

LEG. FINANCE - BILLS 1979 - 1980 1155

HB 691 thru HB 696



# 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.

*James O Smith*  
Signature of Camera Operator

*3/20/90*  
Date

(11)

# COMMITTEE REPORT

## HOUSE

2/29/80

FURTHER:

Date: 5/14/80

Mr. Speaker:

The Committee on FINANCE has had HB 691

"An Act providing for the issuance of general obligation bonds in the amount of \$4,218,800 for the purpose of paying the cost of capital improvements for fisheries resources protection and enhancement facilities; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>amended</sup> CS for HB 691  same title  
 new title
- and recommends to pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
CHAIRMAN

(11)

# COMMITTEE REPORT

## HOUSE

2/29/80

FURTHER:

Date: 5/14/80

Mr. Speaker:

The Committee on FINANCE has had HB 691

"An Act providing for the issuance of general obligation bonds in the amount of \$4,218,800 for the purpose of paying the cost of capital improvements for fisheries resources protection and enhancement facilities; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>Resources</sup> CS for HB 691  same title  
 new title
- and recommends Do Pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Rogers

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Chairman

CHAIRMAN

Original sponsor: Rules/Governor

Offered: 2/29/80  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 691

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obligation  
7 bonds in the amount of \$4,218,800 for the purpose  
8 of paying the cost of capital improvements for fish-  
9 eries resources protection facilities; and providing  
10 for an effective date."

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

12 \* Section 1. For the purpose of paying the cost of capital improvements  
13 for fisheries resources protection facilities, general obligation bonds of  
14 the state in the principal amount of not more than \$4,218,800 shall be issued  
15 and sold. The full faith, credit, and resources of the state are pledged to  
16 the payment of the principal of and interest and redemption premium, if any,  
17 on these bonds. These bonds shall be issued under the provision of AS 37.15  
18 as those provisions read at the time of issuance.

19 \* Sec. 2. (a) If the issuance of these bonds is authorized by the  
20 qualified voters of the state, a special fund of the state to be known as the  
21 "1980 Fisheries Resources Protection Facilities Construction Fund" shall be  
22 established, to which shall be credited the proceeds of the sale of bonds  
23 described in sec. 1 of this Act except for accrued interest and premiums.

24 (b) There is appropriated from the "1980 Fisheries Resources Protection  
25 Facilities Construction Fund" to the Department of Public Safety the amount  
26 of \$4,218,800, for the purchase of one 120-foot patrol vessel to be based at  
27 Kodiak.

28 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
29 voters of the state, the amount of \$14,800 or as much of that amount as is

1 found necessary is appropriated from the general fund of the state to the  
2 state bond committee to carry out the provisions of this Act and to pay  
3 expenses incident to the sale and issuance of the bonds authorized in this  
4 Act. The amounts spent from the appropriation authorized by this section  
5 shall be reimbursed to the general fund from the proceeds of the sale of the  
6 bonds authorized by this Act.

7 \* Sec. 4. The amount withdrawn from the public facility planning fund for  
8 the purpose of advance planning for the improvements financed under this Act  
9 shall be reimbursed from the proceeds of the sale of bonds authorized by this  
10 Act.

11 \* Sec. 5. The question whether the bonds authorized in this Act are to be  
12 issued shall be submitted to the qualified voters of the state at the next  
13 general election and shall read substantially as follows:

14 Proposition

15 State General Obligation Fisheries Resources Protection  
16 Facilities Construction Bonds \$4,218,800

17 Shall the State of Alaska issue its general obligation bonds in  
18 the principal amount of not more than \$4,218,800 for the purpose  
19 of paying the cost of capital improvements for fisheries resources  
20 protection facilities?

21 Bonds Yes [ ]  
22 Bonds No [ ]

23 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-  
24 070(c).

HB 691

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 691 - "An Act providing for \$4,218,800 in GO bonds for  
 Title fisheries resource protection facilities" (120 foot patrol vessel.)  
 Requested by \_\_\_\_\_ Date 2/13/80

II. FISCAL DETAIL

Agency Affected Public Safety  
 Program Category Affected NRMEC  
 BRU, Program, or Subprogram(s) Affected Vessel Section (Marine Enforcement)  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES			324.2	324.2	324.2	
200 TRAVEL			7.0	7.0	7.0	
300 CONTRACTUAL			123.2	123.9	123.9	
400 COMMODITIES			250.3	300.5	300.5	
500 EQUIPMENT			0	10.0	10.0	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>684.7</b>	<b>765.6</b>	<b>765.6</b>	

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	0	0	684.7	765.6	765.6	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME	0	0	6	6	6	
PART TIME			1	1	1	
TEMPORARY						

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

Crewmember salary and benefit costs are: Lt., \$60.0; 1st Sgt., \$52.5; Cpl., \$50.7; 2 troopers, \$47.8 each; Boat Engineer II, \$45.4; and a part-time cook, \$20.0. These costs include sea pay, similar to overtime and shift differential, to compensate crewmembers for shipboard duty. Both salary and other costs are comparable to the Vigilant's operating needs.

In contractual services, major items are: \$55.0 for repairs & maintenance and \$55.1 for insurance. In commodities, fuel use is estimated at 50 gallons/hour for 12 hours/day during 250 days at sea. The 150,000 gallons needed would cost \$270.0 using \$1.80/gallon as the price for diesel fuel.

Estimating vessel delivery on 9/1/81, major FY82 operating costs have been adjusted except for salary. Crew training is needed on other vessels until acceptance of the new vessel. Present costs are used for all expenses except fuel estimated at FY83 cost.

IV. DATE 2/13/80 PREPARED BY Mike Clemens  
 AGENCY Public Safety  
 PHONE 465-4336  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Original sponsor: Rules/Governor

Offered: 2/29/80  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 691

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$4,218,800 for the purpose  
8 of paying the cost of capital improvements for fish-  
9 eries resources protection facilities; and providing  
10 for an effective date."

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

12 \* Section 1. For the purpose of paying the cost of capital improvements  
13 for fisheries resources protection facilities, general obligation bonds of  
14 the state in the principal amount of not more than \$4,218,800 shall be issued  
15 and sold. The full faith, credit, and resources of the state are pledged to  
16 the payment of the principal of and interest and redemption premium, if any,  
17 on these bonds. These bonds shall be issued under the provisor of AS 37.15  
18 as those provisions read at the time of issuance.

19 \* Sec. 2. (a) If the issuance of these bonds is authorized by the  
20 qualified voters of the state, a special fund of the state to be known as the  
21 "1980 Fisheries Resources Protection Facilities Construction Fund" shall be  
22 established, to which shall be credited the proceeds of the sale of bonds  
23 described in sec. 1 of this Act except for accrued interest and premiums.

24 (b) There is appropriated from che "1980 Fisheries Resources Protection  
25 Facilities Construction Fund" to the Department of Public Safety the amount  
26 of \$4,218,800, for the purchase of one 120-foot patrol vessel to be based at  
27 Kodiak.

28 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
29 voters of the state, the amount of \$14,800 or as much of that amount as is

1 found necessary is appropriated from the general fund of the state to the  
2 state bond committee to carry out the provisions of this Act and to pay  
3 expenses incident to the sale and issuance of the bonds authorized in this  
4 Act. The amounts spent from the appropriation authorized by this section  
5 shall be reimbursed to the general fund from the proceeds of the sale of the  
6 bonds authorized by this Act.

7 \* Sec. 4. The amount withdrawn from the public facility planning fund for  
8 the purpose of advance planning for the improvements financed under this Act  
9 shall be reimbursed from the proceeds of the sale of bonds authorized by this  
10 Act.

11 \* Sec. 5. The question whether the bonds authorized in this Act are to be  
12 issued shall be submitted to the qualified voters of the state at the next  
13 general election and shall read substantially as follows:

14 Proposition

15 State General Obligation Fisheries Resources Protection

16 Facilities Construction Bonds \$4,218,800

17 Shall the State of Alaska issue its general obligation bonds in  
18 the principal amount of not more than \$4,218,800 for the purpose  
19 of paying the cost of capital improvements for fisheries resources  
20 protection facilities?

21 Bonds Yes [ ]

22 Bonds No [ ]

23 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-  
24 070(c).

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 3, 1980

The Honorable Russ Meekins  
Chairman  
House Finance Committee  
Room 507 - Capitol Building  
Juneau, Alaska 99811

Dear Mr. Meekins:

Re: House Bill No. 691

CS for House Bill No. 691, an Act providing for the issuance of general obligation bonds in the amount of \$4,218,800 for the purpose of paying the cost of capital improvements for fisheries resources protection facilities, was referred on February 29, 1980 by the House Resources Committee to the House Finance Committee.

The State's Bond Counsel has advised that general obligation bonds of the State and nearly all other states and local government bonds are issued in the denomination of \$5,000, the standard unit.

Using CS for House Bill No. 691 as an example, according to the Bond Counsel, this would result in issuing less than the total amount of bonds authorized or in issuing one odd bond in the denomination of of \$3,800 along with 843 bonds in the usual denomination of \$5,000. Issuing a bond in an odd denomination requires the printing of one bond with all of its special interest coupons and causes problems in closing and in sales by bond buyers.

Consequently, it is respectfully recommended that your Committee round off the principle amount of the proposed bond issue to the nearest \$5,000.

Sincerely,



R. D. Stevenson  
Special Assistant

cc: Thomas K. Williams  
Commissioner of Revenue  
Secretary, State Bond Committee

Eric E. Wohlforth, Attorney  
Wohlforth & Flint  
Anchorage, Alaska

Introduced: 2/8/80  
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 691

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$4,218,800 for the purpose  
8 of paying the cost of capital improvements for fish-  
9 eries resources protection and enhancement facilities;  
10 and providing for an effective date."

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

12 \* Section 1. For the purpose of paying the cost of capital improvements  
13 for fisheries resources protection and enhancement facilities, general ob-  
14 ligation bonds of the state in the principal amount of not more than  
15 \$4,218,800 shall be issued and sold. The full faith, credit, and resources  
16 of the state are pledged to the payment of the principal of and interest and  
17 redemption premium, if any, on these bonds. These bonds shall be issued  
18 under the provision of AS 37.15 as those provisions read at the time of is-  
19 suance.

20 \* Sec. 2. (a) If the issuance of these bonds is authorized by the  
21 qualified voters of the state, a special fund of the state to be known as the  
22 "1980 Fisheries Resources Facilities Construction Fund" shall be established,  
23 to which shall be credited the proceeds of the sale of bonds described in  
24 sec. 1 of this Act except for accrued interest and premiums.

25 (b) There is appropriated from the "1980 Fisheries Resources Facilities  
26 Construction Fund" to the Department of Public Safety the amount of  
27 \$4,218,800, for the purchase of one 120-foot patrol vessel to be based at  
28 Kodiak.

29 \* Sec. 3. If the issuance of these bonds is authorized by the qualified

1 voters of the state, the amount of \$14,800 or as much of that amount as is  
2 found necessary is appropriated from the general fund of the state to the  
3 state bond committee to carry out the provisions of this Act and to pay  
4 expenses incident to the sale and issuance of the bonds authorized in this  
5 Act. The amounts expended from the appropriation authorized by this section  
6 shall be reimbursed to the general fund from the proceeds of the sale of the  
7 bonds authorized by this Act.

8 \* Sec. 4. The amount withdrawn from the public facility planning fund for  
9 the purpose of advance planning for the improvements financed under this Act  
10 shall be reimbursed from the proceeds of the sale of bonds authorized by this  
11 Act

12 \* Sec. 5. The question whether the bonds authorized in this Act are to be  
13 issued shall be submitted to the qualified voters of the state at the next  
14 general election and shall read substantially as follows:

15 Proposition

16 State General Obligation Fisheries Resources Facilities

17 Construction Bonds \$4,218,800

18 Shall the State of Alaska issue its general obligation bonds in  
19 the principal amount of not more than \$4,218,800 for the purpose  
20 of paying the cost of capital improvements for fisheries  
21 resources protection and enhancement facilities?

