

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

3898 SCRA HB 697 774



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James O. Smith
Signature of Camera Operator

10/31/89
Date

HB

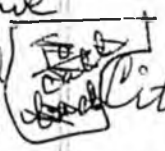
697

HB 697

4/9 Mosman Young, HHS, Dir of Public Assistance
called - requested bill be scheduled approx.
I told her bill would be heard Tues 4/15 at 3:30 P. She said John Sabers, Dir
of the Div would testify on the bill. (X3030)

* Requested ltr as to impact expected
No Sales Tax on food stamp purchases

* Haines (City of) (4%) Jackie Martin, Treasurer
766-2231

bill will have
very minimal
effect  City & Borough of Juneau (4%) Rick Decker

City + Borough of Sitka (4%)

* Bethel (5%) Peter Donnell, Fin. Dir.
will try!

- * Cordova (4%) Dale ^{Daiyer} Dygert, Staff Accountant.
424-3237

* Homer (5%) Chris Newby, Fin. Dir.

Kenai (3%)

- Kodiak (5%) Carolyn Thomas
Will call back if interested in
making statement on impact

Nome (3%)

* Palmer (2%) Wells Williams, Fin. Dir.

* - Petersburg (5%) Jedell Jones

Seldotna (3%)

* Wrangell (5%) 874-2381
Jeff Jabusch, Fin. Dir.



Official Business

Alaska State Legislature

Senate

Committee on Community and Regional Affairs

Staff File

Senator Edna DeVries, Chairman

Members

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer

Perch V

Juneau, Alaska 99811

COMMITTEE MEETING -- April 15, 1986

CS for HB 697 (HESS) - An Act prohibiting municipal sales tax on purchases made with food stamps; and providing for an effective date.

A Federal law enacted in December of last year provides that the Food Stamp Program cannot be administered in states where tax is charged on purchases made with food stamps. HB 697 would impact municipalities and retail grocers in Alaska. There would be some cost to grocers in changing accounting procedures.

Scott Burgess, Executive Director, Alaska Municipal League, has been requested to attend today's meeting and advise the Committee of the AML position with respect to the lead time required. The deadline for state compliance with the Federal law is October 1, 1986 unless an extension is requested.

John Taber, Dir. of Pub. Assistance, Dept. of Health & Social Services, will testify on the bill.

Material attached:

- Position paper from DH&SS dated 3-20-86 on the bill
- Fiscal Note from DH&SS dated 3-20-86 on the bill
- Ltr from R. Hicks Elmore, Reg. Admin., Western Reg. , U.S. Dept. of Agriculture dated 2-03-86 to Commissioner Pugh, DH&SS
- Memorandum from Atty. Gen'l Harold Brown to Commissioner Pugh dated 2-14-86
- Ltr from Commissioner Emil Notti, DC&RA, to Representative Peter Goll dated 3-24-86
- Bill history
- Memo from Representative Gruenberg to Senator DeVries dated 4-11-86

Offered: 4/1/86
Referred: Rules

Original sponsor: Health, Education and
Social Services Committee

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 697 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act prohibiting municipal sales tax on purchases
made with food stamps; and providing for an effective
date."

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

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* Section 1. AS 29.10.200(40) is amended to read:

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(40) AS 29.45.650(c), [AND] (d), and (f) (sales and use tax)

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* Sec. 2. AS 29.10.200 is amended by adding a new paragraph to read:

13

(47) AS 29.45.700(a) (power of levy)

14

* Sec. 3. AS 29.45.650(a) is amended to read:

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(a) Except as provided in (f) of this section, a [A] borough may

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levy and collect a sales tax not exceeding six percent on sales,

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rents, and on services provided in the borough. The sales tax may

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apply to any or all of these sources. Exemptions may be granted by

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ordinance.

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* Sec. 4. AS 29.45.650 is amended by adding a new subsection to read:

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(f) A borough may not levy and collect a sales tax on a purchase

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made with food coupons, food stamps, or other type of certificate

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issued under 7 U.S.C. 2011 - 2025 (Food Stamp Act). This subsection

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applies to home rule and general law municipalities.

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* Sec. 5. AS 29.45.700(a) is amended to read:

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(a) A city in a borough that levies and collects areawide sales

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and use taxes may levy sales and use taxes on all sources taxed by the

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borough in the manner provided for boroughs. The [, EXCEPT THAT THE]

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assembly may by ordinance authorize a city to levy and collect sales

1 and use taxes on other sources except purchases made with food cou-
2 pons, food stamps, or other type of certificate issued under 7 U.S.C.
3 2011 - 2025 (Food Stamp Act). This subsection applies to home rule
4 and general law municipalities.

5 * Sec. 6. This Act takes effect October 1, 1986.

POSITION PAPER

HOUSE BILL NO. 697

"An Act prohibiting municipal sales tax on purchases made with food stamps; and providing for an effective date."

BACKGROUND

On December 23, 1985, the Food Security Act of 1985 (Public Law 99-198) was enacted. Title XV, Subtitle A, of this Act modifies the Food Stamp Act of 1977. One area that requires immediate attention of the Alaska State Legislature concerns charging tax on items purchased with food stamps.

Section 1505 states that, as of October 1, 1986, the Food Stamp Program cannot be administered in states where tax is charged on purchases made with food stamps. An extension of up to one year (October 1, 1987) may be granted if the state can justify, to the satisfaction of the Secretary of the United States Department of Agriculture, that more time is needed to implement this change. The Act says that an extension may be given if the state demonstrates that implementation by October 1, 1986, would have an adverse and disruptive effect on the administration of the Food Stamp Program or would not provide adequate time for retail stores to implement changes in sales tax policy.

PURPOSE OF FEDERAL AMENDMENT

This amendment to the Food Stamp Act provides equity of food purchasing power between persons participating in the Food Stamp Program and living in areas where taxes are levied on food items and food stamp households residing in areas where food items are not subject to taxation. There are 20 states that charge either state or local sales tax on food purchases. According to Congressman Leon Panetta, Chairman of the Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, "This (Amendment) would put an end to what is, in effect, a transfer of revenues from the Federal Government to State and local government at the expense of low-income households."

IMPACT

If this proposal is enacted, the impact varies from none to moderate.

There will be no impact on the Department of Health & Social Services, Division of Public Assistance (the agency administering the Food Stamp Program) at the Central Office, Regional or District Office levels.

There will be a small positive impact on those Food Stamp Program participants who reside in areas that levy taxes on items that may be bought with food stamps. If a municipality has a four percent sales tax and a food stamp household living in that community spends \$78 worth of food stamps, prior to the enactment and implementation of this legislation, the household would have spent \$3 of their food stamps paying tax on their purchases. This bill allows those low income households to use all their food stamps on food items.

The degree of negative impact municipalities that levy taxes on these certain items will experience depends on the percentage of taxation levied and the number of Food Stamp Program participants that shop in the municipality. According to a study conducted last year by the Department of Community and Regional Affairs, it was estimated that in 1984, \$300,000 in revenues were generated by purchases made with food stamps.

The grocery stores in areas levying taxes will, undoubtedly, be impacted the most by this bill. Each store will need to make alterations to their accounting/bookkeeping systems. Computerized cash registers will have to be reprogrammed to take this change into account. In stores where automation does not exist, hand methods of calculating this change will have to be established.

If this proposed legislation is not passed, every group mentioned above will be negatively impacted.

On the average, 26,826 people, or 8,942 households participate in the Food Stamp Program each month in Alaska. These people will suffer irreparable harm, physically as well as economically, through the loss of their food purchasing power. Many households have no money to buy food; food stamps are their only tender at the grocery store.

The State will lose approximately \$4.5 million annually in Federal matching funds because, besides providing all the food stamps issued in Alaska, the U.S. Department of Agriculture also provides 50 percent of the administrative costs for running the Food Stamp Program. Staff will be cut in The Division of Public Assistance's Central Office, Regional Offices and District Offices, since the Department will be losing one of the major programs administered by that Division.

Grocers would be greatly impacted if the Food Stamp Program no longer existed in Alaska. It is projected that \$25,000,000 in food stamps will be issued to Alaskans during 1986 and the majority of that amount is spent at groceries in Alaska. Without that revenue and no food program to replace the Federal program, many grocers would suffer severe economic hardship.

RECOMMENDATION

The Department of Health and Social Services strongly recommends the passage of this bill. Although passage of this bill appears to cause a decline in revenue to certain municipalities and a revision in bookkeeping/accounting methods for grocery stores in these municipalities, loss of the Food Stamp Program in Alaska would hurt one out of every 20 Alaskans, cause far greater revenue declines at all levels, and remove a major revenue source for Alaska's grocers, wholesalers, and shippers.

Recommended by: John K. Taber
John K. Taber, Director
Division of Public Assistance

Date: 3-18-86

Approved by: Conni J. Sipe
for John R. Pugh, Commissioner
Department of Health &
Social Services

Date: 3-20-86

ices are essential to ensure the long-term agricultural viability and profitability of farms and ranches in the United States:

(2) agricultural research and technology transfer activities of the Secretary including activities of the Extension Service, the Agricultural Research Service, and the Cooperative State Research Service; State cooperative extension services, land-grant and other colleges and universities, and State agricultural experiment stations—

(A) have contributed greatly to innovation in agriculture; and

(B) have a continuing role to play in improving agricultural productivity;

(3) the annual irretrievable loss of billions of tons of precious topsoil through wind and water erosion reduces agricultural productivity;

(4) many farmers and ranchers are highly dependent on machines and energy resources for agricultural production;

(5) public funding of a properly planned and balanced agricultural research program is essential to improving efficiency in agricultural production and conservation practices; and

(6) expanded agricultural research and extension efforts are needed to assist farmers and ranchers to—

(A) improve agricultural productivity; and
(B) implement soil, water, and energy conservation practices.

PURPOSES

SEC. 1461. It is the purpose of this subtitle to—

(1) facilitate and promote scientific investigation in order to—

(A) enhance agricultural productivity;
(B) maintain the productivity of land;
(C) reduce soil erosion and loss of water and plant nutrients; and
(D) conserve energy and natural resources; and

(2) facilitate the conduct of research projects in order to study agricultural production systems that—

(A) are located, to the extent practicable, in areas that possess various soil, climatic, and physical characteristics;
(B) have been, and will continue to be, managed using farm production practices that rely on—

(i) items purchased for the production of an agricultural commodity; and
(ii) a variety of conservation practices; and

(C) are subjected to a change from the practices described in subparagraph (B)(i) to the practices described in subparagraph (B)(ii).

INFORMATION STUDY

SEC. 1464. (a) Subject to section 1468, the Secretary shall inventory and classify by subject matter all studies, reports, and other materials developed by any person or governmental agency with the participation or financial assistance of the Secretary, that could be used to promote the purposes of this subtitle.

(b) In carrying out subsection (a), the Secretary shall—

(1) identify, assess, and classify existing information and research reports that will further the purposes of this subtitle, including information and research relating to legume-crop rotation, the use of green manure, animal manures, and municipal wastes in agricultural production, soil acidity, liming in relation to nutrient release, intercropping, the role of organic matter in soil productivity and erosion control, the effect of topsoil loss on soil productivity, and biological methods of weed, disease, and insect control;

(2) identify which of such reports provide useful information and make such useful reports available to farmers and ranchers; and

(3) identify gaps in such information and carry out a research program to fill such gaps.

