

Indirect Expenditure Report

Report for FY 2015 - FY 2019

Alaska Department of Revenue

July 1, 2020



Indirect Expenditure Report

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Note: Other State of Alaska departments are omitted from this list because they reported no indirect expenditures.

Errata – August 5, 2020

Data were revised for two indirect expenditures within the Department of Commerce, Community, and Economic Development: Discount for Senior Citizens (updated fiscal year revenue impacts) and Discount for Service-Connected Disabled Veterans (updated number of beneficiaries).

Errata – October 12, 2020

Wording was revised for an indirect expenditure within the Department of Revenue: Carried-Forward Annual Loss Credit.

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Introduction

An indirect expenditure is a provision of state law that results in foregone revenue to the state to serve a certain public policy purpose. Department of Revenue's (DOR's) *Indirect Expenditure Report* is submitted in accordance with AS 43.05.095 as a biennial report to the Chairs of the Alaska State House and Senate Finance Committees and the Legislative Finance Division. This requirement was enacted as part of House Bill 306, passed by the Alaska Legislature in 2014. DOR's *Indirect Expenditure Report* was first published in 2014 and has been updated every two years since then.

The 2014 enacting legislation of this report, House Bill 306, established two different reports: DOR's *Indirect Expenditure Report*, and the Legislative Finance Division's *Indirect Expenditure Report*. While the reports share the same name, they have two different purposes. DOR's *Indirect Expenditure Report* compiles and reports indirect expenditure data and information for all departments, agencies, and state public corporations. Legislative Finance's *Indirect Expenditure Report* provides analysis of the effectiveness of the state's indirect expenditures using the information from DOR's Report and provides policy recommendations to the Legislature.

Summary

This 2020 report contains 266 indirect expenditures from 11 state departments and agencies, with total revenue impacts of approximately \$1.4 billion in Fiscal Year (FY) 2018 and at least \$1.3 billion in FY 2019. FY 2019 data was not yet complete for certain tax types, including Corporate Income Tax, Corporate Oil and Gas, and Mining License Tax at the time this report was published. Therefore, FY 2019 actual indirect expenditure revenue impacts are likely greater than \$1.3 billion. Oil and Gas Production Tax Credits have had less of an impact year over year. This, in part, is due to legislative action limiting or repealing these credits. DOR administers 78 indirect expenditures; by far the greatest number of provisions of any one department or agency. The revenue impacts of indirect expenditures administered by DOR accounted for about 91% of total statewide revenue impact in both FY 2018 and 2019.

The largest indirect expenditures by revenue impact are Oil and Gas Production Tax Credits which totaled approximately \$1.1 billion in FY 2019. Other notable indirect expenditures with large revenue impacts in FY 2019 include sport fishing and hunting licenses for resident seniors (DFG) with a revenue impact of \$15.3 million, discounted interest rates on loans to municipalities (DEC) with a revenue impact of \$12.2 million, a tax reduction for local levies on commercial passenger vessels (DOR) with a revenue impact of \$12.0 million, motor fuel tax exemption on foreign flights (DOR) with a revenue impact of \$9.7 million, a royalty modification for Oooguruk Unit (DNR) with a revenue impact of \$8.5 million, the Alaska Pioneer Home Payment Assistance Program (DHSS) with a revenue impact of \$6.9 million, permanent registration for 8-year-old vehicles (DOA) with a revenue impact of \$4.8 million, and a reduced alcoholic beverages tax rate for small breweries (DOR) with a revenue impact of \$2.9 million.

Over the next two years, two indirect expenditures are currently scheduled to change or end (sometimes referred to as "sunset"). A list of these indirect expenditures is included later in this report.

Overview and Purpose

When determining the state budget, program expenditures, and other spending are often evaluated and scrutinized, especially in a period of declining state revenues. The *Indirect Expenditure Report* is intended to provide information to the Alaska State Legislature and public about foregone state revenues.

While indirect expenditures do not constitute direct spending, they are an important component of how the state chooses to allocate resources. Indirect expenditures are often implemented to incentivize behavior, achieve policy goals, or provide a public benefit. Examples include the reduced tax rate on small breweries which was established to foster the development of breweries and brewpubs in Alaska, the Salmon and Herring Product Development Credit to increase the value of Alaska fisheries, and hunting and fishing fee waivers for senior and disabled veterans.

The *Indirect Expenditure Report* enables the legislature and the public to evaluate the cost and benefit of these provisions and determine if they should be continued, modified, or eliminated. To facilitate such evaluation, the Alaska Legislative Finance Division also produces an *Indirect Expenditure Report* which includes analysis of certain indirect expenditures and provides recommendations to the Legislature. Legislative Finance's report is due by the first legislative day of each first regular session of each legislature. Over a six-year period, every department and agency of the State of Alaska is reviewed on a rotating two-year basis. Below is a schedule of which departments are analyzed by the Alaska Legislative Finance Division, past and present:

2015 and 2021

Department of Commerce, Community, and Economic Development
Department of Fish and Game
Department of Labor and Workforce Development
Department of Revenue

2017

Alaska Court System
Department of Administration
Department of Education and Early Development
Department of Environmental Conservation
Department of Natural Resources
Department of Transportation and Public Facilities

2019

All remaining agencies

This report is a cooperative effort led by DOR. Ten other departments and agencies submitted information on indirect expenditures they administer. DOR compiled the report contributions of other departments and

agencies and made edits for stylistic consistency. Contributions and data from other departments and agencies are not independently verified.

