount of the tax or
2 penalty due the state. If the department determines that a correction
3 is warranted, the department shall make the correction.

4 (d) Within 30 days after the formal hearing and decision by the
5 department, a person aggrieved by the decision of the department may
6 appeal to the superior court in the judicial district in which he
7 resides. The taxpayer shall be afforded access to the file of the
8 department in the matter for preparation of his appeal. If, after the
9 appeal is heard, it appears that the tax was correct, the court shall
10 confirm the tax. If the tax was incorrect, the court shall determine
11 the amount of the tax and if the person aggrieved is entitled to
12 recover the tax or part of it, the court shall order the repayment,
13 and the department shall immediately pay the amount due and attach a
14 certified copy of the judgment to the payment.

15 Sec. 43.50.270. DEFINITIONS. In secs. 200 - 270 of this chapter

16 (1) "department" means the Department of Revenue;

17 (2) "tobacco products" means cigars, cheroots, stogies;
18 periques; granulated, plug cut, crimp cut, ready rubbed and other
19 smoking tobacco; snuff; snuff flour, cavendish; plug and twist tobacco;
20 fine cut and other chewing tobacco; shorts; refuse scraps, clippings,
21 cuttings and sweepings of tobacco, and other kinds and forms of tobacco,
22 prepared in such manner as to be suitable for chewing or smoking in a
23 pipe or otherwise, or both for chewing and smoking; but does not
24 include cigarettes as defined in sec. 170 of this chapter.

25 * Sec. 4. This Act takes effect July 1, 1975.
26
27
28
29

Original sponsor: Rules Committee by
request of the Governor

Offered: 4/13/75
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 308

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to tobacco taxation; and providing
7 for an effective date."

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

9 # Section 1. AS 43.50.190(a) is amended to read:

10 (a) There is levied an excise tax of three and three-quarter
11 [ONE AND ONE-HALF] mills on each cigarette imported or acquired in this
12 state.

13 # Sec. 2. AS 43.18.100(b) is amended to read:

14 (b) The commissioner shall administer the program of reimburse-
15 ment authorized under this section and shall provide by regulation for
16 the filing of applications for reimbursement, the form of proof of
17 costs for which application for reimbursement is made, and other regula-
18 tions necessary to administer the program. The commissioner shall
19 exclude from the total school construction cost of the local district
20 all state and federal funds included in these costs except funds pro-
21 vided under this section and AS 43.50.140. [IN APPROVING APPLICATIONS
22 FOR REIMBURSEMENT, THE COMMISSIONER SHALL OFFSET AGAINST THE AMOUNT OF
23 REIMBURSEMENT AUTHORIZED THE AMOUNT OF ANY FUNDS DISTRIBUTED TO THE
24 BOROUGH OR CITY IN THE SECOND PRECEDING FISCAL YEAR FROM THE SCHOOL
25 FUND PROVIDED FOR IN AS 43.50.140.]

26 # Sec. 3. AS 43.50.090(a) is amended to read:

27 (a) There is levied an excise tax of two and one-half mills on
28 each cigarette imported or acquired in the state. Each licensee shall,
29 at the time of filing the return required by sec. 30 of this chapter,

30 CC..... FILE COPY

1 pay to the department the excise for the calendar month covered by the
2 return, deducting three [ONE] per cent of the total tax due, which he
3 shall retain to cover his expense of accounting and filing returns.
4 Cigarettes upon which the excise is imposed are not again subject to the
5 excise when acquired by another person.

6 * Sec. 4. This Act takes effect July 1, 1975.

HB 308

March 18, 1975

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060 (b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to increase the tax rates in the Cigarette Tax Act and establish a tax on tobacco products other than cigarettes based on the wholesale price of the products. The cigarette tax rate would be increased from 4 mills to 6 mills on each cigarette, which will bring Alaska's rates up to the national average of the tax rates of all other states. The tobacco products tax would be at a rate approximately equivalent to the current cigarette tax.

In addition, the bill provides that amounts distributed to schools from the school fund provided for in AS 43.50.140 will not be used to offset state aid to school districts for the retirement of school construction. Under current law, the tobacco tax is deducted from a municipality's fifty percent school entitlement. In this bill, it will be added on and thus, will result in an actual increase of distributions to school districts up to approximately 65 percent.

Sincerely,

Jay S. Hammond
Governor

MEMORANDUM

State of Alaska

HB 308

TO: Sterling Gallagher
Commissioner of Revenue

DATE: March 11, 1975

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

SUBJECT: Proposed Increase in the
Cigarette Tax

A bill has been proposed which would increase the cigarette tax from four mils to six mils on each cigarette. It also levies a tobacco product tax of 35% of the wholesale price of tobacco products. The incidence of this tax will fall upon the consumer of tobacco products. The tax will increase by about four cents per pack of cigarettes. While we are not certain how much this will translate in terms of the retail price of cigarettes we can assume that it will be at least five cents per pack. In the past we note that cigarette companies have increased the price of cigarettes merely upon the introduction of a tax increase bill. This tax has not been raised for several years and at the present time the state is well below the National Average 12¢ per package.

This tax will bring us in line with that National Average.

In addition, this bill provides a mechanism whereby the dedicated portion of the tax can be distributed to school districts as a part of the total school construction costs. At the present time the taxes collected under that provision of our statute are used in computing the 50% sharing. Under this proposal, that money will be shared in addition to the 50%.

The increased revenues anticipated as a result of this bill for FY 76 - 80 are as follows:

Projected Increases in Revenues
(\$000 Omitted)

<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
<u>2340.3</u>	<u>2621.7</u>	<u>2936.4</u>	<u>3288.6</u>	<u>3683.5</u>

We anticipate no increase in administrative costs as a result of this bill.

FPB:lw

ALASKA STATE LEGISLATURE

Legislature Session

HOUSE BILL NO. 305

By COMMITTEE ON GOVERNMENT REQUEST OF THE GOVERNOR

An Act relating to tobacco taxation and providing for an effective date.

Tobacco tax

Introduced in the House 3/20/75

HISTORY IN THE HOUSE

1975

Mar 17

Read first time and referred to Committee on Commerce and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Lt. Governor

Chapter No.

Introduced: 3/18/75
Referred: Commerce and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 308

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to tobacco taxation; and providing
7 for an effective date."

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

9 * Section 1. AS 43.50.190(a) is amended to read:

10 (a) There is levied an excise tax of three and one-half mills
11 [ONE AND ONE-HALF MILLS] on each cigarette imported or acquired in
12 this state.