RESEARCH PROJECTS

SEC. 1465. (a) Subject to section 1444, in cooperation with Federal and State research agencies and agricultural producers, the Secretary shall conduct such research projects as are needed to obtain data, draw conclusions, and demonstrate technologies necessary to promote the purposes of this subtitle.

(b) In carrying out subsection (a), the Secretary shall conduct projects and studies in areas that are broadly representative of United States agricultural production, including production on small farms.

(c) In carrying out subsection (a), the Secretary may conduct research projects involving crops, soils, production methods, and weed, insect, and disease pests on individual fields or other areas of land.

(4) In the case of a research project conducted under this section that involves the planting of a sequence of crops, the Secretary shall conduct such project for a term of—

(1) at least 5 years; and

(2) to the extent practicable, 12 to 15 years.

(d) In coordination with the Extension Service and State cooperative extension services, the Secretary shall take such steps as are necessary to ensure that farmers and ranchers are aware of projects conducted under this section.

(2) The Secretary shall ensure that such projects are open for public observation at specified times.

(f) Subject to paragraph (2), the Secretary may indemnify an operator of a project conducted under this section for damage incurred or undue losses sustained as a result of a rigid requirement of research or demonstration under such project that is not experienced in normal farming operations.

(2) An indemnity payment under paragraph (f) shall be subject to any agreement between a project grantee and operator entered into prior to the initiation of such project.

COORDINATION

SEC. 1466. The Secretary shall—

(1) establish a panel of experts consisting of representatives of the Agricultural Research Service, Cooperative State Research Service, Soil Conservation Service, Extension Service, State cooperative extension services, State agricultural experiment stations, and other specialists in agricultural research and technology transfer; and

(2) ensure that a research project under this subtitle is designed after taking into consideration the views of such panel.

REPORTS

SEC. 1467. The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate—

(1) not later than 180 days after the effective date of this subtitle, a report describing the design of research projects established in accordance with sections 1465 and 1468;

(2) not later than 15 months after the effective date of this subtitle, a report describing the results of the program carried out under section 1465; and

(3) not later than April 1, 1987, and each April 1 thereafter, a report describing the progress of projects conducted under this subtitle, including—

(A) a summary and analysis of data collected under such projects; and
(B) recommendations based on such data for new basic or applied research.

AGREEMENTS

SEC. 1468. The Secretary may carry out sections 1466 and 1465 through agreements

with land-grant colleges or universities, other universities, State agricultural experiment stations, nonprofit organizations, or Federal or State governmental entities that have demonstrated appropriate expertise in agricultural research and technology transfer.

DISSEMINATION OF DATA

SEC. 1469. The Secretary shall—

(1) make available through the Extension Service and State cooperative extension services—

(A) the information and research reports identified under section 1464; and
(B) the information and conclusions resulting from any research project conducted under section 1465; and

(2) otherwise take such steps as are necessary to ensure that such material is made available to the public.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1470. There are authorized to be appropriated such sums as may be necessary to carry out this subtitle, to remain available until expended.

EFFECTIVE DATE

SEC. 1471. This subtitle shall become effective on October 1, 1985.

TITLE XV—FOOD STAMP AND RELATED PROVISIONS

SUBTITLE A—Food Stamp Provisions

PUBLICLY OPERATED COMMUNITY MENTAL HEALTH CENTERS

SEC. 1501. (a) Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended by—

(1) in subsection (f), striking out "which" and all that follows through "providing" and inserting in lieu thereof, "a publicly operated community mental health center, under part B of title XIX of the Public Health Service Act (42 U.S.C. 1001 et seq.) to provide"; and

(2) inserting, "or a publicly operated community mental health center," after "private nonprofit institution" in the last sentence of subsection (f).

(b) Section 10 of such Act (7 U.S.C. 2018) is amended by inserting "publicly operated community mental health centers" after "purchased, and".

DETERMINATION OF FOOD SALES VOLUME

SEC. 1502. Section 3(k) of the Food Stamp Act of 1977 (7 U.S.C. 2012(k)) is amended by inserting after "food sales volume" in clause (1) the following: "as determined by visual inspection, sales records, purchase records, or other inventory or accounting record-keeping methods that are customary or reasonable in the retail food industry."

TWO-FY FOOD PLAN

SEC. 1503. The first sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking out "fifteen" and inserting in lieu thereof "four".

DEFINITIONS OF THE DISABLED

SEC. 1504. Section 3(r) of the Food Stamp Act of 1977 (7 U.S.C. 2012(r)) is amended by—

(1) inserting before the semicolon at the end of paragraph (2) the following: "federally or State administered supplemental benefits of the type described in section 1618(a) of the Social Security Act if the Secretary determines that such benefits are conditioned on meeting the disability or blindness criteria used under title XVI of the Social Security Act, or federally or State administered supplemental benefits of the type described in section 213(a) of Public Law 93-66 (42 U.S.C. 1382 note)"; and

(2) inserting before the semicolon at the end of paragraph (3) the following: "or receives disability retirement benefits from a governmental agency because of a disability".

considered personal under section 221U of the Social Security Act (42 U.S.C. 421U);

(3) inserting "or non-service-connected" after "service-connected" in paragraph (4)(A);

(4) striking out "or" at the end of paragraph (5);

(5) striking out the period at the end of paragraph (6) and inserting in lieu thereof "or"; and

(6) adding at the end thereof the following:

"(7) is an individual receiving an annuity under section 2(a)(1)(b) or 2(a)(2)(b) of the Railroad Retirement Act of 1974 (45 U.S.C. 231(a)(1)(b) or 231(a)(2)(b)), if the individual's service as an employee under the Railroad Retirement Act of 1974, after December 31, 1938, had been included in the term 'employment' as defined in the Social Security Act, and if an application for disability benefits had been filed."

STATE AND LOCAL SALES TAXES

Sec. 1505. (a) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2013(a)) is amended by inserting before the period at the end of the first sentence the following: ", except that a State may not participate in the food stamp program if the Secretary determines that State or local sales taxes are collected within that State on purchases of food made with coupons issued under this Act."

(b)(1) Except as provided in paragraph (2), the amendment made by subsection (a) shall take effect with respect to a State beginning on the first day of the fiscal year that commences in the calendar year during which the first regular session of the legislature of such State is convened following the date of enactment of this Act.

(2) Upon a showing by a State, to the satisfaction of the Secretary, that the application of paragraph (1), without regard to this paragraph, would have an adverse and disruptive effect on the administration of the food stamp program in such State or would provide inadequate time for retail stores to implement changes in sales tax policy required as a result of the amendment made by subsection (a), the Secretary may delay the effective date of subsection (a) with respect to such State to a date not later than October 1, 1987.

RELATION OF FOOD STAMP AND COMMODITY

DISTRIBUTION PROGRAMS

Sec. 1506. Section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)) is amended by—

- (1) striking out the first sentence; and
- (2) striking out "also" in the second sentence.

CATEGORICAL ELIGIBILITY

Sec. 1507. (a)(1) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by inserting after the first sentence the following: "Notwithstanding any other provisions of this Act except sections 6(b), 6(d)(2), and 6(g) and the third sentence of section 3(f), and during the period beginning on the date of the enactment of the Food Security Act of 1985 and ending on September 30, 1989, households in which each member receives benefits under a State plan approved under part A of title IV of the Social Security Act, supplemental security income benefits under title XVI of the Social Security Act, or aid to the aged, blind, or disabled under title I, X, XIV, or XVI of the Social Security Act, shall be eligible to participate in the food stamp program."

(2) During the period beginning on the date of the enactment of this Act and ending on September 30, 1989, section 5(j) of the Food Stamp Act of 1977 (7 U.S.C. 2014(j)) shall not apply.

(b) Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended by adding

at the end thereof the following: "No household shall have its application to participate in the food stamp program denied nor its benefits under the food stamp program terminated solely on the basis that its application to participate has been denied or its benefits have been terminated under any of the programs carried out under the statutes specified in the second sentence of section 5(a) and without a separate determination by the State agency that the household fails to satisfy the eligibility requirements for participation in the food stamp program."

(c) Not later than 2 years after the date of the enactment of this Act, the Secretary shall—

(1) evaluate the implementation of the second sentence of section 5(a) of the Food Stamp Act of 1977, as amended by subsection (a) of this section; and

(2) submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report summarizing the results of such evaluation.

THIRD PARTY PAYMENTS

Sec. 1508. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by—

(1) inserting "except as provided in subsection (k)," after "household," in subsection (d)(1); and

(2) adding at the end thereof the following new subsection:

"(k)(1) For purposes of subsection (d)(1), except as provided in paragraph (2), assistance provided to a third party on behalf of a household by a State or local government shall be considered money payable directly to the household if the assistance is provided in lieu of—

"(A) a regular benefit payable to the household for living expenses under a State plan for aid to families with dependent children approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(B) a benefit payable to the household for living expenses under—

"(U) a State or local general assistance program; or

"(V) another basic assistance program comparable to general assistance (as determined by the Secretary).

"(2) Paragraph (1) shall not apply to—

"(A) medical assistance;

"(B) child care assistance;

"(C) energy assistance;

"(D) assistance provided by a State or local housing authority; or

"(E) emergency and special assistance, to the extent excluded in regulations prescribed by the Secretary."

EXCLUDED INCOME

Sec. 1509. (a) Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)), as amended by section 1508, is amended by—

(1) inserting "and except as provided in subsection (h)," after the comma at the end of clause (1);

(2) in clause (3)—

(A) striking out "higher education" and inserting in lieu thereof "post-secondary education"; and

(B) adding at the end thereof "and to the extent loans include any origination fees and insurance premiums;"

(3) inserting "no portion of any non-Federal educational loan on which payment is deferred, grant, scholarship, fellowship, veterans' benefits, and the like that are provided for living expenses, and no portion of any Federal educational loan on which payment is deferred, grant, scholarship, fellowship, veterans' benefits, and the like to the extent it provides income assistance beyond that used for tuition and mandatory school fees," in the proviso to clause (5) after "child care expenses,"

(4) inserting ", but household income that otherwise is included under this subsection shall be reduced by the extent that the cost of producing self-employment income exceeds the income derived from self-employment as a farmer" before the comma in clause (7);

(5) inserting "except as otherwise provided in subsection (k) of this section" after "food stamp program" in clause (10)

(b) Section 5(k) of such Act, as added by section 1508, is amended by adding at the end thereof the following new paragraph:

"(3) For purposes of subsection (d)(1), educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like that are provided to a third party on behalf of a household for living expenses shall be treated as money payable directly to the household."

(c) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014), as amended by section 1508, is amended by adding at the end thereof the following new subsection:

"(U) Notwithstanding section 142(b) of the Job Training Partnership Act (29 U.S.C. 1552(b)), earnings to individuals participating in on-the-job training programs under section 204(5) of the Job Training Partnership Act shall be considered earned income for purposes of the food stamp program, except for dependents less than 18 years of age."

CHILD SUPPORT PAYMENTS

Sec. 1510. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014), as amended by sections 1508 and 1509—

(1) in subsection (d) by—

(A) striking out "and" at the end of clause (1); and

(B) inserting before the period at the end thereof the following: ", and (13) at the option of a State agency and subject to subsection (m), child support payments that are excluded under section 402(a)(1)(A)(v) of the Social Security Act (42 U.S.C. 402(a)(1)(A)(v))"; and

(2) adding at the end thereof the following new subsection:

"(m) If a State agency excludes payments from income for purposes of the food stamp program under subsection (d)(13), such State agency shall pay to the Federal Government, in a manner prescribed by the Secretary, the cost of any additional benefits provided to households in such State that arise under such program as the result of such exclusion."