22 Bonds Yes [ ]

23 Bonds No [ ]

24 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
25 10.070(c).  
26  
27  
28  
29



# 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.

James O Smith  
Signature of Camera Operator

3/20/90  
Date

COMMITTEE REPORT  
SENATE

FURTHER: None

5/24/80

Date: 5/27/80

Mr. President:

The Committee on FINANCE has had CSHB 691  
g.o. bonds in amount of \$4,218,800 for purpose of paying cost of capital  
improvements for fisheries resources protection facilities

under consideration and (a majority of the committee) (the committee)  
reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends SCS and CSHB 691
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
CHAIRMAN  
[Signature]

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 691

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$5,468,800 for the purpose  
8 of paying the cost of capital improvements for fish-  
9 eries facilities; and providing for an effective date "

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

11 \* Section 1. For the purpose of paying the cost of capital improvements  
12 for fisheries facilities, general obligation bonds of the state in the  
13 principal amount of not more than \$5,468,800 shall be issued and sold. The  
14 full faith, credit, and resources of the state are pledged to the payment of  
15 the principal of and interest and redemption premium, if any, on these bonds.  
16 These bonds shall be issued under the provision of AS 37.15 as those  
17 provisions read at the time of issuance.

18 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
19 voters of the state, a special fund of the state to be known as the "1980  
20 Fisheries Facilities Construction Fund" shall be established, to which shall  
21 be credited the proceeds of the sale of bonds described in sec. 1 of this Act  
22 except for accrued interest and premiums.

23 \* Sec. 3. The sum of \$4,218,800 is appropriated from the "1980 Fisheries  
24 Facilities Construction Fund" to the Department of Public Safety for the  
25 purchase of one 120-foot patrol vessel to be based at Kodiak.

26 \* Sec. 4. The sum of \$1,250,000 is appropriated from the "1980 Fisheries  
27 Facilities Construction Fund" to the Department of Transportation and Public  
28 Facilities for additional construction costs of the Ship Creek hatchery on  
29 Cook Inlet.

1 \* Sec. 5. If the issuance of these bonds is authorized by the qualified  
2 voters of the state, the amount of \$19,000 or as much of that amount as is  
3 found necessary is appropriated from the general fund of the state to the  
4 state bond committee to carry out the provisions of this Act and to pay  
5 expenses incident to the sale and issuance of the bonds authorized in this  
6 Act. The amounts spent from the appropriation authorized by this section  
7 shall be reimbursed to the general fund from the proceeds of the sale of the  
8 bonds authorized by this Act.

9 \* Sec. 6. The amount withdrawn from the public facility planning fund for  
10 the purpose of advance planning for the improvements financed under this Act  
11 shall be reimbursed from the proceeds of the sale of bonds authorized by this  
12 Act.

13 \* Sec. 7. The question whether the bonds authorized in this Act are to be  
14 issued shall be submitted to the qualified voters of the state at the next  
15 general election and shall read substantially as follows:

16 Proposition

17 State General Obligation Fisheries Facilities

18 Construction Bonds \$5,468,800

19 Shall the State of Alaska issue its general obligation bonds in  
20 the principal amount of not more than \$5,468,800 for the purpose  
21 of paying the cost of capital improvements for fisheries facilities?

22 Bonds Yes [ ]

23 Bonds No [ ]

24 \* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-  
25 070(c).

Original sponsor: Rules/Governor

Offered: 2/29/80  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 691

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$4,218,800 for the purpose  
8 of paying the cost of capital improvements for fish-  
9 eries resources protection facilities; and providing  
10 for an effective date."

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

12 \* Section 1. For the purpose of paying the cost of capital improvements  
13 for fisheries resources protection facilities, general obligation bonds of  
14 the state in the principal amount of not more than \$4,218,800 shall be issued  
15 and sold. The full faith, credit, and resources of the state are pledged to  
16 the payment of the principal of and interest and redemption premium, if any,  
17 on these bonds. These bonds shall be issued under the provision of AS 37.15  
18 as those provisions read at the time of issuance.

19 \* Sec. 2. (a) If the issuance of these bonds is authorized by the  
20 qualified voters of the state, a special fund of the state to be known as the  
21 "1980 Fisheries Resources Protection Facilities Construction Fund" shall be  
22 established, to which shall be credited the proceeds of the sale of bonds  
23 described in sec. 1 of this Act except for accrued interest and premiums.

24 (b) There is appropriated from the "1980 Fisheries Resources Protection  
25 Facilities Construction Fund" to the Department of Public Safety the amount  
26 of \$4,218,800, for the purchase of one 120-foot patrol vessel to be based at  
27 Kodiak.

28 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
29 voters of the state, the amount of \$14,800 or as much of that amount as is

1 found necessary is appropriated from the general fund of the state to the  
2 state bond committee to carry out the provisions of this Act and to pay  
3 expenses incident to the sale and issuance of the bonds authorized in this  
4 Act. The amounts spent from the appropriation authorized by this section  
5 shall be reimbursed to the general fund from the proceeds of the sale of the  
6 bonds authorized by this Act.

7 \* Sec. 4. The amount withdrawn from the public facility planning fund for  
8 the purpose of advance planning for the improvements financed under this Act  
9 shall be reimbursed from the proceeds of the sale of bonds authorized by this  
10 Act.

11 \* Sec. 5. The question whether the bonds authorized in this Act are to be  
12 issued shall be submitted to the qualified voters of the state at the next  
13 general election and shall read substantially as follows:

14 Proposition

15 State General Obligation Fisheries Resources Protection

16 Facilities Construction Bonds \$4,218,800

17 Shall the State of Alaska issue its general obligation bonds in  
18 the principal amount of not more than \$4,218,800 for the purpose  
19 of paying the cost of capital improvements for fisheries resources  
20 protection facilities?

21 Bonds Yes [ ]

22 Bonds No [ ]

23 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-  
24 070(c).

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 691 - "An Act providing for \$4,218,800 in GO bonds for  
Title fisheries resource protection facilities" (120 foot patrol vessel.)  
 Requested by \_\_\_\_\_ Date 2/13/80

II. FISCAL DETAIL

Agency Affected Public Safety  
 Program Category Affected NRMEC  
 BRU, Program, or Subprogram(s) Affected Vessel Section (Marine Enforcement)  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES			324.2	324.2	324.2	
200 TRAVEL			7.0	7.0	7.0	
300 CONTRACTUAL			103.2	123.9	123.9	
400 COMMODITIES			250.3	300.5	300.5	
500 EQUIPMENT			0	10.0	10.0	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>684.7</b>	<b>765.6</b>	<b>765.6</b>	

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	684.7	765.6	765.6	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	6	6	6	
PART TIME			1	1	1	
TEMPORARY						

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

Crewmember salary and benefit costs are: Lt., \$60.0; 1st Sgt., \$52.5; Cpl., \$50.7; 2 troopers, \$47.8 each; Boat Engineer II, \$45.4; and a part-time cook, \$20.0. These costs include sea pay, similar to overtime and shift differential, to compensate crewmembers for shipboard duty. Both salary and other costs are comparable to the Vigilant's operating needs.

In contractual services, major items are: \$55.0 for repairs & maintenance and \$55.1 for insurance. In commodities, fuel use is estimated at 50 gallons/hour for 12 hours/day during 250 days at sea. The 150,000 gallons needed would cost \$270.0 using \$1.80/gallon as the price for diesel fuel.

Estimating vessel delivery on 9/1/81, major FY82 operating costs have been adjusted except for salary. Crew training is needed on other vessels until acceptance of the new vessel. Present costs are used for all expenses except fuel estimated at FY83 cost.

IV. DATE 2/13/80 PREPARED BY Mike Clemens  
 AGENCY Public Safety  
 PHONE 465-4336

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

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 3, 1980

The Honorable Russ Meekins  
Chairman  
House Finance Committee  
Room 507 - Capitol Building  
Juneau, Alaska 99811

Dear Mr. Meekins:

Re: House Bill No. 691

CS for House Bill No. 691, an Act providing for the issuance of general obligation bonds in the amount of \$4,218,800 for the purpose of paying the cost of capital improvements for fisheries resources protection facilities, was referred on February 29, 1980 by the House Resources Committee to the House Finance Committee.

The State's Bond Counsel has advised that general obligation bonds of the State and nearly all other states and local government bonds are issued in the denomination of \$5,000, the standard unit.

Using CS for House Bill No. 691 as an example, according to the Bond Counsel, this would result in issuing less than the total amount of bonds authorized or in issuing one odd bond in the denomination of of \$3,800 along with 843 bonds in the usual denomination of \$5,000. Issuing a bond in an odd denomination requires the printing of one bond with all of its special interest coupons and causes problems in closing and in sales by bond buyers.

Consequently, it is respectfully recommended that your Committee round off the principle amount of the proposed bond issue to the nearest \$5,000.

Sincerely,



R. D. Stevenson  
Special Assistant

cc: Thomas K. Williams  
Commissioner of Revenue  
Secretary, State Bond Committee

Eric E. Wohlforth, Attorney  
Wohlforth & Flint  
Anchorage, Alaska

Introduced: 2/8/80  
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 691

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$4,218,800 for the purpose  
8 of paying the cost of capital improvements for fish-  
9 eries resources protection and enhancement facilities;  
10 and providing for an effective date."

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

12 \* Section 1. For the purpose of paying the cost of capital improvements  
13 for fisheries resources protection and enhancement facilities, general ob-  
14 ligation bonds of the state in the principal amount of not more than  
15 \$4,218,800 shall be issued and sold. The full faith, credit, and resources  
16 of the state are pledged to the payment of the principal of and interest and  
17 redemption premium, if any, on these bonds. These bonds shall be issued  
18 under the provision of AS 37.15 as those provisions read at the time of is-  
19 suance.

20 \* Sec. 2. (a) If the issuance of these bonds is authorized by the  
21 qualified voters of the state, a special fund of the state to be known as the  
22 "1980 Fisheries Resources Facilities Construction Fund" shall be established,  
23 to which shall be credited the proceeds of the sale of bonds described in  
24 sec. 1 of this Act except for accrued interest and premiums.

25 (b) There is appropriated from the "1980 Fisheries Resources Facilities  
26 Construction Fund" to the Department of Public Safety the amount of  
27 \$4,218,800, for the purchase of one 120-foot patrol vessel to be based at  
28 Kodiak.

29 \* Sec. 3. If the issuance of these bonds is authorized by the qualified

1 voters of the state, the amount of \$14,800 or as much of that amount as is  
2 found necessary is appropriated from the general fund of the state to the  
3 state bond committee to carry out the provisions of this Act and to pay  
4 expenses incident to the sale and issuance of the bonds authorized in this  
5 Act. The amounts expended from the appropriation authorized by this section  
6 shall be reimbursed to the general fund from the proceeds of the sale of the  
7 bonds authorized by this Act.

8 \* Sec. 4. The amount withdrawn from the public facility planning fund for  
9 the purpose of advance planning for the improvements financed under this Act  
10 shall be reimbursed from the proceeds of the sale of bonds authorized by this  
11 Act.

12 \* Sec. 5. The question whether the bonds authorized in this Act are to be  
13 issued shall be submitted to the qualified voters of the state at the next  
14 general election and shall read substantially as follows:

15 Proposition

16 State General Obligation Fisheries Resources Facilities  
17 Construction Bonds \$4,218,800

18 Shall the State of Alaska issue its general obligation bonds in  
19 the principal amount of not more than \$4,218,800 for the purpose  
20 of paying the cost of capital improvements for fisheries  
21 resources protection and enhancement facilities?

22 Bonds Yes [ ]  
23 Bonds No [ ]

24 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
25 10.070(c).



# 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.

*James O Smith*  
Signature of Camera Operator

*3/20/90*  
Date

COMMITTEE REPORT

(11)

HOUSE

3/4/80

FURTHER:

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 696

"An Act relating to the individual tax credit allowed under the Alaska Net Income Tax Act; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

---

---

---

---

---

---

---

---

---

---

---

---



---

---

---

---

---

---

---

---

---

---

---

---

\_\_\_\_\_  
CHAIRMAN

(7)

# COMMITTEE REPORT

## HOUSE

3/4

2/8/80

FURTHER: FINANCE

Date: 3-3-80

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 696

"An Act relating to the individual tax credit allowed under the Alaska Net Income Tax Act; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for 696  same title  
 new title
- and recommends CS HB 696 DO PASS
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

[Signature]  
[Signature]  
[Signature]  
[Signature]  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

[Signature] no rec.  
[Signature] do not pass  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

[Signature]  
 CHAIRMAN

7388  
Baldwin

Original sponsors: Miles, Freeman,  
Malone, et al

Offered: 3/4/80  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO.696

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act suspending the individual net income tax;  
7 providing for payments to state residents; and pro-  
8 viding for an effective date."