13 * Sec. 2. AS 43.18.100(b) is amended to read:

14 (b) The commissioner shall administer the program of reimburse-
15 ment authorized under this section and shall provide by regulation for
16 the filing of applications for reimbursement, the form of proof of
17 costs for which application for reimbursement is made, and other
18 regulations necessary to administer the program. The commissioner
19 shall exclude from the total school construction cost of the local
20 district all state and federal funds included in these costs except
21 funds provided under this section and AS 43.50.140. [IN APPROVING
22 APPLICATIONS FOR REIMBURSEMENT, THE COMMISSIONER SHALL OFFSET AGAINST
23 THE AMOUNT OF REIMBURSEMENT AUTHORIZED THE AMOUNT OF ANY FUNDS DISTRI-
24 BUTED TO THE BOROUGH OR CITY IN THE SECOND PRECEDING FISCAL YEAR FROM
25 THE SCHOOL FUND PROVIDED FOR IN AS 43.50.140.]

26 * Sec. 3. AS 43.50 is amended by adding new sections to read:

27 Article 3. Alaska Tobacco Products Tax.

28 Sec. 43.50.200. TOBACCO PRODUCTS TAX. (a) There is levied upon
29 each person who manufactures, imports or acquires tobacco products in

1 this state an excise tax of 35 per cent of the wholesale price of the
2 tobacco products manufactured, imported or acquired in the state.

3 (b) It is the intent and purpose of this section to provide for
4 the levy and collection of this excise tax from the person who first
5 acquires the tobacco products in this state.

6 Sec. 43.50.210. RETURNS AND THE PAYMENT OF TAX. (a) On or
7 before the last day of each calendar month each person liable for the
8 tax imposed by secs. 200 - 270 of this chapter shall file a return
9 with the department under penalty of perjury. The return shall state
10 the amount of tobacco products manufactured, imported or acquired by
11 the person during the preceding calendar month, the wholesale price of
12 the tobacco products, and other information which the department may
13 require.

14 (b) The tax imposed by this article on all tobacco products
15 manufactured, imported and acquired during a particular month is due
16 on the last day of the following calendar month.

17 Sec. 43.50.220. LIEN. The tax levied under this article and the
18 penalty and interest on the tax are first and paramount liens upon all
19 the real and personal property of the person liable for the tax.

20 Sec. 43.50.230. REMEDY. The remedy of distraint of property set
21 out in AS 43.20.270 applies to the tax levied in secs. 200 - 270 of
22 this chapter.

23 Sec. 43.50.240. CIVIL PENALTY. Five per cent shall be added to
24 the tax for each 30-day period or fraction of the period during which
25 the taxpayer fails to file a return or report or fails to pay the full
26 amount of the tax or a portion or a deficiency of the tax as finally
27 determined by the department and required by secs. 200 - 270 of this
28 chapter, unless it is shown that the failure is due to a reasonable
29 cause and not to wilful neglect. The penalty may not exceed 25 per

1 cent in the aggregate. The penalty shall be collected at the same
2 time, in the same manner and as a part of the original tax but if the
3 original tax is paid before the neglect is discovered, the penalty
4 shall be collected in the same manner as the original tax. The depart-
5 ment shall prescribe by regulation examples of circumstances which
6 constitute reasonable cause for purposes of this section.

7 Sec. 43.50.250. INTEREST. When a tax levied in secs. 200 - 270
8 of this chapter becomes delinquent, it bears interest at the rate of
9 eight per cent a year.

10 Sec. 43.50.260. TAXPAYER REMEDIES. (a) A person aggrieved by
11 the action of the department in fixing the amount of a tax or in im-
12 posing a penalty may apply to the department within 60 days from the
13 date of mailing of the notice required to be given to him by the
14 department, giving notice of the grievance, and requesting an informal
15 conference. At the conference the person aggrieved may present argu-
16 ments and evidence relevant to the amount of tax or penalty due the
17 state. If the department determines that a correction is warranted,
18 the department shall make the correction.

19 (b) A person aggrieved by the action of the department in fixing
20 the amount of a tax or in imposing a penalty may apply to the department
21 and request a formal hearing

22 (1) in place of the informal conference provided for in (a)
23 of this section, within 60 days from the date of the notice required
24 to be given to him by the department; or

25 (2) within 30 days after decision resulting from an informal
26 conference.

27 (c) At the formal hearing the department may subpoena witnesses
28 and may administer oaths and make inquiries necessary to determine the
29 amount of the tax or penalty due the state. The person aggrieved may

1 present arguments and evidence relevant to the amount of the tax or
2 penalty due the state. If the department determines that a correction
3 is warranted, the department shall make the correction.

4 (d) Within 30 days after the formal hearing and decision by the
5 department, a person aggrieved by the decision of the department may
6 appeal to the superior court in the judicial district in which he
7 resides. The taxpayer shall be afforded access to the file of the
8 department in the matter for preparation of his appeal. If, after the
9 appeal is heard, it appears that the tax was correct, the court shall
10 confirm the tax. If the tax was incorrect, the court shall determine
11 the amount of the tax and if the person aggrieved is entitled to
12 recover the tax or part of it, the court shall order the repayment,
13 and the department shall immediately pay the amount due and attach a
14 certified copy of the judgment to the payment.

15 Sec. 43.50.270. DEFINITIONS. In secs. 200 - 270 of this chapter

16 (1) "department" means the Department of Revenue;

17 (2) "tobacco products" means cigars, cheroots, stogies;
18 periques; granulated, plug cut, crimp cut, ready rubbed and other
19 smoking tobacco; snuff; snuff flour, cavendish; plug and twist tobacco;
20 fine cut and other chewing tobacco; shorts; refuse scraps, clippings,
21 cuttings and sweepings of tobacco, and other kinds and forms of tobacco,
22 prepared in such manner as to be suitable for chewing or smoking in a
23 pipe or otherwise, or both for chewing and smoking; but does not
24 include cigarettes as defined in sec. 170 of this chapter.

25 * Sec. 4. This Act takes effect July 1, 1975.
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Introduced: 3/18/75
Referred: Commerce and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 308

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

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21 cuttings and sweepings of tobacco, and other kinds and forms of tobacco,
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23 pipe or otherwise, or both for chewing and smoking; but does not
24 include cigarettes as defined in sec. 170 of this chapter.

25 * Sec. 4. This Act takes effect July 1, 1975.
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Original sponsor: Rules Committee by
request of the Governor

Offered: 4/18/75
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 308

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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

9 * Section 1. AS 43.50.190(a) is amended to read:

10 (a) There is levied an excise tax of three and three-quarter
11 [ONE AND ONE-HALF] mills on each cigarette imported or acquired in this
12 state.