DEDUCTIONS FROM INCOME

Sec. 1511. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

(1) in the second sentence, striking out "homeownership component" and inserting in lieu thereof "homeowners' costs and maintenance and repair component";

(2) effective May 1, 1986, and striking out "18" and inserting in lieu thereof "20";

(3) effective May 1, 1986, amending the fourth sentence by—

(A) amending the proviso to clause (2) to read as follows: "Provided, That the amount of such excess shelter expense deduction shall not exceed \$147 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, \$258, \$218, \$179, and \$108 a month, respectively, adjusted on October 1, 1986, and on each October 1 thereafter, to the nearest lower dollar increment to reflect changes in the shelter (exclusive of homeowners' costs and maintenance and repair component of shelter costs), fuel, and utilities components of housing costs in

3/26

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HB No. 697
 Title : Prohibiting Municipal sales tax on purchases made with food stamps.
 Sponsor : Health, Ed. and Soc. Svcs. Comm.
 Requestor : _____
 Date of Request : 3/18/86

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : Public Assistance/Administrative
 Components : Eligibility Determination

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : Attach a separate page if necessary

This measure provides a positive impact on those Food Stamp Program participants who reside in areas that levy taxes by allowing those low income households to use all their food stamps on food items. It does not establish any program or function which would impact the Division of Public Assistance.

Prepared by : John P. Taha, Director Phone : 465-3347
 Division : Division of Public Assistance Date : 3-18-86

Approved by Commissioner : Connie S. H. Anderson Date : 3-20-86
 Agency : Department of Health & Social Services

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

JCC



United States
Department of
Agriculture

Food and
Nutrition
Service

Western
Region

550 Kearny Street
San Francisco, CA 94108

FEB 03 1986

MR JOHN R PUGH
COMMISSIONER
STATE DEPARTMENT OF HEALTH AND
SOCIAL SERVICES
ALASKA OFFICE BUILDING POUCH H-01
JUNEAU AK 99811

Dear Mr. Pugh:

President Reagan signed the Food Security Act of 1985 (Public Law 99-198, commonly known as the Farm Bill) on December 23, 1985. This Act mandates that "a State may not participate in the Food Stamp Program if the Secretary determines that State or local sales taxes are collected within the State on purchases of food made with coupons issued under this Act". The Act provides that this provision is to become effective, with respect to a State, beginning on the first day of the federal fiscal year that commences in the calendar year during which the first session of the State legislature is convened following enactment of the law. States may delay the effective date to no later than October 1, 1987, if they can satisfy the Department of Agriculture that implementation of the sales tax provision would have an adverse effect on State program administration or would provide inadequate time for retail stores to implement changes in sales tax policy as a result of the legislation.

The enclosed letter was mailed to your Governor on January 21, 1986, to alert him of the sales taxes requirements as well as those provisions to be implemented by May 1, 1986. This Department is in the process of drafting program regulatory amendments designed to implement the requirements mandated in Section 1505 of the Food Security Act of 1985. However, we suggest that you begin working with your legislature immediately if your State is now charging a sales tax on food stamp transactions. If you determine that a delay in removing the sales tax on food purchased with coupons will be needed, your Governor should notify the Secretary of the Department of Agriculture of the State's intention to seek authority to delay the effective date to no later than October 1, 1987. Simultaneously, all supporting evidence for the delay should be forwarded to this office.

Dear Governors:

The Food Security Act of 1985 (Public Law 99-198) was signed into law by President Reagan on December 23, 1985. Section 1505 of the bill mandates that "a State may not participate in the Food Stamp Program if the Secretary determines that State or local sales taxes are collected within that State on purchases of food made with coupons issued under this Act". The Act provides that this provision is to become effective, with respect to a State, beginning on the first day of the federal fiscal year that commences in the calendar year during which the first session of the State legislature is convened following enactment of the law. States may delay the effective date to no later than October 1, 1987, if they can satisfy the Department of Agriculture that implementation of the sales tax provision would have an adverse effect on State program administration or would provide inadequate time for retail stores to implement changes in sales tax policy as a result of the legislation.

This Department is in the process of drafting regulatory amendments designed to implement the requirements mandated in Section 1505 of the Food Security Act of 1985. However, since many State legislatures will probably convene prior to our issuance of final regulations, we urge your State legislature to complete those actions necessary to change any law(s) in order to avoid exclusion of your State from Food Stamp Program participation under the provisions of Section 1505. Your cooperation in assuring your State's continued participation in our program through this action would be greatly appreciated.

Additionally, we can assure you that the Department has assigned priority status to the formulation of regulations implementing Sections 1511 and 1514 of the Food Security Act of 1985. These sections raise the program's earned income, shelter cost, and child care deductions as well as the asset limit and are effective May 1, 1986. We anticipate that program regulations implementing these provisions of the Act will be issued as final regulations no later than April 1, 1986. Accordingly, the agency responsible for administration of the Food Stamp Program in your State should begin to plan and initiate action as appropriate to ensure that the provisions of Section 1511 and 1514 of the Food Security Act will be implemented promptly on May 1, 1986 as required by law.

Thank you for your cooperation and assistance in this important matter.

Sincerely,

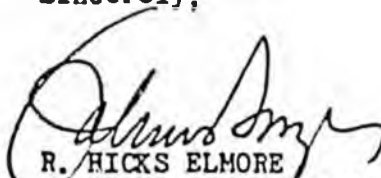
ROBERT E. LEARD
Administrator

Mr. John Pugh

Page 2

We will be in contact with you in the near future to provide additional guidance on the specific information required to document the need for a delay in implementation of the effective dates.

Sincerely,


R. HICKS ELMORE
Regional Administrator
Western Region

fo
Enclosure

MEMORANDUM

State of Alaska

TO: Honorable John Pugh
Commissioner
Department of Health and
Social Services

DATE: February 14, 1986

FILE NO: 66-3-86-0317

TELEPHONE NO: 465-3603

FROM: Harold M. Brown
Attorney General

SUBJECT: Sales taxes on food
stamp purchases

By: George W. Edwards *GWE*
Assistant Attorney General
Human Services-Juneau

You have asked for our evaluation of the potential impact of certain recent federal food stamp legislation on the state's food stamp program eligibility.

We believe the legislation in question could result in the termination of state participation in the federal food stamp program if certain sales tax restrictions are not implemented.

Section 1505 of the Food Security Act of 1985 (H.R. 2100) amends the Food Stamp Act at 7 U.S.C. § 2013(a) to provide that:

[A] State may not participate in the food stamp program if the Secretary determines that State or local sales taxes are collected within that State on purchases of food made with coupons issued under this Act.

Alaska boroughs and cities are currently permitted to collect sales taxes on sales, rents, and services without restriction. AS 29.45.650(a) states:

(a) A borough may levy and collect a sales tax not exceeding six percent on sales, rents, and on services provided in the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

AS 29.45.700 states:

(a) A city in a borough that levies and collects areawide sales and use taxes may levy sales and use taxes on all sources taxed by the borough in the manner provided for boroughs, except that the assembly may by ordinance authorize a city to levy and collect sales and use taxes on other sources.

(b) A city in a borough that does not levy and collect sales and use taxes for areawide borough functions may levy and collect sales and use taxes in the manner provided for boroughs.

(c) A city outside a borough may levy and collect sales and use taxes in the manner provided for boroughs.

A study conducted by the Department of Community and Regional Affairs last year found that Alaska's food stamp purchases during 1984 totaled \$19,788,024. The department estimated that these purchases generated approximately \$300,000 in sales tax revenues. Its conclusion was that the loss of sales tax revenues from food stamp purchases would have little effect on revenue sharing or local government operations.

Since Alaska's current sales tax laws do not require that municipalities exempt food items purchased with food stamps, legislative action will be necessary to assure that the state will continue to qualify for the federal program.

Proposed legislation accompanies this memorandum. It creates an exception to existing sales tax law by prohibiting taxation of food purchases made with food stamps. You will note that it conforms to the requirements of section 1505 in not prohibiting taxation of purchases of non-food items made with food stamps. The potential for revenue loss to municipalities resulting from this legislation is minimal compared to the loss to the state's economy which would result from termination of the food stamp program.

Unless an extension is granted by the Secretary of Agriculture, section 1505 will become applicable to Alaska on October 1, 1986. This date represents the beginning of the federal fiscal year and is controlling according to the Congressional Record for December 17, 1985, at H 12398.

An extension to October 1, 1987, may be granted as set forth in section 1505(b)(2):

(2) Upon a showing by a State, to the satisfaction of the Secretary, that the application of paragraph (1), without regard to this paragraph, would have an adverse and disruptive effect on the administration of the food stamp program in such State or would provide inadequate time for retail stores to implement

Honorable John Pugh, Commissioner
Department of Health and Social Services
66-3-86-0317

February 14, 1986
Page 3

changes in sales tax policy required as a result of the amendment made by subsection (a), the Secretary may delay the effective date of subsection (a) with respect to such State to a date not later than October 1, 1987.

We are unable to address the question of how much lead time municipalities and retailers in Alaska may require to implement the sales tax changes proposed in the legislation. If a compelling case for an extension is made before the legislature by municipalities or retailers, the same argument would hopefully convince the secretary. Barring such a showing, the appropriate course of action appears to be the passage of necessary legislation with a special effective date of October 1, 1986.

Please review our proposed legislation in light of the above information and let us know how you wish to proceed.

GWE:nb

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 24, 1986

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

949 E. 35TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

The Honorable Peter Goll
Alaska State House
of Representatives
P.O. Box V
Juneau, AK 99811

Dear Representative Goll:

RE: HOUSE BILL 697 - PROHIBITION OF MUNICIPAL SALES TAX
ON PURCHASES MADE WITH FOOD STAMPS

You have asked what effect eliminating sales tax charged on food stamps would have on cities for State Revenue Sharing or general operations. The impact on cities would be minimal, based on the following information:

* 1984 Alaska Food Stamp Benefits \$19,788,024

Half of this amount is issued in Alaska cities which do not have a sales tax. Therefore, the number we have used in calculating sales tax dollars affected is \$10,000,000 in yearly food stamp purchases.

Taxable 1984 Food Stamp Benefits	\$10,000,000
Statewide Blended Sales Tax Rate	X 3%
SALES TAX REVENUES LOST DUE TO EXEMPTION	\$ 300,000

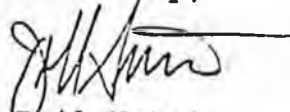
As you know, a \$300,000 yearly tax loss over the entire State would have very little effect on the Revenue Sharing Program or local government operations.

If you have any questions or would like further information, please let me know.