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

10 \* Section 1. POLICY, PURPOSES AND FINDINGS. (a) It is the duty and  
11 policy of the state with respect to the natural resources belonging to it and  
12 the income derived from those natural resources to provide for their use  
13 development, and conservation for the maximum benefit of the people of the  
14 state.

15 (b) The purposes of this Act are

16 (1) to provide a mechanism for equitable distribution to the  
17 people of Alaska of at least a portion of the state's energy wealth derived  
18 from the development and production of the natural resources belonging to  
19 them as Alaskans;

20 (2) to encourage persons to maintain their residence in Alaska and  
21 to reduce population turnover in the state; and

22 (3) to encourage increased awareness and involvement by the resi-  
23 dents of the state in the management and expenditure of state revenues derived  
24 from natural resources development and production.

25 (c) The legislature finds that the demands on and cost of state govern-  
26 ment have increased over the past few years at an excessive rate and that  
27 this increase has been permitted to occur, at least in part, by a feeling on  
28 the part of many residents of the state that because such a high proportion  
29 of the state's revenue comes from royalties and bonuses under mineral leases

1 of state land, those demands and costs do not have a significant economic  
2 impact upon them personally. It is in the public interest to distribute a  
3 portion of Alaska's energy wealth to the people of the state.

4 (d) The legislature also finds that state residents have been paying  
5 increasingly high prices for fossil fuels, while few have received direct  
6 monetary benefits from the production and development of fossil fuels belong-  
7 ing to them as Alaskans. It is in the public interest to return to state  
8 residents a portion of the state's income from oil, gas, and other mineral  
9 production to help offset rising fuel costs.

10 (e) The legislature also finds that state residents who have played a  
11 role in the history and development of this state constitute an irreplaceable  
12 resource and have made valuable contributions to the political, economic and  
13 social fabric of the state not only in the form of taxes but also in the form  
14 of participation in the state's development. The legislature finds that  
15 these contributions cannot be measured accurately in monetary terms and that  
16 the contributions have been made during years since statehood in which rela-  
17 tively small amounts of revenue were generated from the development of the  
18 state's natural resources. These same Alaskans have borne the burdens of a  
19 high cost of living during their years of residence here. In order to achieve  
20 a fair distribution of the present and future income from the development of  
21 the state's natural resources, it is necessary to establish a distribution  
22 mechanism that takes into account the years during which these individuals  
23 were owners of the state's valuable natural resources but did not receive  
24 direct benefits from that ownership. It is also in the public interest to  
25 provide special incentives to ensure that long-time Alaskans will remain in  
26 the state and to provide financial assistance to those who may not otherwise  
27 be able to do so.

28 (f) The legislature also finds that there exists in the state a serious  
29 problem of population turnover. A substantial portion of the state's popu-

1 lation is comprised of individuals who reside in Alaska for only a relatively  
2 short time. This is especially true in the state's larger cities. This  
3 constant turnover in population leads to political, economic, and social  
4 instability and is harmful to the state. It is in the public interest for  
5 the state to promote a stable resident population by providing incentives to  
6 encourage Alaskans to maintain their residency in the state.

7 \* Sec. 2. AS 43 is amended by adding a new chapter to read:

8 CHAPTER 23. DISTRIBUTION OF REVENUE TO STATE RESIDENTS.

9 Sec. 43.23.010. RESIDENCY PAYMENT. (a) An individual who is  
10 eligible under (b) of this section is entitled to an annual residency  
11 payment determined as follows:

12 (1) \$115 for each full year that the individual is a state  
13 resident from January 1, 1975, through December 31 of the year for which  
14 the residency payment is claimed;

15 (2) the amount of political campaign contributions made by  
16 the individual during the year not to exceed \$50;

17 (3) 10 percent of the residential fuel expenses paid by the  
18 individual during the year or \$10, whichever is greater;

19 (4) 10 percent of the expenses for residential fuel con-  
20 servation capital improvements paid by the individual during the year  
21 not to exceed \$200; and

22 (5) 16 percent of the tax credit claimed by the individual on  
23 his federal income tax return for household and dependent care services  
24 necessary for his gainful employment.

25 (b) An individual is eligible to receive a residency payment under  
26 (a) of this section if he

27 (1) applies to the department for the payment; and

28 (2) he is a state resident on the date of the application.

29 (c) If an individual is a state resident for less than 12 months

1 during a year, the portion of the residency payment determined under  
2 (a)(3) - (5) of this section shall be prorated according to the number  
3 of months during the year that the individual was a state resident.

4 (d) If an individual is married and files a joint federal income  
5 tax return, the portion of the residency payment determined under (a)(5)  
6 of this section may not exceed 50 percent of tax credit claimed for  
7 household and dependent care services on the joint federal income tax  
8 return.

9 (e) A parent or guardian may claim a residency payment on behalf  
10 of a minor or incompetent who is eligible to receive a residency payment  
11 under AS 43.23.010.

12 Sec. 43.23.020. PROOF OF ELIGIBILITY. (a) An individual who  
13 applies for a residency payment shall make and submit a statement of  
14 eligibility which must be verified by him under penalty of perjury. The  
15 commissioner may require an individual to provide additional proof of  
16 eligibility including one or more affidavits from persons having personal  
17 knowledge concerning the individual's eligibility.

18 (b) The department shall prescribe and furnish an application form  
19 for claiming the residency payment which shall contain a statement of  
20 eligibility and a certification of residency in the following form:

21 Under penalty of perjury, I certify that I am a state resident on  
22 the date of this application and I have been a state resident for  
23 \_\_\_\_\_ full years and that I understand that my claim for a  
24 residency payment is partly determined by the number of years that  
25 I have been a state resident after January 1, 1975. I also under-  
26 stand that if I am convicted of falsely claiming a residency payment  
27 I will forfeit all residency payments and that I must repay all  
28 residency payments which have been paid to me. I understand that  
29 this penalty is in addition to any criminal penalties imposed.

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

---

(signature of individual)

Sec. 43.23.030. PENALTIES AND ENFORCEMENT. (a) In addition to any criminal penalties imposed by state law, if an individual is convicted of perjury or unsworn falsification for a statement made in a certification of residency, and the conviction is not reversed, that individual is not, and may never become, eligible for a residency payment, and he forfeits all residency payments paid to him.

(b) If the commissioner determines that a residency payment should not have been claimed by or paid to an individual, he may use any collection procedures or remedies available under this title to recover a residency payment which was improperly made.

Sec. 43.23.040. DUTIES OF THE DEPARTMENT. The department shall

(1) by the 10th day of each regular legislative session, present a request to the legislature for an appropriation for the residency payments required by AS 43.23.010;

(2) make the residency payments required by AS 43.23.010 from an annual appropriation from the general fund for that purpose;

(3) adopt regulations under the Administrative Procedure Act (AS 44.62) which establish procedures and time limitations for claiming a residency payment. The department shall set the time limitation for applications for a residency payment so that all residency payments for a year are paid before October 15 of the following year; and

(4) assist residents of rural areas who because of language, illness, old age or inaccessibility to public transportation need assistance to establish eligibility and to apply for the residency payment provided by this chapter.

Sec. 43.23.050. DEFINITIONS. In this chapter,

(1) "commissioner" means the commissioner of revenue;

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

2 (3) "expenses for fuel conservation improvements" means

3 (A) the cost of additional insulation or insulating  
4 material installed in the principal residence of the individual if  
5 the residence was in existence on June 5, 1977;

6 (B) the cost of insulating windows of the principal  
7 residence of the individual;

8 (C) the cost of labor for the installation of the ma-  
9 terials set out in (A) and (B) of this subsection; and

10 (D) the cost of installation of alternate sources of  
11 power generation not dependent on fossil fuels for energy supply,  
12 including but not limited to wind, tidal, solar or geothermal  
13 sources;

14 (4) "individual" means a natural person;

15 (5) "political campaign contribution" includes a contribution  
16 or gift to a person or organization for use exclusively

17 (A) for political campaigns for candidates for President  
18 or Vice President of the United States, whether or not they will be  
19 voted on in a primary election in the state; United States senator  
20 from Alaska; United States representative from Alaska; governor or  
21 lieutenant governor of Alaska; the Alaska legislature; delegate to  
22 an Alaska constitutional convention; electoral confirmation as a  
23 judge or justice of a court in the state; and municipal office in  
24 the state; and

25 (B) for groups seeking to influence the outcome of a  
26 ballot proposition or question; or dues to a nonprofit organization  
27 organized primarily to influence an election;

28 (6) "residential fuel expenses" means the payments made by an  
29 individual for wood, coal, heating oil, gas, electricity or other fuel

1 consumed in the state for the principal residence of the individual;

2 (7) "state resident" means an individual who is physically  
3 present in the state with the intent to remain permanently in the state  
4 or, if he is not physically present in the state, intends to return to  
5 the state and he is absent for the following reasons:

6 (A) vocational, professional or other special education  
7 for which a comparable program was not reasonably available in the  
8 state,

9 (B) postsecondary education,

10 (C) military service,

11 (D) medical treatment, or

12 (E) service in Congress;

13 (8) "year" means a calendar year.

14 \* Sec. 3. AS 43.20.021(c) is amended to read:

15 (c) For purposes of calculating the alternative tax on capital  
16 gains provided for in the provisions of Internal Revenue Code sec. 1201,  
17 the rate is 4.5 percent for corporations [AND 4 PERCENT FOR INDIVIDUALS  
18 AND FIDUCIARIES].

19 \* Sec. 4. AS 43.20.021(d) is amended to read:

20 (d) Where a credit allowed under the Internal Revenue Code is also  
21 allowed in computing Alaska income tax, it is limited to [16 PERCENT OF  
22 THE AMOUNT OF THE CREDIT DETERMINED FOR FEDERAL INCOME TAX PURPOSES FOR  
23 INDIVIDUALS AND] 18 percent of the amount of the credit determined for  
24 federal income tax purposes for corporations.

25 \* Sec. 5. AS 43.20.021(f) is amended to read:

26 (f) For the purpose of calculating the minimum tax on tax prefer-  
27 ences provided for in secs. 56 - 58 of the Internal Revenue Code (26  
28 U.S.C. secs. 56 - 58), the rate is [16 PERCENT FOR INDIVIDUALS AND] 18  
29 percent for corporations of the applicable minimum federal tax rate.

1 \* Sec. 6. AS 43.20.030(a) is amended to read:

2 (a) Every [INDIVIDUAL, FIDUCIARY, PARTNERSHIP AND] corporation  
3 required to make a return under the provisions of the Internal Revenue  
4 Code shall at the same time file with the department a return setting  
5 out

6 (1) the amount of tax due under this chapter, less credits  
7 claimed against the tax; and

8 (2) other information for the purpose of carrying out the  
9 provisions of this chapter which the department requires.

10 \* Sec. 7. The following laws are suspended as of the tax year beginning  
11 January 1, 1980: AS 43.20.011(a) - (d), 43.20.015, 43.20.021(e), 43.20.031-  
12 (a) - (c) and (f) - (h), 43.20.035, 43.20.036(d) - (h), 43.20.038, 43.20.039,  
13 43.20.051, 43.20.061, 43.20.160(e), 43.20.170, and 43.20.180.

14 \* Sec. 8. AS 43.20.021(c) is amended to read:

15 (c) For purposes of calculating the alternative tax on capital  
16 gains provided for in the provisions of Internal Revenue Code sec. 1201,  
17 the rate is 4.5 percent for corporations and 4 percent for individuals  
18 and fiduciaries.

19 \* Sec. 9. AS 43.20.021(d) is amended to read:

20 (d) Where a credit allowed under the Internal Revenue Code is also  
21 allowed in computing Alaska income tax, it is limited to 16 percent of  
22 the amount of the credit determined for federal income tax purposes for  
23 individuals and 18 percent of the amount of the credit determined for  
24 federal income tax purposes for corporations.

25 \* Sec. 10. AS 43.20.021(f) is amended to read:

26 (f) For the purpose of calculating the minimum tax on tax prefer-  
27 ences provided for in secs. 56 - 58 of the Internal Revenue Code (26  
28 U.S.C. secs. 56 - 58), the rate is 16 percent for individuals and 18  
29 percent for corporations of the applicable minimum federal tax rate.

1 \* Sec. 11. AS 43.20.030(a) is amended to read:

2 (a) Every individual, fiduciary, partnership and corporation  
3 required to make a return under the provisions of the Internal Revenue  
4 Code shall at the same time file with the department a return setting  
5 out

6 (1) the amount of tax due under this chapter, less credits  
7 claimed against the tax; and

8 (2) other information for the purpose of carrying out the  
9 provisions of this chapter which the department requires.