13 * Sec. 2. AS 43.18.100(b) is amended to read:

14 (b) The commissioner shall administer the program of reimburse-
15 ment authorized under this section and shall provide by regulation for
16 the filing of applications for reimbursement, the form of proof of
17 costs for which application for reimbursement is made, and other regula-
18 tions necessary to administer the program. The commissioner shall
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20 all state and federal funds included in these costs except funds pro-
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22 FOR REIMBURSEMENT, THE COMMISSIONER SHALL OFFSET AGAINST THE AMOUNT OF
23 REIMBURSEMENT AUTHORIZED THE AMOUNT OF ANY FUNDS DISTRIBUTED TO THE
24 BOROUGH OR CITY IN THE SECOND PRECEDING FISCAL YEAR FROM THE SCHOOL
25 FUND PROVIDED FOR IN AS 43.50.140.]

26 * Sec. 3. AS 43.50.090(a) is amended to read:

27 (a) There is levied an excise tax of two and one-half mills on
28 each cigarette imported or acquired in the state. Each licensee shall,
29 at the time of filing the return required by sec. 80 of this chapter,

1 pay to the department the excise for the calendar month covered by the
2 return, deducting three [ONE] per cent of the total tax due, which he
3 shall retain to cover his expense of accounting and filing returns.
4 Cigarettes upon which the excise is imposed are not again subject to the
5 excise when acquired by another person.

6 * Sec. 4. This Act takes effect July 1, 1975.
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Original sponsor: Rules Committee by
request of the Governor

Ordered: 4/18/75
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

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HB 308

March 18, 1975

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to increase the tax rates in the Cigarette Tax Act and establish a tax on tobacco products other than cigarettes based on the wholesale price of the products. The cigarette tax rate would be increased from 4 mills to 6 mills on each cigarette, which will bring Alaska's rates up to the national average of the tax rates of all other states. The tobacco products tax would be at a rate approximately equivalent to the current cigarette tax.

In addition, the bill provides that amounts distributed to schools from the school fund provided for in AS 43.50.140 will not be used to offset state aid to school districts for the retirement of school construction. Under current law, the tobacco tax is deducted from a municipality's fifty percent school entitlement. In this bill, it will be added on and thus, will result in an actual increase of distributions to school districts up to approximately 65 percent.

Sincerely,

Jay S. Hammond
Governor

MEMORANDUM

State of Alaska

HB 308

TO: Sterling Gallagher
Commissioner of Revenue

DATE: March 11, 1975

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

F.P.B.

SUBJECT: Proposed Increase in the
Cigarette Tax

A bill has been proposed which would increase the cigarette tax from four mils to six mils on each cigarette. It also levies a tobacco product tax of 35% of the wholesale price of tobacco products. The incidence of this tax will fall upon the consumer of tobacco products. The tax will increase by about four cents per pack of cigarettes. While we are not certain how much this will translate in terms of the retail price of cigarettes we can assume that it will be at least five cents per pack. In the past we note that cigarette companies have increased the price of cigarettes merely upon the introduction of a tax increase bill. This tax has not been raised for several years and at the present time the state is well below the National Average 12¢ per package.

This tax will bring us in line with that National Average.

In addition, this bill provides a mechanism whereby the dedicated portion of the tax can be distributed to school districts as a part of the total school construction costs. At the present time the taxes collected under that provision of our statute are used in computing the 50% sharing. Under this proposal, that money will be shared in addition to the 50%.

The increased revenues anticipated as a result of this bill for FY 76 - 80 are as follows:

Projected Increases in Revenues
(\$000 Omitted)

<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
<u>2340.3</u>	<u>2621.7</u>	<u>2936.4</u>	<u>3288.6</u>	<u>3683.5</u>

We anticipate no increase in administrative costs as a result of this bill.

FPB:lw

HB 308

March 18, 1975

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to increase the tax rates in the Cigarette Tax Act and establish a tax on tobacco products other than cigarettes based on the wholesale price of the products. The cigarette tax rate would be increased from 4 mills to 6 mills on each cigarette, which will bring Alaska's rates up to the national average of the tax rates of all other states. The tobacco products tax would be at a rate approximately equivalent to the current cigarette tax.

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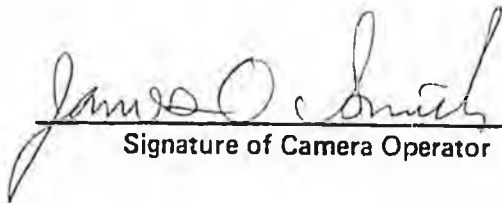
Sincerely,

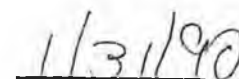
Jay S. Hammond
Governor



RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

COMMITTEE REPORT

4/2/75

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HB 309

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

"An Act relating to the excise tax on intoxicating liquors; and providing for an effective date."

COMMITTEE REPORT

3/18/75

HOUSE

FINANCE

Mr. Speaker:

Date 1 April 75

The Committee on State Affairs has had HB 309

under consideration. A ~~Majority~~ of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT

() recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

"other" INDIVIDUAL RECOMMENDATIONS, WITH AMENDMENT

Members signing the Majority report:

<u>John Miller</u>	<u>no pass</u>	_____
<u>John B. ...</u>	<u>no pass</u>	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

<u>John Miller</u>	recommends: <u>no rec</u>
<u>Joe McKinnon</u>	recommends: <u>no rec</u>
<u>Bin Pal</u>	recommends: " "
_____	recommends: _____
_____	recommends: _____

Bin Pal Chairman

AMENDMENT #1

OFFERED IN THE HOUSE:

By: STATE AFFAIRS

To: _____ HOUSE BILL No. 309

SENATE BILL No. _____

PAGE: 1

LINE: 16

DELETE "50" AFTER "OF"; INSERT "57"

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. House Bill No. 309
 Title: Relating to the excise tax on intoxicating liquors
 Requested by: House State Affairs Committee Date: March 21, 1975
 Return Date Requested: March 21, 1975
 Agency: Department of Revenue Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

FUNDING SOURCE	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
MAN MONTHS (P./T.)	0 /	0 /	0 /	0 /	0 /	0 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Projected increases in revenues for the fiscal years 1976 through 1980 are shown in memorandum dated March 12, 1975 from Frederick P. Boetsch, Deputy Commissioner, Department of Revenue.

IV. ATTACHMENTS

Copy of memorandum dated March 12, 1975 from Frederick P. Boetsch, Deputy Commissioner, Department of Revenue

V. DATE: March 21, 1975

PREPARED BY: _____

R. D. Stevenson
 R. D. Stevenson
 Special Assistant

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

MEMORANDUM

TO: Sterling Gallagher
Commissioner
Department of Revenue

DATE : March 12, 1975

FROM: Frederick P. Boetsch
Deputy Commissioner for Taxation
Department of Revenue

FPB

SUBJECT: Proposed Bill Increasing the
Excise Tax on Intoxicating
Liquor

A Bill has been proposed which would increase the tax rate on beer from 25¢ to 50¢ per gallon, on wine from 60¢ to \$1.00, and on hard liquor from \$4.00 to \$4.50.