* Statistics from:

Mark Murray, Food Stamp Quality Control Technician
Department of Health and Social Services
Division of Public Assistance

Sincerely,



Emil Notti
Commissioner

CSHB 697 HESS

AN ACT PROHIBITING MUNICIPAL SALES TAX ON PURCHASES MADE WITH FOOD STAMPS;
AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: HESS COMMITTEE
CO-SPONSORS:

CURRENT STATUS: (S) C&RA

DATE		PAGE	ACTION
03/12/86	(H)	2339	READ THE FIRST TIME - REFERRAL(S)
03/26/86	(H)	2491	C&RA RPT 5DF 2NR
03/26/86	(H)	2491	ZERO FISCAL NOTE
04/01/86	(H)	2526	HESS RPT CS(HESS) 6DF
04/03/86	(H)		RULES TO CALENDAR 4/4/86
04/04/86	(H)	2586	READ THE SECOND TIME
04/04/86	(H)	2586	HESS CS ADOPTED UNAN CONSENT
04/04/86	(H)	2586	ADVANCED TO THIRD READING UNAN CONSENT
04/01/86	(H)	2586	READ THE THIRD TIME CSHB 697(HESS)
04/04/86	(H)	2586	PASSED Y34 N1 X4 A1

HB 697

MEASURE HISTORY

PAGE 02 OF 02

DATE		PAGE	ACTION
04/04/86	(H)	2586	EFFECTIVE DATE SAME AS PASSAGE
04/04/86	(H)	2587	HANLEY NOTICE OF RECONSIDERATION
04/07/86	(H)	2609	RECON TAKEN UP - IN THIRD READING
04/07/86	(H)	2610	PASSED ON RECONSIDERATION Y37 N2 A1
04/07/86	(H)	2610	EFFECTIVE DATE SAME AS PASSAGE
04/07/86	(H)	2616	TRANSMITTED TO (S)
04/08/86	(S)	2268	READ THE FIRST TIME - REFERRAL(S) C&RA HESS RULES



Alaska State Legislature

Official Business

MEMORANDUM

APR 15 1986

Pouch V
State Capitol
Juneau, Alaska 99811

Date: April 11, 1986

To: Senator DeVries
Chair
Senate Community and Regional Affairs Committee

From: Rep. Max Gruenberg, Jr. *Max*
Chair
House HESS Committee

Re: HB 697: "An Act prohibiting municipal sales tax on purchases made with food stamps"

Attached please find back-up material for HB 697, which was introduced by the HESS Committee at the request of the Department of Health and Social Services. The Food Security Act of 1985 requires each state to have in place by October 1, 1986, a law prohibiting sales tax on food stamp purchases.

I would ask your assistance in promptly scheduling this bill so that our food stamp program is not endangered.

Thank you very much.

Already had received backup here enclosed.
to 4/15/86

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - ST...E CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

S CRA 4-15-86 3:42 pm
4-24-86 3:34 pm

State of Alaska

COMMITTEES APR 28 1986

HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES
(Co-Chairman)
HOUSE JUDICIARY
HOUSE COMMUNITY AND
REGIONAL AFFAIRS



APR 28 1986

P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4968

914 CLAY COURT
ANCHORAGE, ALASKA 99503
(907) 276-6844

Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anc

*State
Copy*

April 23, 1986

Mr. David L. Soulak
City Manager
City of Palmer
231 W. Evergreen Avenue
Palmer, Alaska 99645

RE: HB 697

Dear Mr. Soulak:

Thank you very much for your letter on the above bill. I am sorry you are displeased with this legislation. Please be advised that the Food Security Act of 1985 (Public Law 99-198, commonly known as the farm bill), was signed into law by President Reagan December 23, 1985. This federal law requires, "a State may not participate in the Food Stamp Program if the Secretary (of Agriculture) determines that state or local sales taxes are collected within the State on purchases of food made with coupons issued under this Act."

As required under this federal law the Alaska Department of Health and Social Services requested the House HESS Committee to introduce this bill. We did so unanimously. It passed both the House Community and Regional Affairs Committee and the House HESS Committee unanimously and on April 7, 1986 passed the House by a vote of 37-2. I strongly support this bill. I will do all I can to assist its passage, both because it is required under federal law and because simple equity demands that people who purchase food stamps not have their limited funds diverted into paying local taxes. The amount that local governments will lose as a result of this legislation will be minimal. I am enclosing for your information a copy of Commissioner Emil Notti's letter of March 24 to Chairman Peter Goll of the House Community and Regional Affairs Committee.

As you can see from that letter, the total amount estimated to be lost due to the exemption is \$300,000. Alternatively, nearly 20 million dollars in lost food stamp benefits would result if this bill does not pass. This large sum directly assists food stamps recipients. It also directly assists many local businesses, who receives this in additional food sales. The ripple affect from this 20 million dollars obviously effects far more people than the local merchants themselves.

I hope these facts will cause you to reconsider your opinion. The lost dollars are not the only consideration. Thousands of Alaskan women and children depend on food stamps. It would be short-sighted indeed for municipalities to oppose such a program because of the few dollars in lost sales taxes.

Cordially,

A handwritten signature in cursive script, appearing to read "Max F. Gruenberg, Jr.", written in dark ink.

Max F. Gruenberg, Jr.

ddl

cc:

Mayor Carte'

Rep. Hurley

Rep. Larson

Senator Kerttula

Senator DeVries



THE CITY OF HAINES, ALASKA
P.O. BOX 576
HAINES, ALASKA 99827
(907) 766-2231

APR 25 1986

In Reply
Refer To

April 22, 1986

Senator Edna De Vries
Alaska Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator De Vries:

In response to a phone call from Trudy of your office yesterday, I checked with the two supermarkets in town regarding sales tax collected on food stamp sales.

Teresa Tucker of The Food Center informed me they average \$115,200.00 per year in food stamp sales generating \$5,485.71 a year in sales tax at 5%.

I also talked to Mike Ward of Howsers Supermarket and he estimated the food stamp sales to be approximately \$60,000.00 a year, which would generate sales tax for the city in the amount of \$2,857.40

Our anticipated sales tax revenue for the year is \$440,000.00. With the cut-backs in revenue sharing and municipal assistance we really don't need a cut-back in sales tax revenue also.

If you need additional information, please don't hesitate to call.

Sincerely,

Jaeki Martin
Jaeki Martin
Treasurer
CITY OF HAINES

C+RA Mtg 4/24/86

HB 697 Prohibiting Municipal Sales
Tax on Purchases Made With Food
Stamps

John Laker, Div. of Public Assistance
Have 25,000 individual food stamp
recipients + 7,000 households.
25 million dollars of food stamps
issued in Ak.

Passed out w/ indiv recs



Official Business

Alaska State Legislature

Senate

Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghil

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

COMMITTEE MEETING -- April 24, 1986

HB 697 An Act prohibiting municipal sales tax on purchases made with food stamps, efd

HB 647 An Act establishing requirements for warning placards; establishing requirements and limiting liability for municipal reporting programs for hazardous materials and hazardous waste; efd

The Committee Substitute for HB 697 (HESS) was considered by the committee on April 15th and continued until this week to provide an opportunity for municipalities which charge a sales tax to inform as the fiscal impact expected through passage of this legislation.

CS for HB 647 (Fin) am was brought before the committee at the last committee meeting and rescheduled for today after preparation of a Committee Substitute work draft.

Materials attached:

City of Wrangell letter to Senator DeVries dated 4-17-86.



City of Petersburg
P. O. Box 929
Petersburg, Alaska 99833

APR 24 1986

APR 24 1986

APRIL 22, 1986

SENATOR EDNA B. DEVRIES
ALASKA LEGISLATURE
POUCH V
JUNEAU, ALASKA 99811

RE: IMPACT ON REVENUES FROM SALES TAX EXEMPTIONS FOR FOOD STAMP
PURCHASES

DEAR SENATOR DEVRIES:

I WAS CONTACTED VIA TELEPHONE ON APRIL 21, 1986 BY TRUDY ALFORTH FROM YOUR OFFICE. SHE WAS INQUIRING AS TO WHAT THE IMPACT MIGHT BE ON LOCAL GOVERNMENT REVENUES IF SALES TAX WAS EXEMPTED ON FOOD PURCHASED WITH FOOD STAMPS.

I HAVE CONTACTED THE LOCAL MERCHANTS HERE IN PETERSBURG TO SEE IF I COULD DETERMINE WHAT THE DOLLAR AMOUNT OF THOSE SALES ARE. I HAVE NOT BEEN ABLE TO DETERMINE A REAL EXACT AMOUNT FROM THEM AS THEY TREAT THESE SALES AS CASH PURCHASES. FROM THE INFORMATION I HAVE BEEN ABLE TO ACQUIRE, IT APPEARS THAT FOOD STAMP SALES FOR THE LAST 3 MONTHS HAVE AVERAGED BETWEEN \$7,000 AND \$8,000. OUR LOCAL TAX RATE IN PETERSBURG IS 5% AND ON AN ANNUAL BASIS THIS WOULD PROJECT TO A LOSS OF \$4,200 - \$5,000. THE LOCAL SALES TAX REVENUE FOR FY 84/85 WAS \$1,237,475.

I HOPE THIS INFORMATION WILL BE OF HELP TO YOU.

SINCERELY,

A handwritten signature in cursive script that reads "Jodell Jones".

JODELL JONES
CITY TREASURER

JJ:PO



CITY OF PALMER



231 W EVERGREEN AVE
PALMER, ALASKA 99645



APR 24 1986

Phone (907) 745-3271

A HOME RULE CITY

April 22, 1986

The Honorable Edna DeVries
Senator
State of Alaska
Box V
Juneau, Alaska 99811

RE: Committee Substitute for House Bill 697

Dear Senator DeVries,

The City received a call from your office on Monday requesting information on the fiscal impact of the bill that would prohibit cities from taxing food stamp purchases. Our Finance Department contacted the primary grocer in Palmer and, based on their information and related calculations, we estimate the bill would cost us approximately \$8,000 a year in lost revenues.

The \$8,000 figure would be noticeable. If the bill were broadened to include subsidized rents, the direct revenue loss would increase significantly. We trust that there will not be a move in that direction and we hope that your office will keep us informed of any development along those lines.

Thank you for the opportunity to provide you with this information. We will be talking with you shortly.

Respectfully,

S. Wells Williams/cac

S. Wells Williams
Assistant City Manager
City of Palmer

SWW/cac

FACTS ABOUT FOOD STAMP PARTICIPANTS IN ALASKA

APR 24 1986

*28% of all households that received food stamps for February 1986 had no income.

*30% of all benefits issued in February 1986 were to households with no income.

For a three-person household to receive food stamp, the maximum gross income is \$1199, maximum net is \$922.

An AFDC household consisting of two children and one parent receiving an AFDC grant of \$744 and paying rent of \$500, would receive:

\$183 food stamps - Urban
\$244 food stamps - Rural I
\$321 food stamps - Rural II

*EIS Report FR051 for February 1986.

MEMORANDUM

State of Alaska Community and Regional Affairs

TO: Doug Griffin, Deputy Director
Municipal and Regional
Assistance Division

THRU: Bob Kern, Assistant State Assessor
Municipal and Regional
Assistance Division

FROM: Patti Becker, Project Assistant
Municipal and Regional
Assistance Division

DATE: October 25, 1985

FILE NO: 2003U/BK/PB/pr

TELEPHONE NO: 465-4735

SUBJECT: Exemption of Food
Stamp Purchases
from Sales Tax

You have asked what effect eliminating sales tax charged on food stamps would have on cities for State Revenue Sharing or general operations. The impact on cities would be minimal, based on the following information:

* 1984 Alaska Food Stamp Benefits.....\$19,788,024

Half of this amount is issued in Alaska cities which do not have a sales tax. Therefore, the number we have used in calculating sales tax dollars affected is \$10,000,000 in yearly food stamp purchases.