10 \* Sec. 12. As of January 1, 1984

11 (1) AS 43.23 enacted in sec. 2 of this Act and secs. 1 and 7 of  
12 this Act are repealed;

13 (2) the tax levied in AS 43.20.011(a) - (d) is reinstated and  
14 imposed; and

15 (3) AS 43.20.015, 43.20.021(e), 43.20.031(a) - (c) and (f) - (h),  
16 43.20.035, 43.20.036(d) - (h), 43.20.038, 43.20.039, 43.20.051, 43.20.061,  
17 43.20.160(e), 43.20.170, and 43.20.180 are reinstated.

18 \* Sec. 13. Before April 15, 1981, the Department of Revenue shall refund  
19 to the employee or other taxpayer all money received by the department which  
20 was withheld during tax year 1980 from the wages or salaries of the employee  
21 by an employer or which was received by the department as estimated income  
22 tax payments under AS 43.20 for tax year 1980.

23 \* Sec. 14. AS 43.25.010(a)(2) - (5) enacted in sec. 2 of this Act do not  
24 apply to claims for a residency payment for the year ending December 31,  
25 1979. For that year only, an eligible state resident may receive a residency  
26 payment equal to \$115 for each full year that the individual was a state  
27 resident from January 1, 1975, through December 31, 1979. The Department of  
28 Revenue shall prescribe and distribute forms to the public so that the resi-  
29 dency payment for 1979 will be paid before October 15, 1980.

1 \* Sec. 15. If any provision enacted in sec. 2 of this Act is held to be  
2 invalid by the final judgment, decision or order of a court of competent  
3 jurisdiction, then that provision is nonseverable, and all provisions enacted  
4 in sec. 2 of this Act are invalid and of no force or effect.

5 \* Sec. 16. This Act terminates on the effective date of an Act which  
6 repeals AS 43.20.011(a) - (d).

7 \* Sec. 17. Sections 1 and 2 of this Act are retroactive to January 1,  
8 1979.

9 \* Sec. 18. Sections 3 - 7 and 13 of this Act are retroactive to January 1,  
10 1980.

11 \* Sec. 19. Sections 3 - 7 of this Act apply to tax years beginning after  
12 December 31, 1979.

13 \* Sec. 20. Sections 1 - 7 and 13 - 18 of this Act take effect immediately  
14 in accordance with AS 01.10.070(c).

15 \* Sec. 21. Sections 8 - 12 of this Act take effect January 1, 1984.  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Introduced: 2/8/80  
Referred: State Affairs and  
Finance

BY MILES, FREEMAN, MALONE,  
BEIRNE, BUCHHOLDT, MILLER  
AND ROGERS

7388  
Baldwin  
1 IN THE HOUSE

2 HOUSE BILL NO. 696

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the individual tax credit allowed  
7 under the Alaska Net Income Tax Act; and providing for  
8 an effective date."

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

10 \* Section 1. AS 43.20.015(b) is amended to read:

11 (b) The amount of the annual individual tax credit shall be as  
12 follows [, BUT NOT EXCEEDING THE NET TAX LIABILITY OF THE TAXPAYER AFTER  
13 DEDUCTION OF ALL OTHER APPLICABLE CREDITS]:

14 (1) for the first tax year beginning after December 31, 1977  
15 that a taxpayer files an income tax return -- \$100;

16 (2) for the second tax year beginning after December 31, 1977  
17 that a taxpayer files an income tax return -- \$200;

18 (3) for the third tax year beginning after December 31, 1977  
19 that a taxpayer files an income tax return [AND EACH TAX YEAR THERE-  
20 AFTER] -- \$300;

21 (4) for the fourth tax year beginning after December 31, 1977  
22 that a taxpayer files an income tax return -- \$400;

23 (5) for the fifth tax year beginning after December 31, 1977  
24 that a taxpayer files an income tax return -- \$500;

25 (6) for the sixth tax year beginning after December 31, 1977  
26 that a taxpayer files an income tax return and for each tax year there-  
27 after -- \$600.

28 \* Sec. 2. AS 43.20.015(c) is amended to read:

29 (c) For part-year residents and nonresident individual taxpayers

COMMITTEE COPY

1 the credit provided in this section shall be prorated according to the  
2 number of months of residency in the state and may not exceed the net  
3 income tax liability of the part-year or nonresident taxpayer after  
4 deduction of all other applicable credits.

5 \* Sec. 3. AS 43.20.015 is amended by adding a new subsection to read:

6 (e) If the annual credit provided by this section exceeds the net  
7 income tax liability of a resident taxpayer after the deduction of all  
8 applicable credits, the commissioner shall pay the taxpayer the amount  
9 of the credit which exceeds the net income tax liability of the tax-  
10 payer, or \$200, whichever is less. To the extent allowed under federal  
11 law, a payment required by this subsection may be deferred or otherwise  
12 set aside for payment of future income taxes of the taxpayer. If a  
13 payment required by this subsection is due a taxpayer who is incar-  
14 cerated for committing a crime, the payment shall be made to the  
15 Department of Health and Social Services to offset the cost of in-  
16 carceration.

17 \* Sec. 4. AS 43.20.030 is amended by adding a new subsection to read:

18 (f) An individual resident taxpayer who is 18 years of age or  
19 older may claim the annual credit allowed by AS 43.20.015 by filing a  
20 return even if he

- 21 (1) had no income during the tax year;  
22 (2) does not owe income tax to the state; or  
23 (3) is not required to file a federal income tax return.

24 \* Sec. 5. AS 43.20.340(11) is amended to read:

25 (11) "taxpayer" means a person subject to a tax imposed by  
26 this chapter, or an individual who is qualified to file a return under  
27 AS 43.20.030(f) to claim the annual credit granted in AS 43.20.015;

28 \* Sec. 6. AS 43.20.015(b) is amended to read:

29 (b) The amount of the annual individual tax credit shall be as

1 follows, but not exceeding the net income tax liability of the taxpayer  
2 after deduction of all other applicable credits:

3 (1) for the first tax year beginning after December 31, 1977  
4 that a taxpayer files an income tax return -- \$100;

5 (2) for the second tax year beginning after December 31, 1977  
6 that a taxpayer files an income tax return -- \$200;

7 (3) for the third tax year beginning after December 31, 1977  
8 that a taxpayer files an income tax return and each tax year there-  
9 after -- \$300[;

10 (4) FOR THE FOURTH TAX YEAR BEGINNING AFTER DECEMBER 31, 1977  
11 THAT A TAXPAYER FILES AN INCOME TAX RETURN -- \$400;

12 (5) FOR THE FIFTH TAX YEAR BEGINNING AFTER DECEMBER 31, 1977  
13 THAT A TAXPAYER FILES AN INCOME TAX RETURN -- \$500;

14 (6) FOR THE SIXTH TAX YEAR BEGINNING AFTER DECEMBER 31, 1977  
15 THAT A TAXPAYER FILES AN INCOME TAX RETURN AND FOR EACH TAX YEAR THERE-  
16 AFTER -- \$600].

17 \* Sec. 7. AS 43.20.340(11) is amended to read:

18 (11) "taxpayer" means a person subject to a tax imposed by  
19 this chapter [, OR AN INDIVIDUAL WHO IS QUALIFIED TO FILE A RETURN UNDER  
20 AS 43.20.030(f) TO CLAIM THE ANNUAL CREDIT GRANTED IN AS 43.20.015];

21 \* Sec. 8. AS 43.20.015(e) and 43.20.030(f) are repealed.

22 \* Sec. 9. Sections 1 - 5 of this Act are retroactive to January 1, 1980,  
23 and apply to tax years beginning after December 31, 1979.

24 \* Sec. 10. Sections 1 - 5 and 9 of this Act take effect immediately in  
25 accordance with AS 01.10.070(c).

26 \* Sec. 11. Sections 6 - 8 of this Act take effect on January 1 of the tax  
27 year which begins after the fiscal year for which the commissioner of admin-  
28 istration and the commissioner of revenue jointly certify that the state  
29 general fund balance available for appropriation and expenditure has fallen

1 below the amount estimated as sufficient to finance six months of state  
2 government operations.

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

COMMITTEE COPY

HB696

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND... Session

HOUSE ..BILL..... NO. ...696..

By .....MILES,, FREEMAN,, MALONE,  
BEIRNE, BUCHHOLDT, MILLER, AND  
ROGERS

"An Act relating to the indivi-  
dual tax credit allowed under  
the Alaska Net Income Tax Act;  
and providing for an effective  
date."

Tax credit under Alaska Net  
Income Tax Act

Introduced in the House ...2/8....., 19..80

HISTORY IN THE HOUSE

19 80	Read first time and referred to Committee on																												
Feb. 8	State Affairs and Finance																												
	Reported back with recommendation that																												
	Read second time and																												
	Read third time and																												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reported correctly engrossed</td> </tr> <tr> <td colspan="2">Signed by Speaker</td> </tr> <tr> <td colspan="2">Sent to Senate</td> </tr> </table>	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	
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																												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reported correctly engrossed</td> </tr> <tr> <td colspan="2">Signed by President</td> </tr> <tr> <td colspan="2">Returned to House</td> </tr> </table>	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	
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
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor  ..... by Governor
	Filed with Lt. Governor
	Chapter No. ....

Original sponsors: Miles, Freeman,  
Malone, et al

Offered: 3/4/80  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO.696

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act suspending the individual net income tax;  
7 providing for payments to state residents; and pro-  
8 viding for an effective date."

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

10 \* Section 1. POLICY, PURPOSES AND FINDINGS. (a) It is the duty and  
11 policy of the state with respect to the natural resources belonging to it and  
12 the income derived from those natural resources to provide for their use  
13 development, and conservation for the maximum benefit of the people of the  
14 state.

15 (b) The purposes of this Act are

16 (1) to provide a mechanism for equitable distribution to the  
17 people of Alaska of at least a portion of the state's energy wealth derived  
18 from the development and production of the natural resources belonging to  
19 them as Alaskans;

20 (2) to encourage persons to maintain their residence in Alaska and  
21 to reduce population turnover in the state; and

22 (3) to encourage increased awareness and involvement by the resi-  
23 dents of the state in the management and expenditure of state revenues derived  
24 from natural resources development and production.

25 (c) The legislature finds that the demands on and cost of state govern-  
26 ment have increased over the past few years at an excessive rate and that  
27 this increase has been permitted to occur, at least in part, by a feeling on  
28 the part of many residents of the state that because such a high proportion  
29 of the state's revenue comes from royalties and bonuses under mineral leases

1 of state land, those demands and costs do not have a significant economic  
2 impact upon them personally. It is in the public interest to distribute a  
3 portion of Alaska's energy wealth to the people of the state.

4 (d) The legislature also finds that state residents have been paying  
5 increasingly high prices for fossil fuels, while few have received direct  
6 monetary benefits from the production and development of fossil fuels belong-  
7 ing to them as Alaskans. It is in the public interest to return to state  
8 residents a portion of the state's income from oil, gas, and other mineral  
9 production to help offset rising fuel costs.

10 (e) The legislature also finds that state residents who have played a  
11 role in the history and development of this state constitute an irreplaceable  
12 resource and have made valuable contributions to the political, economic and  
13 social fabric of the state not only in the form of taxes but also in the form  
14 of participation in the state's development. The legislature finds that  
15 these contributions cannot be measured accurately in monetary terms and that  
16 the contributions have been made during years since statehood in which rela-  
17 tively small amounts of revenue were generated from the development of the  
18 state's natural resources. These same Alaskans have borne the burdens of a  
19 high cost of living during their years of residence here. In order to achieve  
20 a fair distribution of the present and future income from the development of  
21 the state's natural resources, it is necessary to establish a distribution  
22 mechanism that takes into account the years during which these individuals  
23 were owners of the state's valuable natural resources but did not receive  
24 direct benefits from that ownership. It is also in the public interest to  
25 provide special incentives to ensure that long-time Alaskans will remain in  
26 the state and to provide financial assistance to those who may not otherwise  
27 be able to do so.

28 (f) The legislature also finds that there exists in the state a serious  
29 problem of population turnover. A substantial portion of the state's popu-

1 lation is comprised of individuals who reside in Alaska for only a relatively  
2 short time. This is especially true in the state's larger cities. This  
3 constant turnover in population leads to political, economic, and social  
4 instability and is harmful to the state. It is in the public interest for  
5 the state to promote a stable resident population by providing incentives to  
6 encourage Alaskans to maintain their residency in the state.