Obviously, the incidence of this tax will fall primarily on consumers of alcoholic beverages. However, in line with the Governor's philosophy of on-going programs paying for themselves, this increase will help to support the high costs of alcohol consumption to the state. These increases will bring us up to among the highest state liquor taxes in the country.

Estimated increases in revenues for FY 76 - FY 80 are as follows:

Projected Increases in Revenues
(\$000 Omitted)

<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
<u>3432.0</u>	<u>3772.8</u>	<u>3698.6</u>	<u>3956.0</u>	<u>4233.6</u>

There are no administrative costs connected with this Bill.

FPB:gd

Excise Tax Rates on Specified Alcoholic Beverages Levied by
31 License States and the District of Columbia Ranked According to Magnitude,
and by the Federal Government*

As of January 14, 1975

Distilled Spirits		Table Wine		Dessert Wine		Beer	
State	Rate Per Gallon	State	Rate Per Gallon	State	Rate Per Gallon	State	Rate Per Gallon
1	2	3	4	5	6	7	8
Minn.	\$4.39	Ga.	\$1.50	Ga.	\$2.50	S. Car.	.768
Alaska	4.00	Fla.	1.15	Fla.	1.60	Ga.	.322
Okla.	4.00	Tenn.	1.10	Tenn.	1.10	La.	.322
Tenn.	4.00	S. Car.	1.08	S. Car.	1.08	Okla.	.322
Fla.	3.75	Ark.	.75	Okla.	1.00	Fla.	.320
Ga.	3.75	Neb.	.75	S. Dak.	.95	S. Dak.	.267
Mass.	3.36	Alaska	.60	Minn.	.79	Alaska	.250
N. Y.	3.25	Ky.	.50	Ark.	.75	Ark.	.234
S. Dak.	3.05	N. Dak.	.50	Neb.	.75	Texas	.165
N. J.	2.80	Okla.	.50	Alaska	.60	N. Dak.	.160
S. Car.	2.72	Mass.	.46	Ill.	.60	Kansas	.150
Wisc.	2.60	Ind.	.45	N. Dak.	.60	Minn.	.129
Ariz.	2.50	Ariz.	.42	Kans.	.50	Tenn.	.110
Ark.	2.50	Del.	.40	Ky.	.50	Neb.	.100
Conn.	2.50	Md.	.40	Nev.	.50	Ind.	.095
La.	2.50	N. Mex.	.40	Mass.	.46	Md.	.090
N. Dak.	2.50	R. I.	.40	Ind.	.45	Mass.	.088
R. I.	2.50	Mo.	.30	Ariz.	.42	Conn.	.081
Ind.	2.28	Nev.	.30	Del.	.40	Ky.	.081
Del.	2.25	N. J.	.30	Md.	.40	Ariz.	.080
Calif.	2.00	S. Dak.	.30	N. Mex.	.40	N. Mex.	.080
D. C.	2.00	Minn.	.27	R. I.	.40	D. C.	.073
Ill.	2.00	Conn.	.25	Wisc.	.39	Ill.	.070
Mo.	2.00	Ill.	.23	Texas	.34	Del.	.065
Neb.	2.00	Colo.	.20	D. C.	.33	R. I.	.065
Texas	2.00	Kans.	.20	Colo.	.30	Wisc.	.065
Ky.	1.92	Wisc.	.195	Mo.	.30	Colo.	.060
Nev.	1.90	Texas	.17	N. J.	.30	Mo.	.060
Colo.	1.80	D. C.	.15	Conn.	.25	Nev.	.060
Kansas	1.50	La.	.11	La.	.21	N. Y.	.044
Md.	1.50	N. Y.	.10	N. Y.	.10	Calif.	.040
N. Mex.	1.50	Calif.	.01	Calif.	.02	N. J.	.033
Median of State Taxes	2.50		.40		.455		.089
Average of State Taxes	2.60		.51		.60		.152
Fed. Tax	10.50**		.17		.67		.29***

*Hawaii, the only other license state, levies an excise tax on alcoholic beverages of 20 percent of the wholesale price.

**Per proof gallon if withdrawn from bond at over 100° proof and per wine gallon if withdrawn from bond at not over 100° proof.

***Actual rate is \$9.00 per 31 gallon barrel.

Source: Commerce Clearing House, State Tax Guide: All States

Introduced: 3/18/75
Referred: State Affairs and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 309

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the excise tax on intoxicating
7 liquors; and providing for an effective date."

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

9 * Section 1. AS 43.60.010(a) is amended to read:

10 (a) Every brewer, distiller, bottler, jobber, retailer, whole-
11 saler, or manufacturer who sells intoxicating liquors in the state or
12 who consigns shipments of intoxicating liquors into the state, whether
13 or not the liquors are brewed, distilled, bottled, or manufactured in
14 the state, shall pay on all malt beverages (alcoholic content of one
15 per cent or more by volume), wines, and hard or distilled liquors, the
16 following taxes: (1) malt beverages at the rate of 50 [25] cents a
17 gallon or fraction of a gallon; (2) wine or other liquor of 21 per
18 cent alcohol by volume or less at the rate of \$1.00 [60 CENTS] a
19 gallon or fraction of a gallon; and (3) other liquors having a content
20 of more than 21 per cent alcohol by volume at the rate of \$4.50 [\$4.00]
21 a gallon.

22 * Sec. 2. This Act takes effect July 1, 1975.
23
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26
27
28
29

HB 309

HB 309

March 18, 1975

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill increasing the rates of the excise tax on intoxicating liquors. The bill would increase the tax rate on beer from 25 cents to 50 cents per gallon, on wine from 60 cents to \$1, and on hard liquor from \$4 to \$4.50.

The Department of Revenue has estimated that these increased rates will result in additional revenues of over three million dollars in the next Fiscal Year. This increase is justified when viewed in the context of the increasing costs to the State related to alcohol consumption. These costs include not only the direct costs of alcohol rehabilitation programs, but also other alcohol-related costs, such as increased law enforcement costs, medical care, property damage and personal injury.

In terms of the effect of the tax increase on consumers, the hard liquor increase would raise the cost per drink by less than one-half cent and the cost of a 12-ounce can of beer by about two cents. A fifth of wine would be increased by eight cents. Surely, this is a small cost for the consumer to contribute to the alleviation of the social costs of liquor consumption.