In creating this report, DOR surveyed all state departments and agencies. Each agency, including DOR, examined their operations to identify and update current indirect expenditures and report the required information. DOR then combined the submissions from all other departments and agencies into this report. Due to time constraints, the 2014 report did not include the state’s public corporations: the Alaska Aerospace Corporation, the Alaska Energy Association and Alaska Industrial Development and Export Authority, the Alaska Gasline Development Corporation, the Alaska Housing Finance Corporation, the Alaska Mental Health Trust Association, the Alaska Municipal Bond Bank Authority, the Alaska Railroad Corporation, the Alaska Seafood Marketing Institute, the Alaska Student Loan Corporation, and the University of Alaska. Beginning with the 2016 report, the public corporations are included.

While every public corporation and state department responded to the survey for this year’s report, several agencies or corporations did not have indirect expenditures in their operations under the definition in AS 43.05.095. These departments and public corporations include:

- Alaska Aerospace Corporation
- Alaska Energy Authority and the Alaska Industrial Development and Export Authority
- Alaska Gasline Development Corporation
- Alaska Housing Finance Corporation
- Alaska Mental Health Trust Association
- Alaska Municipal Bond Bank Authority
- Alaska Railroad Corporation
- Alaska Seafood Marketing Institute
- University of Alaska
- Department of Corrections
- Department of Law
- Department of Military and Veterans Affairs
- Department of Public Safety

Defining Indirect Expenditures

AS 43.05.095 defines an “indirect expenditure” as an express provision of state law that results in foregone revenue for the state by providing:

- (1) a tax credit or other credit;
- (2) an exemption, but does not include federal tax exemptions adopted by reference in AS 43.20.021;
- (3) a discount;
- (4) a deduction, but does not include costs incurred in the ordinary course of business that are deducted in the calculation of a tax under this title or in the calculation of a royalty or net profit share payment for a lease issued under AS 38; or
- (5) a differential allowance.

In most cases, identifying indirect expenditures is straightforward, but there are some provisions that require a judgment as to whether they meet the statutory definition. For instance, some state programs are not “an express provision of state law” and are not included in this report, yet they would otherwise fall under the definition of an indirect expenditure. For example, the Alaska Housing Finance Corporation offers home ownership loans at lower interest rates to Alaskans under a certain income level. This is not mandated by state law; however, the Alaska Housing Finance Corp has the power to establish such programs under state law.

For some tax provisions, it is difficult to distinguish between provisions that provide tax exemptions and provisions that simply define the tax base. For example, the Vehicle Rental Tax excludes from taxation vehicles rented for more than 90 days. This exclusion could be classified as an exemption, and therefore qualify as an indirect expenditure. However, DOR concluded the legislative intent to raise revenue from visitors to the state using the state’s road system clearly defined the tax base.

There are also definitional issues with determining whether certain tax provisions should be considered differential allowances or not. For example, different motor fuels (such as gasoline, marine fuel and jet fuel) are taxed at different rates. In this instance, the lower tax rates for certain fuels can be considered a differential allowance that reduces revenue from the highest rate, or the lower rates could also be considered the base rates. In this example, the Department chose to define “indirect expenditure” broadly and considered a lower rate to be the differential allowance from the highest rate.

In the past, DOR has received questions regarding fee setting authority within state government. The Office of Management and Budget (OMB) produces an *Annual Fee Report* which details department and agency fees, including the name and purpose of the fee, as well as the authorizing statute or regulation and the amount of the fee. State departments, agencies and corporations were asked if they were aware of any programs or provisions in their department or agency that would offer a discount, credit, reduction, or similar that are not included in the DOR’s *Indirect Expenditure Report* or in the Office of Management and Budget’s *Annual Fee Report*. Responses garnered from departments and agencies indicate that these two reports are largely comprehensive in defining all foregone revenue within State of Alaska Government.

Reported Information

AS 43.05.095 requires departments to report the following information for each indirect expenditure:

- (1) the name of the indirect expenditure;
- (2) a brief description of the indirect expenditure;
- (3) the statutory authority for the indirect expenditure;
- (4) the date the statute authorizing the indirect expenditure is to be repealed, if applicable;
- (5) the intent of the legislature in enacting the statute authorizing the indirect expenditure;
- (6) the public purpose served by the indirect expenditure;
- (7) the estimated annual effect on revenue of the indirect expenditure for the previous five fiscal years, excluding the fiscal year immediately preceding the date the report is due;

- (8) the estimated cost to administer the indirect expenditure, if applicable; and
- (9) the number of beneficiaries of the indirect expenditure.