7 \* Sec. 2. AS 43 is amended by adding a new chapter to read:

8 CHAPTER 23. DISTRIBUTION OF REVENUE TO STATE RESIDENTS.

9 Sec. 43.23.010. RESIDENCY PAYMENT. (a) An individual who is  
10 eligible under (b) of this section is entitled to an annual residency  
11 payment determined as follows:

12 (1) \$115 for each full year that the individual is a state  
13 resident from January 1, 1975, through December 31 of the year for which  
14 the residency payment is claimed;

15 (2) the amount of political campaign contributions made by  
16 the individual during the year not to exceed \$50;

17 (3) 10 percent of the residential fuel expenses paid by the  
18 individual during the year or \$10, whichever is greater;

19 (4) 10 percent of the expenses for residential fuel con-  
20 servation capital improvements paid by the individual during the year  
21 not to exceed \$200; and

22 (5) 16 percent of the tax credit claimed by the individual on  
23 his federal income tax return for household and dependent care services  
24 necessary for his gainful employment.

25 (b) An individual is eligible to receive a residency payment under  
26 (a) of this section if he

27 (1) applies to the department for the payment; and

28 (2) he is a state resident on the date of the application.

29 (c) If an individual is a state resident for less than 12 months

1 during a year, the portion of the residency payment determined under  
2 (a)(3) - (5) of this section shall be prorated according to the number  
3 of months during the year that the individual was a state resident.

4 (d) If an individual is married and files a joint federal income  
5 tax return, the portion of the residency payment determined under (a)(5)  
6 of this section may not exceed 50 percent of tax credit claimed for  
7 household and dependent care services on the joint federal income tax  
8 return.

9 (e) A parent or guardian may claim a residency payment on behalf  
10 of a minor or incompetent who is eligible to receive a residency payment  
11 under AS 43.23.010.

12 Sec. 43.23.020. PROOF OF ELIGIBILITY. (a) An individual who  
13 applies for a residency payment shall make and submit a statement of  
14 eligibility which must be verified by him under penalty of perjury. The  
15 commissioner may require an individual to provide additional proof of  
16 eligibility including one or more affidavits from persons having personal  
17 knowledge concerning the individual's eligibility.

18 (b) The department shall prescribe and furnish an application form  
19 for claiming the residency payment which shall contain a statement of  
20 eligibility and a certification of residency in the following form:

21 Under penalty of perjury, I certify that I am a state resident on  
22 the date of this application and I have been a state resident for  
23 \_\_\_\_\_ full years and that I understand that my claim for a  
24 residency payment is partly determined by the number of years that  
25 I have been a state resident after January 1, 1975. I also under-  
26 stand that if I am convicted of falsely claiming a residency payment  
27 I will forfeit all residency payments and that I must repay all  
28 residency payments which have been paid to me. I understand that  
29 this penalty is in addition to any criminal penalties imposed.

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

---

(signature of individual)

Sec. 43.23.030. PENALTIES AND ENFORCEMENT. (a) In addition to any criminal penalties imposed by state law, if an individual is convicted of perjury or unsworn falsification for a statement made in a certification of residency, and the conviction is not reversed, that individual is not, and may never become, eligible for a residency payment, and he forfeits all residency payments paid to him.

(b) If the commissioner determines that a residency payment should not have been claimed by or paid to an individual, he may use any collection procedures or remedies available under this title to recover a residency payment which was improperly made.

Sec. 43.23.040. DUTIES OF THE DEPARTMENT. The department shall

(1) by the 10th day of each regular legislative session, present a request to the legislature for an appropriation for the residency payments required by AS 43.23.010;

(2) make the residency payments required by AS 43.23.010 from an annual appropriation from the general fund for that purpose;

(3) adopt regulations under the Administrative Procedure Act (AS 44.62) which establish procedures and time limitations for claiming a residency payment. The department shall set the time limitation for applications for a residency payment so that all residency payments for a year are paid before October 15 of the following year; and

(4) assist residents of rural areas who because of language, illness, old age or inaccessibility to public transportation need assistance to establish eligibility and to apply for the residency payment provided by this chapter.

Sec. 43.23.050. DEFINITIONS. In this chapter,

(1) "commissioner" means the commissioner of revenue;

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

2 (3) "expenses for fuel conservation improvements" means

3 (A) the cost of additional insulation or insulating  
4 material installed in the principal residence of the individual if  
5 the residence was in existence on June 5, 1977;

6 (B) the cost of insulating windows of the principal  
7 residence of the individual;

8 (C) the cost of labor for the installation of the ma-  
9 terials set out in (A) and (B) of this subsection; and

10 (D) the cost of installation of alternate sources of  
11 power generation not dependent on fossil fuels for energy supply,  
12 including but not limited to wind, tidal, solar or geothermal  
13 sources;

14 (4) "individual" means a natural person;

15 (5) "political campaign contribution" includes a contribution  
16 or gift to a person or organization for use exclusively

17 (A) for political campaigns for candidates for President  
18 or Vice President of the United States, whether or not they will be  
19 voted on in a primary election in the state; United States senator  
20 from Alaska; United States representative from Alaska; governor or  
21 lieutenant governor of Alaska; the Alaska legislature; delegate to  
22 an Alaska constitutional convention; electoral confirmation as a  
23 judge or justice of a court in the state; and municipal office in  
24 the state; and

25 (B) for groups seeking to influence the outcome of a  
26 ballot proposition or question; or dues to a nonprofit organization  
27 organized primarily to influence an election;

28 (6) "residential fuel expenses" means the payments made by an  
29 individual for wood, coal, heating oil, gas, electricity or other fuel

1 consumed in the state for the principal residence of the individual;

2 (7) "state resident" means an individual who is physically  
3 present in the state with the intent to remain permanently in the state  
4 or, if he is not physically present in the state, intends to return to  
5 the state and he is absent for the following reasons:

6 (A) vocational, professional or other special education  
7 for which a comparable program was not reasonably available in the  
8 state,

9 (B) postsecondary education,

10 (C) military service,

11 (D) medical treatment, or

12 (E) service in Congress;

13 (8) "year" means a calendar year.

14 \* Sec. 3. AS 43.20.021(c) is amended to read:

15 (c) For purposes of calculating the alternative tax on capital  
16 gains provided for in the provisions of Internal Revenue Code sec. 1201,  
17 the rate is 4.5 percent for corporations [AND 4 PERCENT FOR INDIVIDUALS  
18 AND FIDUCIARIES].

19 \* Sec. 4. AS 43.20.021(d) is amended to read:

20 (d) Where a credit allowed under the Internal Revenue Code is also  
21 allowed in computing Alaska income tax, it is limited to [16 PERCENT OF  
22 THE AMOUNT OF THE CREDIT DETERMINED FOR FEDERAL INCOME TAX PURPOSES FOR  
23 INDIVIDUALS AND] 18 percent of the amount of the credit determined for  
24 federal income tax purposes for corporations.

25 \* Sec. 5. AS 43.20.021(f) is amended to read:

26 (f) For the purpose of calculating the minimum tax on tax prefer-  
27 ences provided for in secs. 56 - 58 of the Internal Revenue Code (26  
28 U.S.C. secs. 56 - 58), the rate is [16 PERCENT FOR INDIVIDUALS AND] 18  
29 percent for corporations of the applicable minimum federal tax rate.

1 \* Sec. 6. AS 43.20.030(a) is amended to read:

2 (a) Every [INDIVIDUAL, FIDUCIARY, PARTNERSHIP AND] corporation  
3 required to make a return under the provisions of the Internal Revenue  
4 Code shall at the same time file with the department a return setting  
5 out

6 (1) the amount of tax due under this chapter, less credits  
7 claimed against the tax; and

8 (2) other information for the purpose of carrying out the  
9 provisions of this chapter which the department requires.

10 \* Sec. 7. The following laws are suspended as of the tax year beginning  
11 January 1, 1980: AS 43.20.011(a) - (d), 43.20.015, 43.20.021(e), 43.20.031-  
12 (a) - (c) and (f) - (h), 43.20.035, 43.20.036(d) - (h), 43.20.038, 43.20.039,  
13 43.20.051, 43.20.061, 43.20.160(e), 43.20.170, and 43.20.180.

14 \* Sec. 8. AS 43.20.021(c) is amended to read:

15 (c) For purposes of calculating the alternative tax on capital  
16 gains provided for in the provisions of Internal Revenue Code sec. 1201,  
17 the rate is 4.5 percent for corporations and 4 percent for individuals  
18 and fiduciaries.

19 \* Sec. 9. AS 43.20.021(d) is amended to read:

20 (d) Where a credit allowed under the Internal Revenue Code is also  
21 allowed in computing Alaska income tax, it is limited to 16 percent of  
22 the amount of the credit determined for federal income tax purposes for  
23 individuals and 18 percent of the amount of the credit determined for  
24 federal income tax purposes for corporations.

25 \* Sec. 10. AS 43.20.021(f) is amended to read:

26 (f) For the purpose of calculating the minimum tax on tax prefer-  
27 ences provided for in secs. 56 - 58 of the Internal Revenue Code (26  
28 U.S.C. secs. 56 - 58), the rate is 16 percent for individuals and 18  
29 percent for corporations of the applicable minimum federal tax rate.

1 \* Sec. 11. AS 43.20.030(a) is amended to read:

2 (a) Every individual, fiduciary, partnership and corporation  
3 required to make a return under the provisions of the Internal Revenue  
4 Code shall at the same time file with the department a return setting  
5 out

6 (1) the amount of tax due under this chapter, less credits  
7 claimed against the tax; and

8 (2) other information for the purpose of carrying out the  
9 provisions of this chapter which the department requires.

10 \* Sec. 12. As of January 1, 1984

11 (1) AS 43.23 enacted in sec. 2 of this Act and secs. 1 and 7 of  
12 this Act are repealed;

13 (2) the tax levied in AS 43.20.011(a) - (d) is reinstated and  
14 imposed; and

15 (3) AS 43.20.015, 43.20.021(e), 43.20.031(a) - (c) and (f) - (h),  
16 43.20.035, 43.20.036(d) - (h), 43.20.038, 43.20.039, 43.20.051, 43.20.061,  
17 43.20.160(e), 43.20.170, and 43.20.180 are reinstated.

18 \* Sec. 13. Before April 15, 1981, the Department of Revenue shall refund  
19 to the employee or other taxpayer all money received by the department which  
20 was withheld during tax year 1980 from the wages or salaries of the employee  
21 by an employer or which was received by the department as estimated income  
22 tax payments under AS 43.20 for tax year 1980.

23 \* Sec. 14. AS 43.23.010(a)(2) - (5) enacted in sec. 2 of this Act do not  
24 apply to claims for a residency payment for the year ending December 31,  
25 1979. For that year only, an eligible state resident may receive a residency  
26 payment equal to \$115 for each full year that the individual was a state  
27 resident from January 1, 1975, through December 31, 1979. The Department of  
28 Revenue shall prescribe and distribute forms to the public so that the resi-  
29 dency payment for 1979 will be paid before October 15, 1980.

1 \* Sec. 15. If any provision enacted in sec. 2 of this Act is held to be  
2 invalid by the final judgment, decision or order of a court of competent  
3 jurisdiction, then that provision is nonseverable, and all provisions enacted  
4 in sec. 2 of this Act are invalid and of no force or effect.

5 \* Sec. 16. This Act terminates on the effective date of an Act which  
6 repeals AS 43.20.011(a) - (d).

7 \* Sec. 17. Sections 1 and 2 of this Act are retroactive to January 1,  
8 1979.

9 \* Sec. 18. Sections 3 - 7 and 13 of this Act are retroactive to January 1,  
10 1980.

11 \* Sec. 19. Sections 3 - 7 of this Act apply to tax years beginning after  
12 December 31, 1979.

13 \* Sec. 20. Sections 1 - 7 and 13 - 18 of this Act take effect immediately  
14 in accordance with AS 01.10.070(c).

15 \* Sec. 21. Sections 8 - 12 of this Act take effect January 1, 1984.