Sincerely,

Jay S. Hammond
Governor

STATE
of ALASKA

MEMORANDUM

TO: Sterling Gallagher
Commissioner
Department of Revenue

DATE: March 12, 1975

FROM: Frederick P. Boetsch
Deputy Commissioner for Taxation
Department of RevenueSUBJECT: Proposed Bill Increasing the
Excise Tax on Intoxicating
LiquorHB 309
HB 309

FPB

A Bill has been proposed which would increase the tax rate on beer from 25¢ to 50¢ per gallon, on wine from 60¢ to \$1.00, and on hard liquor from \$4.00 to \$4.50.

Obviously, the incidence of this tax will fall primarily on consumers of alcoholic beverages. However, in line with the Governor's philosophy of on-going programs paying for themselves, this increase will help to support the high costs of alcohol consumption to the state. These increases will bring us up to among the highest state liquor taxes in the country.

Estimated increases in revenues for FY 76 - FY 80 are as follows:

Projected Increases in Revenues
(\$000 Omitted)

<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
<u>3432.0</u>	<u>3772.8</u>	<u>3698.6</u>	<u>3956.0</u>	<u>4233.6</u>

There are no administrative costs connected with this Bill.

FPB:gd

ALASKA STATE LEGISLATURE

. NINTH Legislature . FIRST Session

HOUSE BILL NO. 309

By .. THE RULES COMMITTEE BY ...
REQUEST OF THE GOVERNOR

"An Act relating to the excise tax on intoxicating liquors; and providing for an effective date."

liquor tax

Introduced in the House ... 3/18/... 19... 75

HISTORY IN THE HOUSE

19 75

Mar 18

Read first time and referred to Committee on State Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration
PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused
Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration
PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused
Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.

Introduced: 3/18/75
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 309

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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10 (a) Every brewer, distiller, bottler, jobber, retailer, whole-
11 saler, or manufacturer who sells intoxicating liquors in the state or
12 who consigns shipments of intoxicating liquors into the state, whether
13 or not the liquors are brewed, distilled, bottled, or manufactured in
14 the state, shall pay on all malt beverages (alcoholic content of one
15 per cent or more by volume), wines, and hard or distilled liquors, the
16 following taxes: (1) malt beverages at the rate of 50 [25] cents a
17 gallon or fraction of a gallon; (2) wine or other liquor of 21 per
18 cent alcohol by volume or less at the rate of \$1.00 [60 CENTS] a
19 gallon or fraction of a gallon; and (3) other liquors having a content
20 of more than 21 per cent alcohol by volume at the rate of \$4.50 [\$4.00]
21 a gallon.

22 * Sec. 2. This Act takes effect July 1, 1975.
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24
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28
29

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. House Bill No. 300
 Title: Relating to the excise tax on intoxicating liquors
 Requested by: House State Affairs Committee Date: March 21, 1975
 Return Date Requested: March 21, 1975
 Agency: Department of Revenue Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	PY 75	PY 76	PY 77	PY 78	PY 79	
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND					
FEDERAL FUNDS					
OTHER					

C. POSITIONS:

PERMANENT/TEMPORARY	0 /	0 /	0 /	0 /	0 /	0
MAN MONTHS (P./T.)	/	/	/	/	/	

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section 100)

Projected increases in revenues for the fiscal years 1976 through 1980 are shown in memorandum dated March 12, 1975 from Frederick F. Boetsch, Deputy Commissioner, Department of Revenue.

IV. ATTACHMENTS

Copy of memorandum dated March 12, 1975 from Frederick F. Boetsch, Deputy Commissioner, Department of Revenue

V. DATE: March 21, 1975

PREPARED BY: _____

R. D. Stevenson
R. D. Stevenson
Special Assistant

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

TO: Sterling Gallagher
Commissioner
Department of Revenue

DATE : March 12, 1975

FROM: Frederick P. Boetsch
Deputy Commissioner for Taxation
Department of Revenue

SUBJECT: Proposed Bill Increasing the
Excise Tax on Intoxicating
Liquor

FPB

A Bill has been proposed which would increase the tax rate on beer from 25¢ to 50¢ per gallon, on wine from 60¢ to \$1.00, and on hard liquor from \$4.00 to \$4.50.

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Projected Increases in Revenues
(\$000 Omitted)

<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
<u>3432.0</u>	<u>3772.8</u>	<u>3698.6</u>	<u>3956.0</u>	<u>4233.6</u>

There are no administrative costs connected with this Bill.

FPB:gd

Excise Tax Rates on Specified Alcoholic Beverages Levied by
31 License States and the District of Columbia Ranked According to Magnitude,
and by the Federal Government*

As of January 14, 1975

Distilled Spirits		Table Wine		Dessert Wine		Beer	
State	Rate Per Gallon	State	Rate Per Gallon	State	Rate Per Gallon	State	Rate Per Gallon
1	2	3	4	5	6	7	8
Minn.	\$4.39	Ga.	\$1.50	Ga.	\$2.50	S. Car.	.768
Alaska	4.00	Fla.	1.75	Fla.	1.60	Ga.	.322
Okla.	4.00	Tenn.	1.10	Tenn.	1.10	La.	.322
Tenn.	4.00	S. Car.	1.08	S. Car.	1.08	Okla.	.322
Fla.	3.75	Ark.	.75	Okla	1.00	Fla.	.320
Ga.	3.75	Neb.	.75	S. Dak.	.95	S. Dak.	.267
Mass.	3.36	Alaska	.60	Minn.	.79	Alaska	.250
N. Y.	3.25	Ky.	.50	Ark.	.75	Ark.	.234
S. Dak.	3.05	N. Dak.	.50	Neb.	.75	Texas	.165
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S. Car.	2.72	Mass.	.46	Ill.	.60	Kansas	.150
Wisc.	2.60	Ind.	.45	N. Dak.	.60	Minn.	.129
Ariz.	2.50	Ariz.	.42	Kans.	.50	Tenn.	.110
Ark.	2.50	Del.	.40	Ky.	.50	Neb.	.100
Conn.	2.50	Md.	.40	Nev.	.50	Ind.	.095
La.	2.50	N. Mex.	.40	Mass.	.46	Md.	.090
N. Dak.	2.50	R. I.	.40	Ind.	.45	Mass.	.088
R. I.	2.50	Mo.	.30	Ariz.	.42	Conn.	.081
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Neb.	2.00	Colo.	.20	D. C.	.33	R. I.	.065
Texas	2.00	Kans.	.20	Colo.	.30	Wisc.	.065
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Average of State Taxes	2.60		.51		.60		.152
Fed. Tax	10.50**		.17		.67		.29***

*Hawaii, the only other license state, levies an excise tax on alcoholic beverages of 20 percent of the wholesale price.

**Per proof gallon if withdrawn from bond at over 100° proof and per wine gallon if withdrawn from bond at not over 100° proof.