Taxable 1984 Food Stamp Benefits	\$10,000,000
Statewide Blended Sales Tax Rate	<u>X 3%</u>

SALES TAX REVENUES LOST DUE TO THE EXEMPTION \$ 300,000

As you know, a \$300,000 yearly tax loss over the entire State would have very little effect on the Revenue Sharing Program or local government operations.

If you have any questions or would like further information, please let me know.

* Statistics from:

Mark Murray, Food Stamp Quality Control Technician
Department of Health and Social Services
Division of Public Assistance

ELIGIBILITY INFORMATION SYSTEM
 FOOD STAMP PROGRAM MONTHLY SUMMARY
 FEBRUARY 1986

REGION: ALL

DISTRICT	NO OF HOUSEHOLDS	AFDC NO OF PERSONS	DOLLARS	NO OF HOUSEHOLDS	NON-AFDC		DISTRICT TOTALS		
					NO OF PERSONS	DOLLARS	NO OF HOUSEHOLDS	NO OF PERSONS	DOLLARS
ALL MAXIMUM ALLOTMENT	3751	12255	788855.00	4419 2283	12512 5068	1151069.00 587114.00	8170 2283	24767 5068	1939924.00 587114.00
PREVIOUS 11 MONTHS									
0186	3881	12607	840375.00	4264	12099	1105779.00	8145	24706	1946154.00
1285	3906	12611	889566.00	4125	11640	1098620.00	8031	24251	1988186.00
1185	3397	10946	701656.00	3659	10363	941220.00	7056	21309	1642876.00
1085	3920	12674	835252.00	3830	10646	989300.00	7750	23320	1824552.00
0985	3451	11131	701269.00	3486	9835	848107.00	6937	20966	1549376.00
0885	3760	12238	788347.00	3892	11263	993874.00	7652	23501	1782221.00
0785	3809	12376	783394.00	4221	12209	1077168.00	8030	24585	1860562.00
0685	3744	12371	791912.00	4552	13144	1140609.00	8296	25515	1932521.00
0585	3955	13169	873160.00	5032	14484	1301092.00	8987	27653	2174252.00
0485	3943	13192	885380.00	5065	14641	1361470.00	9008	27833	2246850.00
0385	3893	12965	861962.00	4974	14147	1306134.00	8867	27112	2168096.00

ELIGIBILITY INFORMATION SYSTEM
 CASELOAD AND ISSUANCE REPORT BY PROGRAM
 FEBRUARY 1986

Brendy Moore

REGION : ANCHORAGE
 DISTRICT : 71

VILLAGE	AEDC ZERO GRANT	AEDC ONLY	FS ONLY	AEDC -----COMBINED-----	FS	TOTAL
ANCHORAGE	1	46 21,121.00	253 21,203.00	17,713.00	38 4,987.00	338 65,024.00
CHUGIAK	0	0 0.00	2 203.00	0.00	0 0.00	2 203.00
EAGLE RIVER	0	0 0.00	5 229.00	0.00	0 0.00	5 229.00
FORT RICHARDSON	0	0 0.00	0 0.00	261.00	1 189.00	1 450.00
POINT HOPE	0	0 0.00	1 27.00	0.00	0 0.00	1 27.00
WASILLA	0	1 740.00	0 0.00	0.00	0 0.00	1 740.00
DISTRICT TOTAL ***	1	47 21,861.00	261 21,662.00	17,974.00	39 5,176.00	348 66,673.00

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
FEBRUARY 1986

REGION : ANCHORAGE
DISTRICT : 83

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS	TOTAL
ANCHORAGE	35	567 339,390.00	791 140,148.00	1,066,276.00	1533 266,241.00	2926 1,812,055.00
ANIYAK	0	0 0.00	0 0.00	657.00	1 82.00	1 739.00
CHUGIAK	0	14 7,900.00	18 3,556.00	18,543.00	27 4,695.00	59 34,694.00
EAGLE RIVER	2	35 19,680.00	25 5,324.00	30,104.00	43 7,221.00	105 62,329.00
ELMENDORF AFB	0	2 496.00	17 3,151.00	0.00	0 0.00	19 3,647.00
EMMONAK	0	1 657.00	0 0.00	0.00	0 0.00	1 657.00
FORT RICHARDSON	0	3 1,958.00	15 2,617.00	1,308.00	2 408.00	20 6,291.00
GIRDWOOD	0	1 154.00	0 0.00	4,178.00	6 1,002.00	7 5,334.00
IVANOFF BAY	0	1 740.00	0 0.00	0.00	0 0.00	1 740.00
PALMER	0	0 0.00	1 105.00	1,523.00	1 118.00	2 1,746.00
PETERS CREEK	0	3 1,851.00	3 888.00	1,761.00	3 405.00	9 4,905.00
PILOT STATION	0	0 0.00	0 0.00	657.00	1 221.00	1 878.00
TOGIAK	0	1 591.00	0 0.00	0.00	0 0.00	1 591.00
WASILLA	0	2 1,314.00	0 0.00	0.00	0 0.00	2 1,314.00
WHITTIER	0	0 0.00	2 379.00	1,485.00	2 267.00	4 2,131.00

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
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REGION : ANCHORAGE
DISTRICT : 83

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS	TOTAL
DISTRICT TOTAL ***	37	630 374,731.00	872 156,168.00	1,126,492.00	1619 280,660.00	3158 1,938,051.00
REGION TOTAL ***	38	677 396,592.00	1133 177,830.00	1,144,466.00	1658 285,836.00	3506 2,004,724.00

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
FEBRUARY 1986

REGION : CLAIMS UNIT
DISTRICT : 12

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS	TOTAL
SELAWIK	0	0 0.00	1 809.00	0 0.00	0 0.00	1 809.00
DISTRICT TOTAL ***	0	0 0.00	1 809.00	0 0.00	0 0.00	1 809.00
REGION TOTAL ***	0	0 0.00	1 809.00	0 0.00	0 0.00	1 809.00

REGION : KOTZEBUE ONLY
DISTRICT : 47

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS	TOTAL
AMBLER	1	4 1,063.00	4 1,087.00	0.00	0 0.00	9 2,150.00
BUCKLAND	2	5 1,653.00	6 1,572.00	916.00	2 896.00	15 5,037.00
DEERING	0	3 1,459.00	2 548.00	2,896.00	3 900.00	8 5,803.00
KIANA	1	9 3,528.00	5 2,314.00	2,501.00	4 1,327.00	19 9,670.00
KIVALINA	0	10 6,186.00	11 6,872.00	783.00	2 1,239.00	23 15,080.00
KORUK	0	0 0.00	0 0.00	522.00	1 481.00	1 1,003.00
KOTZEBUE	6	20 6,485.00	29 9,501.00	6,088.00	5 2,320.00	60 24,444.00
NOATAK	2	13 3,674.00	8 2,680.00	0.00	0 0.00	23 6,354.00
NOORVIK	1	17 7,227.00	5 2,251.00	1,377.00	4 1,951.00	27 12,806.00
POINT HOPE	0	10 6,702.00	6 3,224.00	1,440.00	3 1,677.00	19 13,043.00
SELAWIK	1	12 5,481.00	8 5,556.00	3,452.00	8 3,217.00	29 17,706.00
SHUNGNAK	0	9 2,842.00	6 3,117.00	0.00	0 0.00	15 5,959.00
DISTRICT TOTAL ***	14	112 46,300.00	90 38,722.00	19,975.00	32 14,058.00	248 119,055.00
REGION TOTAL ***	14	112 46,300.00	90 38,722.00	19,975.00	32 14,058.00	248 119,055.00

ELIGIBILITY INFORMATION SYSTEM
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 REGION : NOME ONLY
 DISTRICT : 46

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	ES ONLY	AFDC -----COMBINED-----	ES	TOTAL
BREVIK MISSION	0	5 3,056.00	8 3,427.00	5 3,510.00	2,058.00	18 12,051.00
DIOMEDE	0	3 1,955.00	2 1,042.00	2 1,001.00	1,184.00	7 5,182.00
ELIM	0	5 2,320.00	3 1,052.00	1 657.00	456.00	9 4,485.00
GAMBELL	0	10 5,992.00	17 8,614.00	2 462.00	1,321.00	29 16,389.00
GOLOVIN	0	0 0.00	1 158.00	4 2,675.00	1,181.00	5 4,014.00
KOTZERUE	0	1 1,665.00	0 0.00	0 0.00	0.00	1 1,665.00
KOYUK	0	6 3,773.00	2 1,110.00	2 1,314.00	333.00	10 6,520.00
NOATAK	0	1 1,536.00	0 0.00	0 0.00	0.00	1 1,536.00
NOME	1	42 23,540.00	36 9,495.00	12 7,590.00	5,084.00	91 45,709.00
NOORVIK	0	2 2,351.00	0 0.00	2 2,464.00	1,744.00	4 6,559.00
SAVOONGA	0	9 4,974.00	20 12,560.00	4 1,919.00	2,194.00	33 21,647.00
SELAWIK	0	0 0.00	0 0.00	1 158.00	1,564.00	1 1,722.00
SHAKTOOLIK	0	5 3,073.00	8 3,670.00	1 740.00	396.00	14 7,879.00
SHISHMAREE	0	9 5,104.00	18 6,631.00	8 5,846.00	2,623.00	35 20,204.00
ST. MICHAEL	1	3 2,054.00	2 727.00	2 1,262.00	1,699.00	8 5,742.00
ST. MICHAELS	0	1 261.00	0 0.00	2 795.00	575.00	3 1,631.00

ELIGIBILITY INFORMATION SYSTEM
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REGION : NOME ONLY
DISTRICT : 46

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS	TOTAL
STEBBINS	0	15 7,684.00	13 6,166.00	2,257.00	4 2,651.00	32 18,758.00
TELLER	0	5 3,417.00	10 4,870.00	0.00	0 0.00	15 8,287.00
UNALAKLEET	0	11 6,302.00	15 4,997.00	4,979.00	8 1,969.00	34 18,247.00
WALES	0	5 2,889.00	3 926.00	657.00	1 149.00	9 4,621.00
WHITE MOUNTAIN	0	4 2,403.00	9 4,284.00	3,154.00	4 1,348.00	17 11,189.00
DISTRICT TOTAL ***	2	142 84,349.00	167 69,719.00	41,440.00	65 28,529.00	376 224,037.00
REGION TOTAL ***	2	142 84,349.00	167 69,719.00	41,440.00	65 28,529.00	376 224,037.00

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REGION : NORTHERN
DISTRICT : 41