16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

March 12, 1980

TO: Rep. Russ Meekins  
FROM: Mike Doogan  
SUBJECT: Tax relief/distribution deliberations

Yesterday, the House Finance Committee voted as follows  
on the tax relief and income distribution bill:

1. Accepted (7-4) a motion that the tax bill be a four-year suspension of individual income taxes.
2. Accepted (7-4) a motion that the amount to be distributed this year is about \$200 million.
3. Accepted (8-3) a motion to make distribution retroactive for a maximum of five years.
4. Accepted (6-5) a motion to make all Alaskans, regardless of age, eligible for distribution ~~if they have been here a full year. Those here less than one year receive their distribution on a pro rata basis.~~ *as in State Affairs bill.*
5. Accepted (6-5) a motion to allow those younger than 18 years old to receive their distributions, plus 6 per cent annual interest, when they reach age 18.
6. Accepted (unanimously) a motion to make distribution "equal to an amount that is at least 50 per cent of the earnings of the Permanent Fund."
7. Accepted (8-3) a motion to allow existing tax credits to be payable tax credits at their current levels.
8. Accepted (6-4) a motion to put both the tax suspension and distribution in one bill.

In short, the committee accepted the State Affairs bill  
with the following changes:

1. The addition of (5) above.
2. The addition of (8) above.
3. Lowered the payable tax credits to existing levels, thereby reducing the residential fuel credit from the State Affairs bill.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 696 -- State Affairs

Title An Act suspending the individual net income tax; providing for payments to state  
nonresident residents. Date 3/6/80

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_

Program Category Affected \_\_\_\_\_

BRU, Program, or Subprogram(s) Affected \_\_\_\_\_

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

Millions  
FUNDING (Thousands of Dollars) calendar year

	(9.14)	(10.13)	(11.51)	(12.7)		
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The aforementioned figures are comprised of the elements indicated below

Year	Residential Fuel Expense	Conservation Capital Improvements	Political Contribution Credits	Child Care Credits
1980	7.2	.9	.676	.366
1981	7.9	.99	.390	.852
1982	8.6	1.0	.879	1.033
1983	9.3	1.1	.507	1.796

The 10% fuel credit incorporates an anticipated increase in fuel prices.

IV. DATE 3/6/80

PREPARED BY Vincent Wright

AGENCY Revenue

PHONE 465-2391

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 696  
 Title An Act relating to the individual tax credit allowed under Alaska  
 Requested by House State Affairs & Finance Comm. ~~xx~~ Date (Net Income Tax Act  
Date: 2/11/80

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ Fiscal Services \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_ Audit Division \_\_\_\_\_

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memorandum to R. D. Stevenson dated 2/11/80.

IV. DATE February 11, 1980 PREPARED BY   
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

STATE  
of ALASKA

# MEMORANDUM

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

DATE: February 11, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: House Bill No. 696

This bill would modify the current law providing for an annual individual tax credit by adding three additional years with an increasing amount of credit of \$100 per year. This credit would be partially refundable up to a maximum of \$200 for residents.

It appears that there may be a constitutional problem with this bill in that a part-year or nonresident taxpayer may take the credit only up to the amount of their tax liability while a resident may claim the credit and receive a refund up to \$200 in excess of their actual tax liability.

The sentence which begins in the middle of line 10, page 2 of the bill provides for a deferral of the credit payment, allowing the amount which might be refunded to be applied to future income taxes. The initial phrase of this provision states, "to the extent allowed under federal law". In light of the fact that there is no similar credit permitted under federal law, I would suggest that the phrase be eliminated and replaced with language such as, "a payment required by this subsection may be applied to the estimated tax liability of the taxpayer for the following tax year".

The potential loss of revenue which would result from enactment of this proposed legislation will be provided by the Research Section of the Department of Revenue.

The Administrative Services Division will prepare a Fiscal Note showing the administrative costs that they will incur if this legislation passed.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 696  
 Title An Act relating to the individual tax credit allowed under Alaska  
 Requested by House State Affairs & Finance Comm. ~~xx~~ Date (Net Income Tax Act  
Date: 2/11/80

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ Fiscal Services \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_ Audit Division \_\_\_\_\_

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

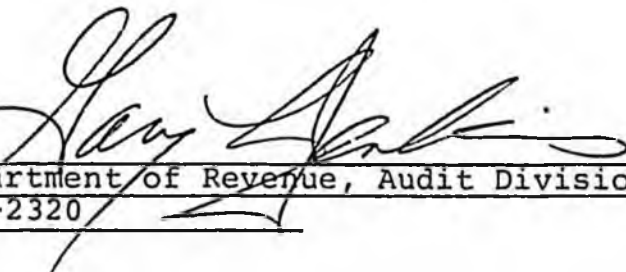
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memorandum to R. D. Stevenson dated 2/11/80.

IV. DATE February 11, 1980 PREPARED BY   
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

## STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: GENERAL DEVELOPMENT  
 AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
AUDIT	2461.5	2530.6	2513.1	2691.6			3223.6
ENFORCEMENT	1196.5	1335.4	1324.7	1217.0			1366.3
OFFICE OF THE COMMISSIONER	877.3	1077.4	1054.4	757.6			964.5
ADMINISTRATIVE SERVICES	1630.0	1783.7	1746.5	1773.6			2361.4
FISH AND GAME LICENSING	572.1	580.6	531.6	259.0			298.0
** TOTAL	6737.4	7307.7	7170.3	6698.0			8213.8
** CHANGES VERSUS 80 AUTH							22.6%
FUNDING SOURCE							
GENERAL FUND	6429.4	7067.7	6952.8	6698.0			8213.8
PGM RECEIPTS	308.0	240.0	217.5				
** GENERAL FUND CHANGE VS. 80 AUTH							22.6%
POSITIONS							
FULL-TIME	173.0	173.0	173.0	179.0			191.0
PART-TIME	8.0	8.0	8.0	8.0			21.0
TEMPORARY	14.0	14.0	14.0	13.0			

STATE  
of ALASKA

## MEMORANDUM

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

DATE: February 11, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: House Bill No. 696

This bill would modify the current law providing for an annual individual tax credit by adding three additional years with an increasing amount of credit of \$100 per year. This credit would be partially refundable up to a maximum of \$200 for residents.

It appears that there may be a constitutional problem with this bill in that a part-year or nonresident taxpayer may take the credit only up to the amount of their tax liability while a resident may claim the credit and receive a refund up to \$200 in excess of their actual tax liability.

The sentence which begins in the middle of line 10, page 2 of the bill provides for a deferral of the credit payment, allowing the amount which might be refunded to be applied to future income taxes. The initial phrase of this provision states, "to the extent allowed under federal law". In light of the fact that there is no similar credit permitted under federal law, I would suggest that the phrase be eliminated and replaced with language such as, "a payment required by this subsection may be applied to the estimated tax liability of the taxpayer for the following tax year".

The potential loss of revenue which would result from enactment of this proposed legislation will be provided by the Research Section of the Department of Revenue.

The Administrative Services Division will prepare a Fiscal Note showing the administrative costs that they will incur if this legislation passed.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 696  
 Title Releating to the individual tax cretit allowed under the Alaska Net Income Tax  
 Requested by \_\_\_\_\_ Date 2/11/80

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ General Government \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		34.3	36.9	42.1	45.0	48.2
200 TRAVEL						
300 CONTRACTUAL		15.5	17.0	23.2	24.8	26.6
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		49.8	53.9	65.3	69.8	74.8

Data Processing Chargeback increase above continuation in FY 83

FUNDING (Thousands of Dollars)

GENERAL FUND		49.8	53.9	65.3	69.8	74.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME		5/19mm	5/19mm	7/29mm	7/29mm	7/29mm
TEMPORARY						

2 PPT Tax Scanner positions (10mm) added in FY 83.

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

The administrative complexities of Chapter 144, SLA 1978 are compounded by HB 696. This occurs because the tax years claimed for the credit are not required to be consecutive, there is no time limit on the interval between tax years when the credit is claimed and there is substantial change in taxpayer names and addresses, and in Social Security Numbers. As a result, the computer programs which compare the total years claimed on this years return to the previous years in which earlier tax credits were claimed, produce many non-matching situations. These non-matching claims must be checked out manually before final disposition of the credit can be decided. Further, each additional year adds another income tax file to the computer cross-checking routines which increases the computer systems and supporting staff costs.

ASSUMPTIONS: Over 225,000 returns are estimated to be processed for the tax year 1980. 25,000 of these are expected to be in response to the credit payment provided for in HB 696. The expanding of the credit and

IV. DATE 2/16/80 PREPARED BY P. A. WALL  
 AGENCY Revenue  
 Original: Legislative Finance PHONE 465-2313  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

## STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: GENERAL DEVELOPMENT  
 AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
AUDIT	2461.5	2530.6	2513.1	2691.6			3223.6
ENFORCEMENT	1196.5	1335.4	1324.7	1217.0			1366.3
OFFICE OF THE COMMISSIONER	877.3	1077.4	1054.4	757.6			964.5
ADMINISTRATIVE SERVICES	1630.0	1723.7	1746.5	1773.6			2361.4
FISH AND GAME LICENSING	572.1	580.6	531.6	259.0			298.0
** TOTAL	6737.4	7307.7	7170.3	6698.0			8213.8
** CHANGES VERSUS 80 AUTH							22.6%
FUNDING SOURCE							
GENERAL FUND	6429.4	7067.7	6952.8	6698.0			8213.8
PGM RECEIPTS	308.0	240.0	217.5				
** GENERAL FUND CHANGE VS. 80 AUTH							22.6%
POSITIONS							
FULL-TIME	173.0	173.0	173.0	179.0			191.0
PART-TIME	8.0	8.0	8.0	8.0			21.0
TEMPORARY	14.0	14.0	14.0	13.0			

ASSUMPTIONS (Con't):

resulting credit payments will be incorporated into the existing process. Additional data capture will occur and will be added to the existing routines.

Program Summary: A Systems Analyst is required to design the cross-checking and payment system for HB 696. It will data capture returns filed for the credit payment only and will compare all returns against prior year tax files to verify the credit and reject for manual checking those not verified. Manually verified returns must then be data captured and processed. Additional staff will process the 25,000 returns expected from those filing for the credit as well as the additional work in manual verification.

Positions:	1 PPT Systems Analyst/Programer, Range 18, 3mm at \$2,361 per mo	= 7.1
	Position Cost: Benefits 1.1, FICA .4, Health Ins. .4	= 1.9
	4 PPT Tax Scanners, Range 8, 16mm at \$1,197 per mo, Shift Work	= 19.2
	Position Cost: Benefits 2.8, FICA 1.3, Health Ins. 2.0	= 6.1
Other Costs:	2 Data Capture Machines, 4 mos ea at 350 mo	= 2.8
	Warrant Stock: 25,000 at \$24M	.6
	Postage: 25,000 at .15 cents ea	3.8
	Envelopes: 25,000 at \$11.54M	.3
	Miscellaneous: Toll Calls, Insurance, Date Processing Chargeback, (5.5), Electrical Installation	= 8.0

1	POSITION TITLE Systems Analyst I.			RANGE/STEP 18/A	BARG. UNIT. GG	LOCATION Juneau	APPROV. GOV.	DISAPP.				
2	TYPE OF POSITION PPT	STAFF MONTHS 3	RP No.	PCN No.	PRIORITY HB 696	FORM 12 PAGE/LINE	LEG.					
3	TYPE OF EXPENDITURE			JUSTIFICATION:								
	1	2	3									
4	PERSONAL SERVICES: SALARY			7.1	Required to design the computer cross-checking and credit payment system. Data required for the process will be captured and compared against prior year tax files to verify the credit and reject for manual checking those not verified. Manually verified returns must be data captured and processed. The required controls and routines for batching, warrant release and warrant redemption must be provided. Appropriate documentation of the computer processes must be prepared.							
5	BENEFITS			1.1								
6	FICA			.4								
7	HEALTH INS.			.4								
8	TOTAL PERSONAL SERVICES			9.0								
9	TRAVEL											
10	CONTRACTUAL DP Chargeback			5.5								
11	COMMODITIES											
12	EQUIPMENT											
13	OTHER											
14	TOTAL COST			14.5								
15	CODE	FUNDING SOURCE										
16		FED RCPTS.										
17		GF MATCH.										
18		GEN. FUND		14.5								
19		I-A RCPTS.										
20		PGM RCPTS										
21		OTHER										
21	CONTINUATION		FOR B&M USE ONLY									
22	ADDITION											
4A KEY NUMBER _____ COLUMN NO. _____												