***Actual rate is \$9.00 per 31 gallon barrel.

Source: Commerce Clearing House, State Tax Guide: All States

all HB 309

CHAR

Cabaret, Hotel & Restaurant Association of Anchorage

APRIL 4, 1975

REP. WILLIAM K. PARKER
POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811

DEAR REP. PARKER:

AT THE REQUEST OF THE GOVERNOR, HB 309 HAS BEEN INTRODUCED WHICH WOULD INCREASE THE EXCISE TAXES ON MALT BEVERAGES FROM 25 TO 50 CENTS PER GALLON, ON WINES FROM 60 CENTS TO \$1.00 PER GALLON, AND ON DISTILLED SPIRITS FROM \$4.00 TO \$4.50 PER GALLON.

THE ALASKA CABARET, HOTEL AND RESTAURANT ASSOCIATION IS DISTRESSED OVER THIS BILL, AS IT IS CLEARLY PUNITIVE TO AN ALREADY HEAVILY TAXED INDUSTRY. ATTACHED HERETO IS A TABLE SHOWING THE LIQUOR EXCISE TAXES OF ALL THE STATES THAT TAX LIQUOR. AS YOU CAN SEE, ALASKA ALREADY RANKS SECOND HIGHEST IN DISTILLED SPIRITS TAX, SEVENTH AND NINTH ON WINES, AND SEVENTH HIGHEST ON BEER.

IF HB 309 IS ENACTED IN ITS PRESENT FORM, ALASKA WILL HAVE THE HIGHEST DISTILLED SPIRITS TAX IN THE NATION, THE FIFTH HIGHEST WINE TAX, AND THE SECOND HIGHEST BEER TAX. THESE RATES ARE MADE STILL MORE BURDENSOME BY THE HIGH TRANSPORTATION COSTS TO ALASKA, AND FOR PLACE THAT DISPENSE BEVERAGES FOR ON PREMISES CONSUMPTION, BY ALASKA'S HIGH LABOR COSTS AS WELL.

WE HOPE YOU WILL CONSIDER THESE FACTS WHEN YOU TAKE UP THIS BILL.

SINCERELY,

Bern Marsh

BERNARD L. MARSH, EXECUTIVE DIRECTOR
ANCHORAGE CHAR

BLM/sd

Excise Tax Rates on Specified Alcoholic Beverages Levied by
31 License States and the District of Columbia Ranked According to Magnitude
and by the Federal Government^{1/}

As of January 14, 1975

Distilled Spirits		Table Wine		Dessert Wine		Beer	
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Ariz.	2.50	Ariz.	.42	Kans.	.50	Tenn.	.110
Ark.	2.50	Del.	.40	Ky.	.50	Neb.	.100
Conn.	2.50	Md.	.40	Nev.	.50	Ind.	.095
La.	2.50	N. Mex.	.40	Mass.	.46	Md.	.090
N. Dak.	2.50	R.I.	.40	Ind.	.45	Mass.	.088
R.I.	2.50	Mo.	.30	Ariz.	.42	Conn.	.081
Ind.	2.28	Nev.	.30	Del.	.40	Ky.	.081
Del.	2.25	N.J.	.30	Md.	.40	Ariz.	.080
Calif.	2.00	S. Dak.	.30	N. Mex.	.40	N. Mex.	.080
D.C.	2.00	Minn.	.27	R.I.	.40	D.C.	.073
Ill.	2.00	Conn.	.25	Wisc.	.39	Ill.	.070
Mo.	2.00	Ill.	.23	Texas	.34	Del.	.065
Neb.	2.00	Colo.	.20	D.C.	.33	R.I.	.065
Texas	2.00	Kans.	.20	Colo.	.30	Wisc.	.065
Ky.	1.92	Wisc.	.195	Mo.	.30	Colo.	.060
Nev.	1.90	Texas	.17	N.J.	.30	Mo.	.060
Colo.	1.80	D.C.	.15	Conn.	.25	Nev.	.060
Kans.	1.50	La.	.11	La.	.21	N.Y.	.044
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Median of State Taxes	2.50		.40		.455		.089
Average of State Taxes	2.60		.51		.60		.152
Federal Tax	10.50 ^{2/}		.17		.67		.293 ^{3/}

^{1/} Hawaii, the only other license state, levies an excise tax on alcoholic beverages of 20 percent of the wholesale price.

^{2/} Per proof gallon if withdrawn from bond at over 100° proof and per wine gallon if withdrawn from bond at not over 100° proof.

^{3/} Actual rate is \$9.00 per 31 gallon barrel.

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. House Bill No. 309
 Title: Relating to the excise tax on intoxicating liquors
 Requested by: House State Affairs Committee Date: March 21, 1975
 Return Date Requested: March 21, 1975
 Agency: Department of Revenue Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, SALARIES, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 /	0 /	0 /	0 /	0 /	0
MAN MONTHS (P./T.)	/	/	/	/	/	

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section 300)

Projected increases in revenues for the fiscal years 1976 through 1980 are shown in memorandum dated March 12, 1975 from Frederick P. Boetsch, Deputy Commissioner, Department of Revenue.

IV. ATTACHMENTS

Copy of memorandum dated March 12, 1975 from Frederick P. Boetsch, Deputy Commissioner, Department of Revenue

V. DATE: March 21, 1975

PREPARED BY: _____

R. D. Stevenson
 R. D. Stevenson
 Special Assistant

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

TO: Sterling Gallagher
 Commissioner
 Department of Revenue

DATE : March 12, 1975

FROM: Frederick P. Boetsch
 Deputy Commissioner for Taxation
 Department of Revenue

SUBJECT: Proposed Bill Increasing the
 Excise Tax on Intoxicating
 Liquor

A Bill has been proposed which would increase the tax rate on beer from 25¢ to 50¢ per gallon, on wine from 60¢ to \$1.00, and on hard liquor from \$4.00 to \$4.50.

Obviously, the incidence of this tax will fall primarily on consumers of alcoholic beverages. However, in line with the Governor's philosophy of on-going programs paying for themselves, this increase will help to support the high costs of alcohol consumption to the state. These increases will bring us up to among the highest state liquor taxes in the country.

Estimated increases in revenues for FY 76 - FY 80 are as follows:

Projected Increases in Revenues
 (\$000 Omitted)

<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
<u>3432.0</u>	<u>3772.8</u>	<u>3698.6</u>	<u>3956.0</u>	<u>4233.6</u>

There are no administrative costs connected with this Bill.