VILLAGE	AEDC ZERO GRANT	AEDC ONLY	ES ONLY	AEDC -----COMBINED-----	FS	TOTAL
ARCTIC VILLAGE	0	0 0.00	0 0.00	906.00	1 412.00	1 1,318.00
CENTRAL	0	0 0.00	3 632.00	0.00	0 0.00	3 632.00
COLLEGE	0	1 605.00	0 0.00	0.00	0 0.00	1 605.00
ESTER	0	0 0.00	0 0.00	657.00	1 135.00	1 792.00
FAIRBANKS	7	189 114,052.00	440 65,183.00	270,015.00	382 64,384.00	1018 513,634.00
FOX	0	0 0.00	1 111.00	0.00	0 0.00	1 111.00
GLENNALLEN	0	1 657.00	0 0.00	0.00	0 0.00	1 657.00
JUNEAU	0	0 0.00	1 121.00	0.00	0 0.00	1 121.00
LIVENGOOD	0	0 0.00	1 158.00	989.00	1 829.00	2 1,976.00
MT. VILLAGE	0	0 0.00	0 0.00	412.00	1 249.00	1 661.00
NORTH POLE	0	35 20,403.00	70 16,072.00	36,020.00	54 10,470.00	159 82,965.00
SALCHA	0	0 0.00	1 111.00	2,220.00	3 786.00	4 3,117.00
TWO RIVERS	0	1 823.00	2 776.00	0.00	0 0.00	3 1,599.00
DISTRICT TOTAL ***	7	227 136,540.00	519 83,164.00	311,219.00	443 77,265.00	1196 608,188.00

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
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REGION : NORTHERN
DISTRICT : 43

VILLAGE	AEDC ZERO GRANT	AEDC ONLY	ES ONLY	AEDC -----COMBINED-----	ES -----	TOTAL
ARCTIC VILLAGE	0	1 740.00	5 1,169.00	3,129.00	4 1,341.00	10 6,379.00
BEAVER	0	0 0.00	2 443.00	2,582.00	1 830.00	3 3,855.00
BIRCH CREEK	0	1 261.00	5 2,661.00	823.00	1 337.00	7 4,082.00
CHALKYITSIK	0	0 0.00	8 2,526.00	2,364.00	4 1,226.00	12 6,116.00
FAIRBANKS	0	0 0.00	0 0.00	657.00	1 63.00	1 720.00
FORT YUKON	0	10 5,805.00	54 17.00	9,023.00	14 3,827.00	78 35,818.00
VENETIE	0	7 3,359.00	8 2,787.00	8,036.00	10 5,464.00	25 19,646.00
DISTRICT TOTAL ***	0	19 10,165.00	82 26,749.00	26,614.00	35 13,088.00	136 76,616.00

ELIGIBILITY INFORMATION SYSTEM
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REGION : NORTHERN
DISTRICT : 44

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS	TOTAL
ALLAKAKET	0	1 657.00	6 2,505.00	2 1,397.00	9 564.00	5,123.00
ANAKTUVUK PASS	0	0 0.00	0 0.00	3 1,113.00	3 783.00	1,896.00
ANDERSON	0	0 0.00	2 1,797.00	1 340.00	3 249.00	2,386.00
BARROW	0	20 12,336.00	14 4,763.00	11 7,868.00	45 3,625.00	28,592.00
CANTWELL	0	1 790.00	1 191.00	2 1,180.00	4 458.00	2,619.00
CENTRAL	0	0 0.00	1 290.00	2 1,397.00	3 734.00	2,421.00
CHICKEN	0	0 0.00	1 338.00	0 0.00	1 0.00	338.00
CIRCLE	0	1 633.00	1 158.00	2 1,480.00	4 486.00	2,757.00
CLEAR	0	1 361.00	3 651.00	2 1,480.00	6 631.00	3,123.00
DELTA JUNCTION	0	17 10,881.00	30 7,002.00	32 22,273.00	79 5,855.00	46,011.00
DOT LAKE	0	0 0.00	0 0.00	1 740.00	1 289.00	1,029.00
EAGLE	0	0 0.00	11 2,845.00	7 4,638.00	18 774.00	8,257.00
EIELSON AFB	0	2 1,258.00	14 2,128.00	0 0.00	16 0.00	3,386.00
FAIRBANKS	0	0 0.00	1 111.00	1 790.00	2 260.00	1,161.00
FORT GREELY	0	0 0.00	5 607.00	0 0.00	5 0.00	607.00
FT. WAINWRIGHT	0	1 261.00	13 2,094.00	0 0.00	14 0.00	2,355.00

REGION : NORTHERN
DISTRICT : 44

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS	TOTAL
GALENA	0	7 4,795.00	8 4,162.00	2 1,671.00	850.00	17 11,478.00
HEALY	0	1 261.00	5 2,352.00	3 1,730.00	654.00	9 4,997.00
HUGHES	0	0 0.00	1 389.00	0 0.00	0.00	1 389.00
HUSLIA	0	8 4,548.00	5 3,806.00	2 1,397.00	525.00	15 10,276.00
KALTAG	0	10 5,701.00	10 4,373.00	1 823.00	443.00	21 11,340.00
KOYUKUK	0	1 1,100.00	5 2,203.00	1 657.00	189.00	7 4,149.00
MANLEY HOT SPRN	0	1 823.00	5 2,391.00	1 657.00	190.00	7 4,061.00
MENTASTA LAKE	0	2 1,297.00	3 295.00	0 0.00	0.00	5 1,592.00
MINTO	0	7 6,972.00	9 2,933.00	7 5,138.00	2,136.00	23 17,179.00
NENANA	0	2 1,314.00	17 6,508.00	8 6,415.00	2,655.00	27 16,892.00
NORTHWAY	0	6 2,088.00	14 4,706.00	3 2,054.00	1,097.00	23 9,945.00
NUIQSUT	0	4 2,097.00	1 419.00	0 0.00	0.00	5 2,516.00
NULATO	0	11 6,344.00	8 6,619.00	4 2,759.00	1,352.00	23 17,074.00
RAMPART	0	0 0.00	6 2,708.00	0 0.00	0.00	6 2,708.00
RUBY	0	5 4,270.00	2 932.00	2 1,029.00	586.00	9 6,817.00
SALCHA	0	0 0.00	2 222.00	1 740.00	200.00	3 1,162.00

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REGION : NORTHERN
DISTRICT : 44

VILLAGE	AEDC ZERO GRANT	AEDC ONLY	FS ONLY	AEDC -----COMBINED-----	FS	TOTAL
STEVENS VILLAGE	0	3 2,137.00	9 1,823.00	4 2,354.00	16 1,274.00	7,588.00
TANACROSS	0	4 2,079.00	6 996.00	0 0.00	10 0.00	3,075.00
TANANA	0	3 1,275.00	11 3,407.00	3 1,971.00	17 476.00	7,129.00
TETLIN	0	5 2,576.00	4 998.00	2 1,646.00	11 493.00	5,713.00
TOK	0	6 3,627.00	29 5,800.00	17 12,246.00	52 2,789.00	24,462.00
WAINWRIGHT	0	9 5,952.00	5 1,253.00	0 0.00	14 0.00	7,205.00
WISEMAN	0	0 0.00	0 0.00	1 657.00	1 386.00	1,043.00
DISTRICT TOTAL ***	0	139 86,433.00	268 84,775.00	128 88,640.00	535 31,003.00	290,851.00
REGION TOTAL ***	7	385 233,138.00	869 194,688.00	606 426,473.00	1867 121,356.00	975,655.00

ELIGIBILITY INFORMATION SYSTEM
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REGION : SOUTHCENTRAL
DISTRICT : 76

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	ES ONLY	AFDC -----COMBINED-----	ES	TOTAL
ANCHOR POINT	0	5 2,768.00	29 8,346.00	14 9,359.00	14 2,485.00	48 22,958.00
CLAW GULCH	0	1 165.00	1 184.00	1 762.00	1 293.00	3 1,404.00
COOPER LANDING	0	1 16.00	0 0.00	1 346.00	1 372.00	2 734.00
ENGLISH BAY	0	1 261.00	1 111.00	0 0.00	0 0.00	2 372.00
HOMER	0	17 9,345.00	86 18,259.00	49 36,489.00	49 9,784.00	152 73,877.00
HOPE	0	0 0.00	3 275.00	4 2,443.00	4 855.00	7 3,573.00
KASILOF	0	5 3,249.00	11 3,099.00	2 1,563.00	2 488.00	18 8,399.00
KENAI	1	45 23,739.00	101 19,992.00	119 82,436.00	119 19,152.00	266 145,319.00
MOOSE PASS	0	0 0.00	1 174.00	0 0.00	0 0.00	1 174.00
NIKISHKA	0	7 3,945.00	17 4,299.00	8 5,259.00	8 1,552.00	32 15,055.00
NINILCHIK	0	5 1,987.00	4 630.00	6 4,682.00	6 1,814.00	15 9,113.00
PORT GRAHAM	0	1 271.00	2 373.00	0 0.00	0 0.00	3 644.00
SELDOVIA	0	3 1,507.00	5 467.00	3 2,615.00	3 806.00	11 5,395.00
SEWARD	0	10 4,957.00	17 3,287.00	16 11,546.00	16 3,103.00	43 22,893.00
SOLDOTNA	1	38 22,285.00	85 16,314.00	69 45,647.00	69 12,788.00	193 97,034.00
STERLING	0	5 2,513.00	21 4,685.00	12 5,858.00	12 2,475.00	38 15,531.00

2668 11,743.20

6390.

11,731.

ELIGIBILITY INFORMATION SYSTEM
 CASELOAD AND ISSUANCE REPORT BY PROGRAM
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REGION : SOUTHCENTRAL
 DISTRICT : 76

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	ES ONLY	AFDC -----COMBINED-----	ES	TOTAL
DISTRICT TOTAL ***	2	144 77,008.00	384 80,495.00	209,005.00	304 55,967.00	834 422,475.00

ELIGIBILITY INFORMATION SYSTEM
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REGION : SOUTHCENTRAL
DISTRICT : 77

VILLAGE	AEDC ZERO GRANT	AEDC ONLY	FS ONLY	AEDC -----COMBINED-----	FS	TOTAL
ANCHORAGE	0	0 0.00	3 351.00	3 1,971.00	3 379.00	6 2,701.00
BIG LAKE	1	7 3,625.00	20 5,036.00	12 8,574.00	40 2,575.00	40 19,810.00
CHICKALOON	0	0 0.00	1 372.00	2 1,447.00	3 422.00	3 2,241.00
EAGLE RIVER	0	0 0.00	1 375.00	0 0.00	0 0.00	1 375.00
HOUSTON	0	4 2,913.00	12 2,747.00	7 5,094.00	23 1,327.00	23 12,081.00
PALMER	0	34 23,412.00	106 23,021.00	108 76,831.00	248 20,873.00	248 144,137.00
SKWENTNA	0	1 657.00	2 790.00	0 0.00	0 0.00	3 1,447.00
SUTTON	0	2 1,440.00	11 2,370.00	5 3,520.00	18 1,277.00	18 8,607.00
TALKEETNA	0	1 119.00	14 2,342.00	8 6,369.00	23 1,432.00	23 10,262.00
TRAPPERS CREEK	0	2 1,314.00	14 3,755.00	6 3,706.00	22 1,066.00	22 9,841.00
WASILLA	2	61 38,294.00	161 37,020.00	153 111,329.00	377 30,523.00	377 217,166.00
WILLOW	0	7 4,410.00	22 5,272.00	18 13,303.00	47 4,114.00	47 27,099.00
DISTRICT TOTAL ***	3	119 76,184.00	367 83,451.00	322 232,144.00	811 63,988.00	811 455,767.00

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
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REGION : SOUTHCENTRAL
DISTRICT : 82