AGENCY Revenue PROGRAM AREA General Government

BRU Administration and Support

FY 81

**13** REQUEST FOR NEW POSITION.

COMPONENT Management Services

Page 1 of 2

REVISED DATE \_\_\_\_\_

1	POSITION TITLE Tax Scanners				RANGE/STEP 8/A	BARG. UNIT. GG	LOCATION Juneau	APPROV. GOV.	DISAPP.
2	TYPE OF POSITION PPT	STAFF MONTHS ;6	RP No.	PCN No.	PRIORITY HB 696		FORM 12 PAGE/LINE	LEG.	
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:  Required to data capture 25,000 additional returns filed for the credit payment and to assist in the processing of the additional manually verified credit claims so that the normal tax refund process will not be slowed down. Work involves using the terminal and manual records in checking and verifying claims, batching, batch editing and correction, warrant release and control, and redeemed warrant processing.			
	1	2	3						
4	PERSONAL SERVICES: SALARY		19.2						
5	BENEFITS		2.8						
6	FICA		1.3						
7	HEALTH INS.		2.0						
8	TOTAL PERSONAL SERVICES		25.3						
9	TRAVEL								
10	CONTRACTUAL		10.0						
11	COMMODITIES								
12	EQUIPMENT								
13	OTHER								
14	TOTAL COST		35.3						
	CODE	FUNDING SOURCE							
15		FED RCPTS.							
16		GF MATCH.							
17		GEN. FUND		35.3					
18		I-A RCPTS.							
19		PGM RCPTS							
20		OTHER							
21	CONTINUATION								
22	ADDITION								
<b>FOR B&amp;M USE ONLY</b>									
4A KEY NUMBER _____ COLUMN NO. _____									

AGENCY Revenue PROGRAM AREA General Government

BRU Administration and Support

COMPONENT Management Services

FY 81

**13** REQUEST FOR NEW POSITION.

REVISED DATE \_\_\_\_\_

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 696  
 Title An Act Relating to the Individual Tax Credit  
 Requested by House State Affairs Committee Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING <sup>Millions</sup> (Thousands of Dollars)

GENERAL FUND	-0-	(\$25)	(\$27)	(\$46)	(\$66)	(\$68)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The above revenue loss for FY 81 is attributable to the three tax years 1978, 1979, and 1980 combined. Since each of these years are subject to the existing Income Credits, the only fiscal impact under this bill is due to the additional credit beyond tax liability (up to \$200 per taxpayer.) It is estimated that this impact will amount to \$5, \$9, and \$11 million for the three tax years respectively and sum to the \$25 million FY 1981 value.

For each of the FY 82-85 values, the previous tax year was used to calculate the impact. Starting with tax year 1981, the estimated revenue loss accounts for both the credit over and above tax liability (up to \$200) and the additional \$100 credit per taxpayer per year through tax year 1983. The FY 85 value is a reflection of growth over FY 84.

IV. DATE 2/13/80 PREPARED BY Bill Chamber  
 AGENCY Research Section  
 Original: Legislative Finance PHONE 465-2390  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

## STATE OF ALASKA --- BUDGET UNIT SUMMARY

CATEGORY: GENERAL DEVELOPMENT  
 AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
AUDIT	2461.5	2530.6	2513.1	2691.6			3223.6
ENFORCEMENT	1196.5	1335.4	1324.7	1217.0			1366.3
OFFICE OF THE COMMISSIONER <sup>P</sup>	877.3	1077.4	1054.4	757.6			964.5
ADMINISTRATIVE SERVICES	1630.0	1783.7	1746.5	1773.6			2361.4
FISH AND GAME LICENSING	572.1	580.6	531.6	259.0			298.0
** TOTAL	6737.4	7307.7	7170.3	6698.0			8213.8
** CHANGES VERSUS 80 AUTH							22.6%
FUNDING SOURCE							
GENERAL FUND	6429.4	7067.7	6952.8	6698.0			8213.8
PGM RECEIPTS	308.0	240.0	217.5				
** GENERAL FUND CHANGE VS. 80 AUTH							22.6%
POSITIONS							
FULL-TIME	173.0	173.0	173.0	179.0			191.0
PART-TIME	8.0	8.0	8.0	8.0			21.0
TEMPORARY	14.0	14.0	14.0	13.0			

Introduced: 2/8/80  
Referred: State Affairs and  
Finance

BY MILES, FREEMAN, MALONE,  
BEIRNE, BUCHHOLDT, MILLER  
AND ROGERS

1 IN THE HOUSE

2 HOUSE BILL NO. 696

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the individual tax credit allowed  
7 under the Alaska Net Income Tax Act; and providing for  
8 an effective date."

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

10 \* Section 1. AS 43.20.015(b) is amended to read:

11 (b) The amount of the annual individual tax credit shall be as  
12 follows [, BUT NOT EXCEEDING THE NET TAX LIABILITY OF THE TAXPAYER AFTER  
13 DEDUCTION OF ALL OTHER APPLICABLE CREDITS]:

14 (1) for the first tax year beginning after December 31, 1977  
15 that a taxpayer files an income tax return -- \$100;

16 (2) for the second tax year beginning after December 31, 1977  
17 that a taxpayer files an income tax return -- \$200;

18 (3) for the third tax year beginning after December 31, 1977  
19 that a taxpayer files an income tax return [AND EACH TAX YEAR THERE-  
20 AFTER] -- \$300;

21 (4) for the fourth tax year beginning after December 31, 1977  
22 that a taxpayer files an income tax return -- \$400;

23 (5) for the fifth tax year beginning after December 31, 1977  
24 that a taxpayer files an income tax return -- \$500;

25 (6) for the sixth tax year beginning after December 31, 1977  
26 that a taxpayer files an income tax return and for each tax year there-  
27 after -- \$600.

28 \* Sec. 2. AS 43.20.015(c) is amended to read:

29 (c) For part-year residents and nonresident individual taxpayers

1 the credit provided in this section shall be prorated according to the  
2 number of months of residency in the state and may not exceed the net  
3 income tax liability of the part-year or nonresident taxpayer after  
4 deduction of all other applicable credits.

5 \* Sec. 3. AS 43.20.015 is amended by adding a new subsection to read:

6 (e) If the annual credit provided by this section exceeds the net  
7 income tax liability of a resident taxpayer after the deduction of all  
8 applicable credits, the commissioner shall pay the taxpayer the amount  
9 of the credit which exceeds the net income tax liability of the tax-  
10 payer, or \$200, whichever is less. To the extent allowed under federal  
11 law, a payment required by this subsection may be deferred or otherwise  
12 set aside for payment of future income taxes of the taxpayer. If a  
13 payment required by this subsection is due a taxpayer who is incar-  
14 cerated for committing a crime, the payment shall be made to the  
15 Department of Health and Social Services to offset the cost of in-  
16 carceration.

17 \* Sec. 4. AS 43.20.030 is amended by adding a new subsection to read:

18 (f) An individual resident taxpayer who is 18 years of age or  
19 older may claim the annual credit allowed by AS 43.20.015 by filing a  
20 return even if he

- 21 (1) had no income during the tax year;  
22 (2) does not owe income tax to the state; or  
23 (3) is not required to file a federal income tax return.

24 \* Sec. 5. AS 43.20.340(11) is amended to read:

25 (11) "taxpayer" means a person subject to a tax imposed by  
26 this chapter, or an individual who is qualified to file a return under  
27 AS 43.20.030(f) to claim the annual credit granted in AS 43.20.015;

28 \* Sec. 6. AS 43.20.015(b) is amended to read:

29 (b) The amount of the annual individual tax credit shall be as

1 follows, but not exceeding the net income tax liability of the taxpayer  
2 after deduction of all other applicable credits:

3 (1) for the first tax year beginning after December 31, 1977  
4 that a taxpayer files an income tax return -- \$100;

5 (2) for the second tax year beginning after December 31, 1977  
6 that a taxpayer files an income tax return -- \$200;

7 (3) for the third tax year beginning after December 31, 1977  
8 that a taxpayer files an income tax return and each tax year there-  
9 after -- \$300[;

10 (4) FOR THE FOURTH TAX YEAR BEGINNING AFTER DECEMBER 31, 1977  
11 THAT A TAXPAYER FILES AN INCOME TAX RETURN -- \$400;

12 (5) FOR THE FIFTH TAX YEAR BEGINNING AFTER DECEMBER 31, 1977  
13 THAT A TAXPAYER FILES AN INCOME TAX RETURN -- \$500;

14 (6) FOR THE SIXTH TAX YEAR BEGINNING AFTER DECEMBER 31, 1977  
15 THAT A TAXPAYER FILES AN INCOME TAX RETURN AND FOR EACH TAX YEAR THERE-  
16 AFTER -- \$600].

17 \* Sec. 7. AS 43.20.340(11) is amended to read:

18 (11) "taxpayer" means a person subject to a tax imposed by  
19 this chapter [, OR AN INDIVIDUAL WHO IS QUALIFIED TO FILE A RETURN UNDER  
20 AS 43.20.030(f) TO CLAIM THE ANNUAL CREDIT GRANTED IN AS 43.20.015];

21 \* Sec. 8. AS 43.20.015(e) and 43.20.030(f) are repealed.

22 \* Sec. 9. Sections 1 - 5 of this Act are retroactive to January 1, 1980,  
23 and apply to tax years beginning after December 31, 1979.

24 \* Sec. 10. Sections 1 - 5 and 9 of this Act take effect immediately in  
25 accordance with AS 01.10.070(c).

26 \* Sec. 11. Sections 6 - 8 of this Act take effect on January 1 of the tax  
27 year which begins after the fiscal year for which the commissioner of admin-  
28 istration and the commissioner of revenue jointly certify that the state  
29 general fund balance available for appropriation and expenditure has fallen

1 below the amount estimated as sufficient to finance six months of state  
2 government operations.

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

March 4, 1980

TO: Rep. Russ Meekins  
FROM: Mike Doogan  
SUBJECT: CS HB696

This bill does two things: first, it provides for payments to state residents; second, it suspends individual income taxes.

Payments to residents: Section 1 gives a series of findings and purposes for making payments to residents, including defraying energy costs and preventing population turnover. Section 2 adds residency payments to Title 43 (Revenue and Taxation). These are: \$115 a year, beginning with 1975, for being a resident; a maximum of \$50 a year for political contributions; a maximum of \$10 a year for home heating; a maximum of \$300 a year for home improvements resulting in energy conservation; 16 per cent of the federal tax credit for household and dependent care services. A person is eligible for these payments if: he applies, is a state resident (those resident less than a year get a prorated share). To prove residency a person must make a signed statement and is liable for repayment if the statement is proved false. He may also be liable for criminal penalties. The Department of Revenue is charged with administering the program. Residency is defined as intent to reside.

Tax Suspension: Beginning with Section 3, the bill suspends individual income taxes for the 1980, 81, 82, and 83 tax years. Sections 3 - 7 do the suspending. Sections 8 - 12 re-enact the current tax law as of January 1, 1984. Section 13 requires a refund of all 1980 withholding. Section 14 limits the \$115 credit to actual state residents from 1975 through 1979. Section 15 is a non severability clause. Section 15 to end click in the suspension.

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 7, 1980

The Honorable Russ Meekins  
Chairman  
House Finance Committee  
Room 517 - Capitol Building  
Juneau, Alaska 99811

Dear Mr. Meekins:

Re: CS for House Bill No. 696

CS for House Bill No. 696, an Act suspending the individual net income tax and providing for payments to state residents, was referred by the House State Affairs Committee on March 4, 1980 to the House Finance Committee.

For the consideration of the House Finance Committee, I am enclosing copies of Fiscal Notes prepared by Gary Jenkins, Director, Audit Division; P. A. Wall, Director, Administrative Services Division; Fred Boetsch, Director, Enforcement Division; Vincent Wright, Research Section and an explanatory memorandum from Denna Cline, Special Assistant, Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson  
Special Assistant

cc: Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Gary Jenkins, Director  
Audit Division  
Department of Revenue

P. A. Wall, Director  
Administrative Services Division  
Department of Revenue

Fred Boetsch, Director  
Enforcement Division  
Department of Revenue

Vincent Wright  
Research Section  
Department of Revenue


# MEMORANDUM

TO: Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

DATE: March 5, 1980

FILE NO

TELEPHONE NO

FROM:  Dennis Cline  
Special Assistant  
Department of Revenue

SUBJECT: Fiscal Notes for CSHB 696

Attached are fiscal notes for CSHB 696 - State Affairs. There are three fiscal notes reflecting the revenue impact of different aspects of CSHB 696: 1) suspension of the individual income tax (\$140 million in calendar year 1980); 2) the total of the payable credits (\$9.4 million in calendar year 1980); and 3) payments for residency credits (\$213.4 million in calendar year 1980). The total revenue impact of the bill in calendar year 1980 would be \$362.8 million.