FPB:gd

Excise Tax Rates on Specified Alcoholic Beverages Levied by
 31 License States and the District of Columbia Ranked According to Magnitude,
 and by the Federal Government*

As of January 14, 1975

Distilled Spirits		Table Wine		Dessert Wine		Beer	
State	Rate Per Gallon	State	Rate Per Gallon	State	Rate Per Gallon	State	Rate Per Gallon
1	2	3	4	5	6	7	8
Minn.	\$4.39	Ga.	\$1.50	Ga.	\$2.50	S. Car.	.768
Alaska	4.00	Fla.	1.15	Fla.	1.60	Ga.	.322
Okla.	4.00	Tenn.	1.10	Tenn.	1.10	La.	.322
Tenn.	4.00	S. Car.	1.08	S. Car.	1.08	Okla.	.322
Fla.	3.75	Ark.	.75	Okla.	1.00	Fla.	.320
Ga.	3.75	Neb.	.75	S. Dak.	.95	S. Dak.	.267
Mass.	3.36	Alaska	.60	Minn.	.79	Alaska	.250
N. Y.	3.25	Ky.	.50	Ark.	.75	Ark.	.234
S. Dak.	3.05	N. Dak.	.50	Neb.	.75	Texas	.165
N. J.	2.80	Okla.	.50	Alaska	.60	N. Dak.	.160
S. Car.	2.72	Mass.	.46	Ill.	.60	Kansas	.150
Wisc.	2.60	Ind.	.45	N. Dak.	.60	Minn.	.129
Ariz.	2.50	Ariz.	.42	Kans.	.50	Tenn.	.110
Ark.	2.50	Del.	.40	Ky.	.50	Neb.	.100
Conn.	2.50	Md.	.40	Nev.	.50	Ind.	.095
La.	2.50	N. Mex.	.40	Mass.	.46	Md.	.090
N. Dak.	2.50	R. I.	.40	Ind.	.45	Mass.	.088
R. I.	2.50	Mo.	.30	Ariz.	.42	Conn.	.081
Ind.	2.20	Nev.	.30	Del.	.40	Ky.	.081
Del.	2.25	N. J.	.30	Md.	.40	Ariz.	.080
Calif.	2.00	S. Dak.	.30	N. Mex.	.40	N. Mex.	.080
D. C.	2.00	Minn.	.27	R. I.	.40	D. C.	.073
Ill.	2.00	Conn.	.25	Wisc.	.39	Ill.	.070
Mo.	2.00	Ill.	.23	Texas	.34	Del.	.065
Neb.	2.00	Colo.	.20	D. C.	.33	R. I.	.065
Texas	2.00	Kans.	.20	Colo.	.30	Wisc.	.065
Ky.	1.92	Wisc.	.195	Mo.	.30	Colo.	.060
Nev.	1.90	Texas	.17	N. J.	.30	Mo.	.060
Colo.	1.80	D. C.	.15	Conn.	.25	Nev.	.060
Kansas	1.50	La.	.11	La.	.21	N. Y.	.044
Md.	1.50	N. Y.	.10	N. Y.	.10	Calif.	.040
N. Mex.	1.50	Calif.	.01	Calif.	.02	N. J.	.033
Median of State Taxes	2.50		.40		.455		.089
Average of State Taxes	2.60		.51		.60		.152
Fed. Tax	10.50**		.17		.67		.29***

*Hawaii, the only other license state, levies an excise tax on alcoholic beverages of 20 percent of the wholesale price.

**Per proof gallon if withdrawn from bond at over 100° proof and per wine gallon if withdrawn from bond at not over 100° proof.

***Actual rate is \$9.00 per 31 gallon barrel.

Source: Commerce Clearing House, State Tax Guide: All States

POSITION PAPER
ON
SENATE BILL 309

An act relating to the legal maximum amount of assistance to families under Aid to Families with Dependent Children.

This bill was introduced at the request of the Governor to correct legislation passed last year which changed the legal maximum payment amounts effective July 1, 1974 in the Aid to Families with Dependent Children (AFDC) Program. Corrective action is necessary because of a compliance issue the Federal Social and Rehabilitation Service (SRS) has issued the State concerning the maximum payment amounts.

At issue is the different maximum amounts the State pays to two person families which include one adult and one child. At present, the State pays an adult and (1) child the maximum amount of \$250 per month when the child is under the age of 13, and \$300 per month when the child is age 13 through 18. Also at present, the State pays up to \$300 per month where two children, regardless of age, are living with an adult whose needs are not included in the AFDC payment.

The Federal government has taken exception to these conflicting payment levels and contends that payment differentials based on age present an unreasonable classification. In order to continue collecting full Federal Financial Participation in the AFDC program, the maximum AFDC payment amounts must be consistent for all groupings of two eligible persons, be it an adult and 1 child, or no adult and 2 children. Thus, the State has the options of 1) lowering the payment of \$250 or 2) raising it to \$500 for all two person AFDC families.

Section 1 of Senate Bill 309 proposing to amend AS 47.25.320 (a) (2) (A), would satisfy the compliance issue by increasing the legal maximum payment to \$300 for all two person AFDC families.

Approximately 1,000 persons per month will be included in the group covered by the compliance issue. FY76 costs are thus calculated as follows:

1. If payment levels are increased to \$300 per month:

$$1,000 \times \$50 \times 12 = \$600,000$$

This amount is not included in the FY76 budget request.

2. If payment levels are decreased to \$250 per month:

$$1,000 \times \$50 \times 12 = (\$600,000)$$

This amount could be subtracted from the FY76 request.

Section 2 of this bill proposing to amend AS 47.25.320 (a) (2) (c), is no longer necessary and should be deleted. At one time the upper limit legal maximum payment of \$520 for any family, regardless of size, was also a compliance issue. However, this issue has since been resolved and the corrective legislation sought in Senate Bill 309 is no longer required.

Section 3 of this bill proposing to remove AS 47.250 (a) (2) (B) from the Alaska Statutes, should be retained. If Section 1 of Senate Bill 309 is passed, AS 47.250 (a) (2) (B) becomes redundant and is no longer necessary in the statutes.

Departmental Recommendations

1. Recommend the passage of Section 1 of Senate Bill 309.
2. Recommend that Senate Bill 309 be amended to remove Section 2 of the bill. Section 2 is no longer necessary.
3. Recommend the passage of Section 3 of Senate Bill 309.

\$600,000 needed to cover costs of bill is not included in FY76 Budget request. If bill is passed, recommend funds be appropriated to cover new costs.

Recommended by:

[Signature]
(Acting Director)

[Date]
(Date)

Approved by:

Francis R. Williamson
(Commissioner)

4/14/75
(Date)

Comments by Governor's Office

By: _____

(Date)

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill 309
 Title: An act relating to local maximum payments in AFDC
 Requested by: Senator Croft Date: April 14, 1975
 Return Date Requested: _____
 Agency: Health and Social Services Program: Social Services-Assistance Payments

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Assistance Payments

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		600.0	650.0	661.5	694.6	729.3
TOTAL		600.0	650.0	661.5	694.6	729.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND		300.0	315.0	330.0	345.0	361.6
FEDERAL FUNDS		300.0	335.0	330.0	349.6	367.7
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Estimate 1000 recipients will be eligible for \$50 per month additional AFDC benefits.

$$1000 \times \$50 \times 12 = \$600,000$$

All expenditures to be paid by Federal Funds.