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS -----	TOTAL
AKHIOK	0	1 1,165.00	2 814.00	657.00	1 80.00	4 2,716.00
AI FKNAGIK	0	1 261.00	2 685.00	0.00	0 0.00	3 946.00
ANCHORAGE	0	0 0.00	1 204.00	0.00	0 0.00	1 204.00
ATKA	0	0 0.00	5 1,148.00	0.00	0 0.00	5 1,148.00
CHENEGA	0	0 0.00	1 243.00	0.00	0 0.00	1 243.00
CHIGNIK	0	0 0.00	2 2,503.00	0.00	0 0.00	2 2,503.00
CHIGNIK LAKE	0	1 657.00	3 1,851.00	1,982.00	3 904.00	7 5,394.00
CHITINA	0	0 0.00	11 1,054.00	2,577.00	4 724.00	15 4,355.00
CLARKS POINT	0	1 657.00	1 337.00	538.00	1 245.00	3 1,777.00
COLD BAY	0	0 0.00	1 172.00	0.00	0 0.00	1 172.00
COPPER CENTER	0	4 1,281.00	21 3,361.00	8,119.00	13 2,492.00	38 15,253.00
CORDOVA	0	6 3,707.00	14 2,530.00	8,155.00	15 2,464.00	35 16,856.00
DILLINGHAM	0	11 6,876.00	5 1,515.00	11,501.00	13 4,209.00	29 24,101.00
DUTCH HARBOR	0	0 0.00	0 0.00	515.00	1 171.00	1 686.00
EGEGIK	0	0 0.00	3 870.00	0.00	0 0.00	3 870.00
EKWOK	0	1 567.00	4 1,591.00	2,833.00	3 1,379.00	8 6,370.00

REGION : SOUTHCENTRAL
DISTRICT : 82

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS	TOTAL
FALSE PASS	0	1 657.00	0 0.00	906.00	1 130.00	2 1,693.00
GAKONA	0	7 4,383.00	4 549.00	723.00	2 512.00	13 6,167.00
GLENNALLEN	0	4 3,147.00	4 1,587.00	0.00	0 0.00	8 4,734.00
ILIAMNA	0	1 624.00	1 516.00	0.00	0 0.00	2 1,140.00
KARLUK	0	2 918.00	2 934.00	657.00	1 80.00	5 2,589.00
KING COVE	0	0 0.00	0 0.00	1,037.00	1 233.00	1 1,270.00
KODIAK	1	34 22,362.00	84 14,825.00	27,323.00	40 6,407.00	159 70,917.00
KOKHANOK	0	1 624.00	1 496.00	239.00	1 415.00	3 1,774.00
KOLIGANEK	0	2 929.00	7 4,163.00	790.00	1 327.00	10 6,209.00
LARSEN BAY	0	10 6,501.00	1 111.00	1,591.00	5 732.00	16 8,935.00
LEVELOCK	0	0 0.00	1 2,224.00	0.00	0 0.00	1 2,224.00
MANOKOTAK	0	4 1,440.00	4 2,907.00	0.00	0 0.00	8 4,347.00
MCGRATH	0	1 850.00	3 1,073.00	906.00	1 412.00	5 3,241.00
NAKNEK	0	0 0.00	2 1,718.00	0.00	0 0.00	2 1,718.00
NEW STUYAHOK	0	9 6,059.00	6 4,967.00	918.00	2 848.00	17 12,792.00
NIKOLAI	0	0 0.00	3 1,460.00	526.00	1 415.00	4 2,401.00

ELIGIBILITY INFORMATION SYSTEM
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 REGION : SOUTHCENTRAL
 DISTRICT : 82

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS	TOTAL
NONDALTON	0	1 740.00	4 4,378.00	1 657.00	6 648.00	6 6,423.00
OLD HARBOR	0	4 2,315.00	15 3,285.00	5 4,135.00	24 1,204.00	24 10,939.00
OUZINKIE	0	0 0.00	4 1,521.00	2 3,753.00	6 405.00	6 5,679.00
PALMER	0	0 0.00	2 526.00	1 657.00	3 103.00	3 1,286.00
PEDRO BAY	0	0 0.00	2 918.00	1 823.00	3 436.00	3 2,177.00
PERRYVILLE	0	1 173.00	2 311.00	0 0.00	3 0.00	3 484.00
PORT HEIDEN	0	0 0.00	3 1,033.00	0 0.00	3 0.00	3 1,033.00
PORT LIONS	0	1 259.00	3 427.00	3 1,473.00	7 578.00	7 2,737.00
SAINT GEORGE	0	2 1,345.00	1 372.00	0 0.00	3 0.00	3 1,717.00
SAINT PAUL IS.	0	1 657.00	1 111.00	1 675.00	3 182.00	3 1,625.00
SAND POINT	0	1 478.00	4 775.00	2 1,480.00	7 300.00	7 3,033.00
SLANA	0	1 443.00	20 4,673.00	5 3,244.00	26 858.00	26 9,218.00
SOUTH NAKNEK	0	1 261.00	4 1,780.00	2 1,084.00	7 640.00	7 3,765.00
TAKOTNA	0	1 711.00	1 142.00	1 823.00	3 361.00	3 2,037.00
TATITLEK	0	0 0.00	1 175.00	5 3,138.00	6 575.00	6 3,888.00
TOGIAK	0	10 8,156.00	9 5,959.00	2 833.00	21 1,164.00	21 16,112.00

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
FEBRUARY 1986

REGION : SOUTHCENTRAL
DISTRICT : 82

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	ES ONLY	AFDC -----COMBINED-----	ES	TOTAL
TYONEK	0	0 0.00	4 970.00	657.00	1 63.00	5 1,690.00
UNALASKA	0	1 605.00	3 639.00	886.00	2 301.00	6 2,431.00
VALDEZ	1	5 4,012.00	29 5,889.00	5,771.00	9 1,878.00	44 17,550.00
DISTRICT TOTAL ***	2	132 83,320.00	311 90,292.00	102,582.00	153 32,875.00	598 309,569.00
REGION TOTAL ***	7	395 237,012.00	1062 254,238.00	543,731.00	779 152,830.00	2243 1,187,811.00

44 23,301

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
FEBRUARY 1986

REGION : SOUTHEAST
DISTRICT : 20

VILLAGE	AEDC ZERO GRANT	AEDC ONLY	FS ONLY	AEDC -----COMBINED-----	FS	TOTAL
GUSTAVUS	0	0 0.00	1 372.00	0 0.00	0 0.00	1 372.00
HOONAH	0	9 6,647.00	15 4,042.00	7 3,648.00	7 1,714.00	31 16,051.00
KAKE	0	11 6,725.00	6 1,745.00	7 3,665.00	7 1,375.00	24 13,510.00
PELICAN	0	0 0.00	1 239.00	1 740.00	1 125.00	2 1,104.00
PETERSBURG	0	12 7,241.00	23 5,527.00	14 7,628.00	14 2,569.00	49 22,965.00
DISTRICT TOTAL ***	0	32 20,613.00	46 11,925.00	29 15,681.00	29 5,783.00	107 54,002.00

REGION : SOUTHEAST
 DISTRICT : 21

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	ES ONLY	AFDC -----COMBINED-----	ES	TOTAL
ANGOON	0	0	1	0.00	0	1
		0.00	399.00	0.00	0.00	399.00
AUKE BAY	0	0	3	1,031.00	1	4
		0.00	333.00	279.00		1,643.00
DOUGLAS	0	6	7	11,464.00	19	32
		3,060.00	733.00	2,727.00		17,984.00
HAINES	0	11	43	18,454.00	24	78
		4,620.00	8,692.00	5,913.00		37,679.00
JUNEAU	4	77	164	105,498.00	153	398
		43,708.00	26,435.00	28,046.00		203,687.00
KLUKWAN	0	0	2	989.00	1	3
		0.00	404.00	291.00		1,684.00
SKAGWAY	0	3	8	3,063.00	5	16
		1,492.00	1,364.00	611.00		6,530.00
YAKUTAT	0	4	8	2,220.00	3	15
		2,545.00	2,222.00	596.00		7,583.00
DISTRICT TOTAL ***	4	101	236	142,719.00	206	547
		55,425.00	40,582.00	38,463.00		277,189.00

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ELIGIBILITY INFORMATION SYSTEM
 CASELOAD AND ISSUANCE REPORT BY PROGRAM
 FEBRUARY 1986

 REGION : SOUTHEAST
 DISTRICT : 22

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS	TOTAL
ANGOON	0	17 10,532.00	7 1,714.00	5,699.00	9 1,786.00	33 19,731.00
JINEAU	0	0 0.00	0 0.00	849.00	1 279.00	1 1,128.00
KENNEWICK	0	1 657.00	0 0.00	0.00	0 0.00	1 657.00
MT. EDGE CUMBE	0	1 657.00	0 0.00	0.00	0 0.00	1 657.00
PORT ALEXANDER	0	1 657.00	5 718.00	0.00	0 0.00	6 1,375.00
SITKA	1	46 26,292.00	46 7,132.00	23,334.00	35 5,979.00	128 62,737.00
TENAKEE	0	0 0.00	1 111.00	0.00	0 0.00	1 111.00
DISTRICT TOTAL ***	1	66 38,795.00	59 9,675.00	29,882.00	45 8,044.00	171 86,396.00

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
FEBRUARY 1986

REGION : SOUTHEAST
DISTRICT : 23

VILLAGE	AEDC ZERO GRANT	AEDC ONLY	ES ONLY	AEDC -----COMBINED-----	ES -----	TOTAL
ANCHORAGE	0	0 0.00	1 10.00	0 0.00	0 0.00	1 10.00
CRAIG	0	5 2,296.00	7 1,093.00	12 8,303.00	24 1,728.00	24 13,420.00
EDNA BAY	0	0 0.00	1 609.00	0 0.00	0 0.00	1 609.00
HYDABURG	1	6 3,723.00	6 1,895.00	8 5,615.00	21 1,303.00	21 12,536.00
HYDER	0	0 0.00	1 204.00	0 0.00	0 0.00	1 204.00
KASAAN	0	2 1,634.00	0 0.00	1 657.00	3 118.00	3 2,409.00
KETCHIKAN	0	57 33,786.00	170 24,417.00	120 78,611.00	347 22,449.00	347 159,263.00
KLANOCK	0	2 902.00	8 1,991.00	3 2,877.00	13 1,014.00	13 6,784.00
METLAKATLA	0	17 10,039.00	13 2,374.00	8 4,331.00	38 1,421.00	38 18,165.00
MYERS CHUCK	0	0 0.00	2 1,121.00	0 0.00	0 0.00	2 1,121.00
POINT BAKER	0	0 0.00	3 483.00	1 832.00	4 111.00	4 1,426.00
SAXMAN	0	1 740.00	0 0.00	1 519.00	2 228.00	2 1,487.00
THORNE BAY	0	2 1,447.00	9 866.00	2 951.00	13 361.00	13 3,625.00
WARD COVE	0	1 591.00	6 779.00	2 946.00	9 396.00	9 2,712.00
WRANGELL	0	8 3,871.00	31 5,190.00	41 28,907.00	80 6,107.00	80 44,075.00

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
FEBRUARY 1986

REGION : SOUTHEAST
DISTRICT : 23

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	ES ONLY	AFDC -----COMBINED-----	ES	TOTAL
DISTRICT TOTAL ***	1	101 59,029.00	258 41,032.00	132,549.00	199 35,236.00	559 267,846.00
REGION TOTAL ***	6	300 173,862.00	599 103,214.00	320,831.00	479 87,526.00	1384 685,433.00