Administrative costs have been separated into two fiscal notes for each Division to show the effect of (1) suspension of the individual income tax and 2) instituting the process for payments of residency credits.

The total administrative cost savings resulting from suspension would be \$288,200 in FY 1981 and a total of \$1.874 million in FY 1982.

Instituting the process to distribute the residency credits would cost \$1.6 million in FY 1981 and \$1.7 million in FY 1982. As you can see, by FY 1982 there would be a total savings of approximately \$200,000 when both provisions of the bill have been fully implemented.

THE LEGISLATURE OF THE STATE OF ALASKA..  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Bill No. 696  
 Title An Act suspending the individual net income tax; providing for  
Requester by payments to state residents. Date 3/5/80  
 Requested by: House State Affairs Committee

NOTE: This Fiscal Note relates to the suspension of the individual  
income tax only.

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ Fiscal Services \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_ Audit Division \_\_\_\_\_

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES			(453.7)	(453.7)	(453.7)	
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			(453.7)	(453.7)	(453.7)	

FUNDING (Thousands of Dollars)

GENERAL FUND			(453.7)	(453.7)	(453.7)	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

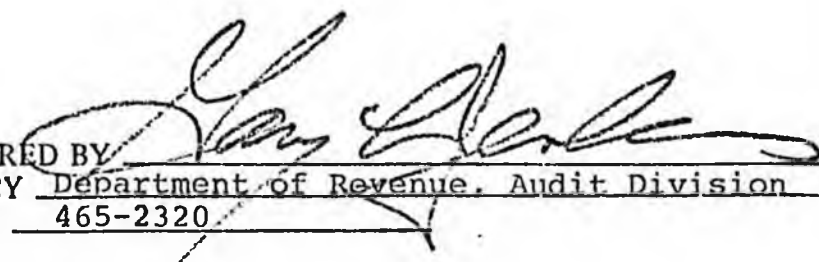
FULL TIME			(17)	(17)	(17)	
PART TIME			(4)	(4)	(4)	
TEMPORARY						

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

See attached memorandum to R. D. Stevenson dated 3/5/80.

NOTE: This Fiscal Note relates to the suspension of the individual  
income tax only.

IV. DATE March 5, 1980

PREPARED BY   
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320

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

STATE  
of ALASKA

## MEMORANDUM

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

DATE: March 5, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: CSHB No. 696

In order to ensure that the impact of this bill is clearly understood, I have separated the two major provisions into two separate Fiscal Notes. This Fiscal Note deals with the effect on the Audit Division staff from the adoption of the residency credit provisions in this bill. Anyone reviewing this Fiscal Note should also see the Note prepared dealing with the suspension of the individual income tax.

The anticipated staffing needed to implement the proposed residency credits is based on an assumption that we will receive at least 400,000 claims per year.

For FY 81 we will need seven seasonal positions to handle the processing of the residency claims. Three of those positions will be needed for the processing of the claims for 1979 which will be handled during the first six months of FY 81. The four additional positions would be for the months of May and June, 1981 to handle the initial processing of claims for 1980. These positions would all be in our Error Correction Unit to handle claims which had some type of computational error on them. This additional staffing is needed because all of our current staffing will be dealing with cleaning up the individual income tax returns which are filed in FY 81 but relate to FY 80 and prior years.

The positions requested for FY 82 and subsequent years will be needed to handle the processing problems, filing of the claim forms, providing taxpayer assistance to citizens in the State, and handling of appeals from taxpayers where they feel we have not allowed the proper amount of credit.

There has been no provision made for contractual services, commodities, and equipment costs for these positions since it is anticipated that any reduction that might be made as a result of the suspension of the individual income tax will equal the supporting costs needed for the credit program.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Bill No. 696  
 Title An Act suspending the individual net income tax; providing for  
~~REQUESTED BY~~ payments to state residents. Date 3/5/80  
 Requested by: House State Affairs Committee

NOTE: This Fiscal Note relates to the new proposed residency credit only.

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected Fiscal Services  
 BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		49.6	500.7	500.7	500.7	
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		49.6	500.7	500.7	500.7	

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		49.6	500.7	500.7	500.7	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME			17	17	17	
PART TIME		7	3	8	8	
TEMPORARY						

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

See attached memorandum to R. D. Stevenson dated 3/5/80.

NOTE: This Fiscal Note relates to the new proposed residency credit only.

IV. DATE March 5, 1980

PREPARED BY   
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320

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

STATE  
of ALASKA

## MEMORANDUM

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

DATE: March 5, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: CSHB No. 696

In order to ensure that the impact of this bill is clearly understood, I have separated the two major provisions into two separate Fiscal Notes. This Fiscal Note deals with the effect on the Audit Division staff from the suspension of the individual income tax. Anyone reviewing this Fiscal Note should also see the Note prepared which will deal with the new proposed residency credit.

The proposed bill would suspend the individual income tax, effective January 1, 1980. It also provides that we will refund to each individual the amount of tax withheld from them up to the effective date of the legislation. These requirements will necessitate that my full current staff be funded through FY 81.

For FY 82 and thereafter, until the income tax is brought back into effect, there would be a reduction in staff in this division of seventeen permanent full time positions and four seasonal positions. These positions represent the number of individuals directly involved in the processing of individual income tax returns and related functions. The only other potential reductions in operating expenses would be in the contracted services and commodities areas; however, it is difficult to determine exactly what that reduction would be at this time and it is assumed that the costs related to the residency credit will be approximately equal to what might be reduced. Therefore, no fiscal impact is being shown at this time in these areas. This Fiscal Note also assumes that the Alaska school tax will be repealed at the same time that the income tax suspension goes into effect. Failure to repeal or suspend the school tax would cause a major change in this Fiscal Note.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 696

Title Suspending the individual Net Income Tax; Providing for Payments to State Residents

Requested by House State Affairs

Date 3-4-80

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_

Program Category Affected \_\_\_\_\_ General Government \_\_\_\_\_

BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		314.2	319.0	341.3	122.0	.
200 TRAVEL						
300 CONTRACTUAL		393.9	215.0	230.0	123.1	
400 COMMODITIES		5.0	2.7	2.9	1.6	
500 EQUIPMENT						
600 LAND & STRUCTURES		45.0	48.1	51.5	27.5	
700 GRANTS, CLAIMS, ETC.						
TOTAL		758.1	584.0	625.7	274.2	

FUNDING (Thousands of Dollars)

GENERAL FUND		758.1	584.0	625.7	274.2	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		11/66mm	11/132mm	11/132mm	11/66mm	
PART TIME		27/92mm	5/25mm	5/25mm	5/25mm	
TEMPORARY						

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

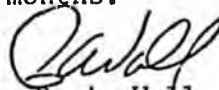
Three separate procedures will operate in FY 81: (1) FY 80 withheld tax will be refunded and the cost of doing it is contained in our FY 81 Budget Request; (2) the first residency payments for the period 1/1/75 - 12/31/79 must be made by 10/15/80; and (3) the system to make residency payments for the period 1/1/75 - 12/31/80 must be in place with payments being made.

This fiscal note contains a one-time cost of \$341.0, including 22 PPT positions and 67 man months to process the estimated 300,000 payments for the period 1/1/75 - 12/31/79.

This fiscal note also contains the on-going costs of producing payments each year. The FY 81 personnel costs are for six months.

IV. DATE March 6, 1980

PREPARED BY \_\_\_\_\_

  
P. A. Wall

AGENCY Revenue

Original: Legislative Finance

PHONE 465-2313

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CSHB 696  
 Title Suspending the Individual Net Income Tax; Providing for Payments to State Residents  
 Requested by House State Affairs Date 3-4-80

II. FISCAL DETAIL  
 Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		(112.2)	(448.9)	(448.9)	(448.9)	
200 TRAVEL						
300 CONTRACTUAL		(155.0)	(225.0)	(225.0)	(225.0)	
400 COMMODITIES		( 2.0)	( 2.0)	( 2.0)	( 2.0)	
500 EQUIPMENT						
600 LAND & STRUCTURES		( 59.0)	( 59.0)	( 59.0)	( 59.0)	
700 GRANTS, CLAIMS, ETC.						
TOTAL		(288.2)	(734.0)	(734.0)	(734.0)	0

FUNDING (Thousands of Dollars)

GENERAL FUND		(288.2)	(734.0)	(734.0)	(734.0)	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						


POSITIONS

FULL TIME		14/42mm	14/168mm	14/168mm	14/168mm	0
PART TIME		9/10mm	9/38mm	9/38mm	9/38mm	0
TEMPORARY						

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

Suspension of the Alaska Net Income Tax would reduce the number of Administrative Services' positions from 63 to 37. The PFT positions would reduce from 46 to 32. The 14 PPT positions would reduce to 5 and the three CETA positions would be deleted. Administrative Services would continue to serve about 290 employees. Processing work would include individual returns and receipts to tax years 1979 and prior, and other on-going tax and license programs. The audit and compliance effort continued by the Department on individual tax obligations prior to 1980 would be supported.

Suspension of school tax (AS 43.45) must also occur to realize this savings.

IV. DATE March 6, 1980 PREPARED BY  P. A. Wall  
 AGENCY Revenue  
 PHONE 465-2313  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CSHB 696  
 Title \_\_\_\_\_  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Department of Revenue  
 Program Category Affected Revenue Collection and Management  
 BRU, Program, or Subprogram(s) Affected Enforcement Division  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		415.6	444.7	475.8	509.1	544.8
200 TRAVEL		138.0	147.7	158.0	169.1	180.9
300 CONTRACTUAL		41.0	43.9	46.9	50.2	53.7
400 COMMODITIES		8.5	9.1	9.7	10.4	11.1
500 EQUIPMENT		17.0	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		12.0	12.8	13.7	14.7	15.7
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>632.1</b>	<b>658.2</b>	<b>704.1</b>	<b>753.5</b>	<b>806.2</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		632.1	658.2	704.1	753.5	806.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		17	17	17	17	17
PART TIME						
TEMPORARY						

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

See memorandum from Fred Boetsch, Director, Enforcement Division, to Joe Donohue, Deputy Commissioner dated March 5, 1980.

IV. DATE 3/5/80 PREPARED BY Fred Boetsch, Director of Enforcement  
 AGENCY Revenue  
 PHONE 465-2366

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

# MEMORANDUM

# State of Alaska

TO: Joe Donohue  
Deputy Commissioner  
Department of Revenue

DATE: March 5, 1980

FILE NO:

TELEPHONE NO:

FROM: Fred Boetsch, Director  
Enforcement Division 

SUBJECT: Fiscal Note CSHB 696

There are two duties imposed on the Enforcement Division by this bill. They are so distinct and different that I am preparing separate fiscal notes, each discussing the impact of different provisions of the bill.

The first impact on Enforcement comes in Section 2 which amends AS 43 by adding Chapter 23, titled, "distribution of revenue to state residents." The Enforcement Division will become involved in administration of this section under 43.23.020 and 43.23.040. The duties imposed on us under 43.23.020 to verify eligibility and to collect an erroneous payment made to an individual under 43.23.020 involve the employment of two Revenue Enforcement Officers, three Tax Collection Specialists, and two Clerk Typist III's. They will need two additional CRT units for file look-up and about \$6,000 in travel.

A duty is also imposed on us under 43.23.040(4) to assist rural residents to make application for the payment provided under this chapter. Our required effort would depend to a large extent on the effectiveness of a media campaign to notify people of the program and on the cooperation of the various native corporations to identify for us their constituencies living in rural areas. It appears that four teams, each consisting of a two Tax Collection Specialists supervised by a Revenue Enforcement Officer, could cover a sufficient territory in the State to make contact with 1/3 of the villages each year. This program would involve extensive travel of these teams and would also include the chartering of private aircraft. The travel budget assumes that these people will be on the road 150 days a year with an average per diem of \$60/day plus their travel. Estimated travel expense would be \$60,000 plus per diem expenses of \$72,000 for total travel budget of \$132,000.

A summary of the staff required follows:

#### Personal Services:

3	Revenue Enforcement Officer	\$ 94,400
11	Tax Collection Specialists	246,400
4	Clerk-Typist III's	74,800
<u>17</u>	TOTAL PERSONAL SERVICES	<u>\$415,600</u>

#### Travel:

Village Assistance	\$132,000
Eligibility Enforcement	6,000
TOTAL TRAVEL	<u>\$138,000</u>