IV. ATTACHMENTS

V. DATE: 4/14/75 PREPARED BY: [Signature]

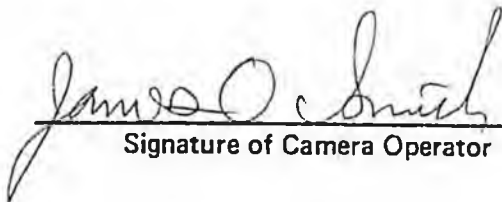
Original: Legislative Finance
 Budget and Management
 cc: Prime Sponsor (First Legislator Named)



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

"An Act making a special appropriation to the Department of Health and Social Services; and providing for an effective date."

COMMITTEE REPORT

3/18/75

HOUSE

Mr. Speaker:

Date _____

The Committee on Finance has had HB 310

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

955
anne

Introduced: 3/18/75
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 HOUSE BILL NO. 310

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Department
7 of Health and Social Services; and providing for an
8 effective date."

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

10 * Section 1. The sum of \$250,000 is appropriated from the general fund to
11 the Department of Health and Social Services, Office of Drug Abuse, to pro-
12 vide treatment, rehabilitation and education services; and for the prevention
13 of drug use.

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c).

ALASKA STATE LEGISLATURE

WINTER Legislature FIRST Session

HOUSE BILL NO. 310

By THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

An Act making a special appropriation to the Department of Health and Social Services; and providing for an effective date.

Drug abuse funding

Introduced in the House 3/10/75, 1975

HISTORY IN THE HOUSE

19 75

Mar 19

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.

Introduced: 3/18/75
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 HOUSE BILL NO. 310

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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15 070(c).

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The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. H.B. 516

Title: An Act making a special appropriation to the Dept. of Health & Social Ser

Requested by: House Finance Committee Date: March 24, 1975

Return Date Requested:

Agency: Health & Social Services Program: Drug Abuse

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Drug Abuse

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		0.0				
200 TRAVEL		0.0				
300 CONTRACTUAL		2.5				
400 COMMODITIES		0.0				
500 EQUIPMENT		0.0				
600 LAND & STRUCTURES		0.0				
700 GRANTS, CLAIMS, ETC.		247.5				
TOTAL	0.0	250.0	0.0	0.0	0.0	0.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	250.0	0	0	0	0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 /	0 /	0 /	0 /	0 /	0 /
MAN MONTHS (P.T.)	0 /	0 /	0 /	0 /	0 /	0 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The Fiscal Year 1976 request for the Grants Component of this Budget Request Unit is \$596,600. Although the State Office of Drug Abuse can document additional need, the Office cannot exceed the Governor's Budget request. These grant funds will be used to fund drug abuse programs which provide direct services. The \$2,500 in contractual will be used for program evaluation.

IV. ATTACHMENTS

V. DATE: 3/25/75 PREPARED BY: Barbara Miklos

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. H.B. 510

Title: An Act making a special appropriation to the Dept. of Health & Social Ser

Requested by: House Finance Committee Date: March 24, 1975

Return Date Requested:

Agency: Health & Social Services Program: Drug Abuse

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Drug Abuse

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		0.0				
200 TRAVEL		0.0				
300 CONTRACTUAL		2.5				
400 COMMODITIES		0.0				
500 EQUIPMENT		0.0				
600 LAND & STRUCTURES		0.0				
700 GRANTS, CLAIMS, ETC.		247.5				
TOTAL	0.0	250.0	0.0	0.0	0.0	0.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	250.0	0	0	0	0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 /	0 /	0 /	0 /	0 /	0 /
MAN MONTHS (P./T.)	0 /	0 /	0 /	0 /	0 /	0 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The Fiscal Year 1976 request for the Grants Component of this Budget Request Unit is \$596,600. Although the State Office of Drug Abuse can document additional need, the Office cannot exceed the Governor's Budget request. These grant funds will be used to fund drug abuse programs which provide direct services. The \$2,500 in contractual will be used for program evaluation.

IV. ATTACHMENTS

V. DATE: 3/25/75 PREPARED BY: Barbara Miklos

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

The Legislature of the State of Alaska
FISCAL NOTE

First Session - 11th Legislature

I. REQUEST

Bill No. H.B. 310

Title: An Act making a special appropriation to the Dept. of Health & Social Ser

Requested by: House Finance Committee Date: March 24, 1975

Return Date Requested: _____

Agency: Health & Social Services Program: Drug Abuse

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Drug Abuse

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		0.0				
200 TRAVEL		0.0				
300 CONTRACTUAL		2.5				
400 COMMODITIES		0.0				
500 EQUIPMENT		0.0				
600 LAND & STRUCTURES		0.0				
700 GRANTS, CLAIMS, ETC.		247.5				
TOTAL	0.0	250.0	0.0	0.0	0.0	0.0

B. FUNDING: (Thousands of dollars)

FUND	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
GENERAL FUND	0	250.0	0	0	0	0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
MAN MONTHS (P./T.)	0 /	0 /	0 /	0 /	0 /	0 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The Fiscal Year 1976 request for the grants Component of this Budget Request Unit is \$596,600. Although the State Office of Drug Abuse can document additional need, the Office cannot exceed the Governor's Budget request. These grant funds will be used to fund drug abuse programs which provide direct services. The \$2,500 in contractual will be used for program evaluation.

IV. ATTACHMENTS

V. DATE: 3/25/75

PREPARED BY: Barbara Miklos

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

RECEIVED
MAR 20 1975

Introduced: 3/18/75
Referred: Finance

Drug Abuse Office
Juneau

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 310

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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POSITION PAPER

ON

HOUSE BILL #310

The Governor's Budget request for the Office of Drug Abuse for FY 1976 is \$596,000. The Office has received grant applications for FY 1976 which total \$1,700,969.

This special appropriation of \$250,000 would be used almost entirely to fund grants which could not be funded with the present request. \$2,500 would be used in contractual monies for evaluation purposes.

The Department of Health & Social Services certifies the need for these additional funds.

Recommended by: Barbara Miklos Date: 4/1/75
(Barbara Miklos, Associate Coordinator)

Approved by: Francis E. Williamson Date: 4/10/75
(Commissioner F. Williamson)

Comments by Governor's Office:

By: _____

Date: _____

POSITION PAPER

On

HOUSE BILL #310

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(Commissioner F. Williamson)

Comments by Governor's Office:

By: _____

Date: _____