REGION : SOUTHWEST
DISTRICT : 51

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS -----	TOTAL
AKIACHAK	0	9 4,480.00	12 6,513.00	7 4,746.00	3,179.00	28 18,918.00
AKIAK	0	8 5,069.00	7 3,543.00	2 1,216.00	976.00	17 10,804.00
ALAKANUK	0	10 5,812.00	20 12,051.00	8 5,883.00	2,978.00	38 26,724.00
ANIAK	1	10 5,643.00	5 2,092.00	3 2,054.00	1,100.00	19 10,889.00
ATMAUTLUAK	0	9 5,506.00	21 9,066.00	2 855.00	670.00	32 16,097.00
BETHEL	0	47 28,178.00	67 18,987.00	48 31,000.00	15,815.00	162 93,980.00
CHEFORNAK	0	13 7,794.00	10 6,686.00	3 845.00	1,236.00	26 16,561.00
CHEVAK	0	31 15,837.00	17 10,815.00	7 5,101.00	3,075.00	55 34,828.00
CHUATHBALUK	0	1 873.00	5 1,575.00	3 1,695.00	1,446.00	9 5,589.00
CROOKED CREEK	0	2 918.00	8 2,450.00	5 4,027.00	1,738.00	15 9,133.00
EEK	0	5 3,012.00	20 10,413.00	4 2,015.00	1,869.00	29 17,309.00
EMMONAK	0	18 11,241.00	15 6,801.00	5 2,835.00	2,348.00	38 23,225.00
FORTUNA LEDGE	0	2 1,314.00	16 7,959.00	4 2,794.00	1,741.00	22 13,808.00
GOODNEWS BAY	0	1 740.00	9 4,626.00	3 2,303.00	1,212.00	13 8,881.00
GRAYLING	0	4 2,742.00	12 6,004.00	6 4,908.00	3,729.00	22 17,383.00
HOLY CROSS	0	4 1,207.00	8 4,175.00	3 2,054.00	1,217.00	15 8,653.00

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
FEBRUARY 1986

REGION : SOUTHWEST
DISTRICT : 51

VILLAGE	AEDC ZERO GRANT	AEDC ONLY	ES ONLY	AEDC -----COMBINED-----	ES	TOTAL
HOOPER BAY	0	43 24,766.00	38 16,879.00	9,972.00	13 4,530.00	94 56,147.00
KALSKAG (LOWER)	0	5 3,283.00	15 7,601.00	4,021.00	8 3,848.00	28 19,653.00
KALSKAG (UPPER)	0	4 1,981.00	7 2,490.00	3,758.00	6 1,639.00	17 9,868.00
KASIGLUK	0	13 8,286.00	20 12,000.00	1,986.00	4 1,503.00	37 23,775.00
KIPNUK	1	7 5,197.00	31 13,563.00	1,646.00	2 1,129.00	41 21,535.00
KONGIGANAK	0	2 542.00	7 3,476.00	740.00	1 500.00	10 5,258.00
KOTLIK	0	11 5,666.00	17 9,320.00	3,040.00	4 1,974.00	32 20,000.00
KWETHLUK	0	12 7,155.00	28 14,952.00	2,875.00	3 1,146.00	43 26,128.00
KWIGILLINGOK	0	2 918.00	7 3,520.00	0.00	0 0.00	9 4,438.00
LIME VILLAGE	0	0 0.00	2 916.00	0.00	0 0.00	2 916.00
MCGRATH	0	0 0.00	1 64.00	0.00	0 0.00	1 64.00
MEKORYUK	0	4 2,037.00	9 3,495.00	522.00	1 356.00	14 6,410.00
MT. VILLAGE	0	16 8,282.00	20 11,696.00	8,252.00	12 4,083.00	48 32,313.00
NAPAKIAK	0	7 4,135.00	14 7,122.00	1,987.00	3 823.00	24 14,067.00
NAPASKIAK	0	1 261.00	18 9,190.00	3,748.00	6 2,928.00	25 16,127.00
NEWTOK	0	4 1,846.00	11 6,437.00	1,501.00	2 865.00	17 10,649.00

REGION : SOUTHWEST
DISTRICT : 51

VILLAGE	AEDC ZERO GRANT	AEDC ONLY	ES ONLY	AEDC -----COMBINED-----	ES -----	TOTAL
NIGHTMUTE	0	3 1,611.00	3 1,018.00	0.00	0 0.00	6 2,629.00
NUNAPITCHUK	0	9 3,919.00	18 10,760.00	1,360.00	3 1,096.00	30 17,135.00
OSCARVILLE	0	0 0.00	7 3,026.00	657.00	1 146.00	8 3,829.00
PILOT STATION	0	10 5,382.00	32 17,548.00	5,700.00	9 3,557.00	51 32,187.00
PITKA'S POINT	0	2 1,480.00	3 1,726.00	465.00	1 487.00	6 4,158.00
PLATINUM	0	0 0.00	3 1,539.00	1,037.00	2 686.00	5 3,262.00
QUINHAGAK	0	15 7,609.00	22 10,894.00	3,691.00	6 2,112.00	43 24,306.00
RED DEVIL	0	0 0.00	1 158.00	0.00	0 0.00	1 158.00
RUSSIAN MISSION	0	4 2,128.00	20 10,288.00	4,561.00	6 2,977.00	30 19,954.00
SAINT MARYS	0	8 3,597.00	9 5,106.00	7,365.00	10 5,577.00	27 21,645.00
SCAMMON BAY	0	9 4,950.00	11 4,807.00	3,436.00	4 1,717.00	24 14,910.00
SHAGELUK	0	4 2,177.00	9 3,509.00	303.00	1 410.00	14 6,399.00
SHELDON POINT	0	2 895.00	4 2,303.00	1,250.00	2 890.00	8 5,338.00
SLEETMUTE	0	1 657.00	13 5,315.00	661.00	2 698.00	16 7,331.00
STONY RIVER	0	4 2,185.00	4 940.00	0.00	0 0.00	8 3,125.00
TOKSOOK BAY	0	10 5,199.00	11 6,376.00	4,083.00	1,528.00	27 17,186.00

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
FEBRUARY 1986

REGION : SOUTHWEST
DISTRICT : 51

VILLAGE	AEDC ZERO GRANT	AEDC ONLY	ES ONLY	AEDC -----COMBINED-----	ES -----	TOTAL
TULUKSAK	0	11 6,833.00	25 14,086.00	4,090.00	5 2,595.00	41 27,604.00
TUNTUTULIAK	0	5 3,418.00	14 7,784.00	1,179.00	2 1,040.00	21 13,421.00
TUNUNAK	0	12 6,454.00	14 5,898.00	0.00	0 0.00	26 12,352.00
DISTRICT TOTAL ***	2	414 233,215.00	720 349,558.00	159,117.00	238 95,169.00	1374 837,059.00

EL GIBILITY INFORMATION SYSTEM
 CASELOAD AND ISSUANCE REPORT BY PROGRAM
 FEBRUARY 1986

REGION : SOUTHWEST
 DISTRICT : 51

VILLAGE	AFDC ZERO GRANT	AFDC ONLY	ES ONLY	AFDC -----COMBINED-----	ES	TOTAL
REGION TOTAL ***	2	414 233,215.00	720 349,558.00	238 159,117.00	95,169.00	1374 837,059.00

ELIGIBILITY INFORMATION SYSTEM
CASELOAD AND ISSUANCE REPORT BY PROGRAM
FEBRUARY 1986

	AFDC ZERO GRANT	AFDC ONLY	FS ONLY	AFDC -----COMBINED-----	FS -----	TOTAL
REPORT TOTAL ***	76	2425 1,404,468.00	4641 1,188,778.00	3857 2,656,033.00	785,304.00	10999 6,034,583.00



ADOPTED AUGUST 1972

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381

APR 17 1986

April 16, 1986

Senator Edna DeVries
CNRA Committee
Attention: Trudy Alford
Pouch V
Juneau, AK 99811

Re: Sales Tax Exemption for Food Stamp Purchases

Dear Senator DeVries:

After conferring with our local grocery stores, the best estimate we can come up with is an \$8,000 to \$9,000 loss in revenue for the City if Food Stamp purchases are exempt from Sales Tax.

Sincerely,

Jeff Jabusch
Finance Director

JJ:fv



CITY OF PALMER



231 W EVERGREEN AVE
PALMER, ALASKA 99645



Phone (907) 745-3271

A HOME RULE CITY

April 2, 1986

The Honorable Max F. Gruenberg, Jr.
Co-Chair, Health, Education & Social Services
Room 112 Capitol
Box V
Juneau, Alaska 99811

RE: HB 697 Prohibiting Sales Tax on Food Stamps

Dear Representative Gruenberg,

I would like to express my displeasure with HB 697 whereby food stamps are exempt from local sales tax.

By virtue of this bill, anyone who is gainfully employed and pays the sales tax is basically relegated to a second class citizen. What is being said, it is better to be poor so that the tax burden is paid by taxpayers who will pick up everyone's share of providing services.

Is the State going to reimburse the municipalities for the lost revenue?

With declining State revenues, there is no municipality which can afford to give free service to any group, irregardless. The State continually wants to shift the burden of providing services to local government without monetary remuneration. We as cities cannot continue to carry this burden.

We ask that you analyze HB 697 and vote against the exemption of food stamps from sales tax.

Should you have any questions, please contact me.

Yours truly,

David L. Soulak/cac

David L. Soulak
City Manager
City of Palmer

DLS/cac

cc: ✓ Scott Burgess
Mayor Carte'
Senator Kerttula

Senator DeVries
Representative Hurley
Representative Larson

Offered: 4/1/86
Referred: Rules

Original sponsor: Health, Education and
Social Services Committee

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 697 (HBSS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act prohibiting municipal sales tax on purchases
7 made with food stamps; and providing for an effective
8 date."

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

10 * Section 1. AS 29.10.200(40) is amended to read:

11 (40) AS 29.45.650(c), AND (d), and (f) (sales and use tax)

12 * Sec. 2. AS 29.10.200 is amended by adding a new paragraph to read:

13 (47) AS 29.45.700(a) (power of levy)

14 * Sec. 3. AS 29.45.650(a) is amended to read:

15 (a) Except as provided in (f) of this section, a [A] borough may
16 levy and collect a sales tax not exceeding six percent on sales,
17 rents, and on services provided in the borough. The sales tax may
18 apply to any or all of these sources. Exemptions may be granted by
19 ordinance.

20 * Sec. 4. AS 29.45.650 is amended by adding a new subsection to read:

21 (f) A borough may not levy and collect a sales tax on a purchase
22 made with food coupons, food stamps, or other type of certificate
23 issued under 7 U.S.C. 2011 - 2025 (Food Stamp Act). This subsection
24 applies to home rule and general law municipalities.

25 * Sec. 5. AS 29.45.700(a) is amended to read:

26 (a) A city in a borough that levies and collects areawide sales
27 and use taxes may levy sales and use taxes on all sources taxed by the
28 borough in the manner provided for boroughs. The [, EXCEPT THAT THE]
29 assembly may by ordinance authorize a city to levy and collect sales

1 and use taxes on other sources except purchases made with food cou-
2 pons, food stamps, or other type of certificate issued under 7 U.S.C.
3 2011 - 2025 (Food Stamp Act). This subsection applies to home rule
4 and general law municipalities.

5 * Sec. 6. This Act takes effect October 1, 1986.
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