Report Improvements

DOR has consistently enhanced the *Indirect Expenditure Report* by improving upon previous report versions. Evolving iterations of the indirect expenditure survey have given departments and agencies the ability to include departmental direction and/or additional comments to the indirect expenditures they have submitted to provide clarification and insight surrounding the indirect expenditure. This opportunity was given to explain an indirect expenditure's purpose, to give additional information that was not captured by the questions mandated by statute, and to explore caveats from the department's point of view. Other improvements include increased efficiency of reporting and methodology in compilation of the report, as well as formatting changes for ease of use. Finally, this year's report adds a list of indirect expenditures that are currently scheduled to change or end during the next two years.

Notes on the Department of Revenue (DOR) Section

DOR uses the Tax Revenue Management System (TRMS) to collect, process, and store tax return information and data. With this management system, DOR can collect more detailed information from tax returns, and thus is able to report on certain indirect expenditures that previously did not have data available prior to the TRMS implementation in 2014. TRMS has facilitated easier access to data and improved revenue reporting which enabled more accurate revenue impacts of indirect expenditures.

In the process of preparing this report, DOR determined specific parameters by which to report data for each tax type. While the *Indirect Expenditure Report* is based on state fiscal years, tax periods can be on a monthly, quarterly, annual, or calendar year basis. For purposes of this *Indirect Expenditure Report*, data for each tax type is reported by fiscal year using different dates from the tax returns including filing period, the date the return was processed and posted, or the date the tax period began.

For the tax types with annual returns (Corporate Income Tax, Mining License Tax, and Large Passenger Vessel Tax, Fisheries Business Tax, Fishery Resource Landing Tax, Seafood Marketing Assessment), FY 2019 includes any tax periods beginning during the fiscal year, i.e. between July 1, 2018 and June 30, 2019. For some of these tax types in the DOR section, the FY 2019 column is "incomplete" because not all the returns for tax periods beginning in FY 2019 have been received. FY 2019 will be comprised principally of 2019 calendar-year returns which are typically not received until October 2020. The fiscal year columns show data that is updated from the last report to include amendments and late filings of FY 2017 returns. Many of the returns for tax years beginning in FY 2019 will not be received until after the publication of this report. Those indirect expenditures that are affected are noted in the DOR section.

An additional note regarding DOR reporting relates to defining when an indirect expenditure was "incurred." Often, tax payments are received in a different fiscal year than when DOR receives the corresponding tax return. DOR determined that the most accurate way to measure indirect expenditures would be to report on tax returns once they are received, as that is the only source of true and complete data about the impact of the indirect

expenditure. Users should be aware that the timing of revenue impacts on cash collections may not exactly match the timing of reporting on tax returns, particularly for the annual tax types.

For DOR's indirect expenditures, the revenue impacts reported reflect the impact on tax liabilities, not tax payments, unless otherwise noted. Many tax types require taxpayers to make estimated tax payments before the return is filed, and these estimated payments may extend across multiple fiscal years for a single tax return. As a result, the revenue impacts may not reflect the actual fiscal impact on payment in that fiscal year. To determine a fiscal year impact, which runs July 1st through June 30th, the tax return data were sorted by the beginning of the tax period. For example, return data with a tax period beginning June 2018 would be counted in FY 2018 for purposes of this report. Impacts shown give an idea of the scale of the indirect expenditures but may not precisely quantify the actual impact to the state in a given fiscal year.

DOR reporting of indirect expenditures is also limited by confidentiality statutes and rules; in general, information from tax returns can only be disclosed in aggregate. Some tax indirect expenditures benefit too few taxpayers to be disclosed, so the information is either aggregated with other expenditures, obscured by providing ranges, or not disclosed at all.

Limitations of Analysis

In many cases, indirect expenditures are administered as part of a larger program and may not have a significant additional cost beyond that of the underlying program. Defining the "cost to administer" was left to the discretion of each department or agency, and users should be aware that this cost should not be considered equal to the savings generated by repealing the authorizing statute. For example, if the administration of a certain provision requires 10% of one auditor's time, the State does not save 10% of that employee's salary if the provision is repealed. Similarly, the revenue impact for an indirect expenditure may not reflect the true savings from repealing the provision.

Additionally, for many indirect expenditures, the revenue impact and/or number of beneficiaries is listed as "unknown." For some tax provisions, the information may be confidential because it affects too few taxpayers to be made public. In other cases, this is because the provision's impact cannot be precisely measured or because significant additional work would be required to ascertain the impact of the provision.

DOR hopes that this report is useful in understanding and evaluating the provisions it describes. The department looks forward to working collaboratively with the Legislative Finance Division and policymakers to ensure that this report meets their needs as they consider these very important issues.

Indirect Expenditures Scheduled to End or Change before July 1, 2022

DOR:

- Fisheries Business Tax, Salmon and Herring Product Development Credit, AS 43.75.035
 - Sunset/Repeal on 12/31/2020
- Fishery Resource Landing Tax, Community Development Quota Credit, AS 43.77.040
 - Sunset/Repeal on 12/31/2020

Department of Administration
Division of Motor Vehicles

\$10 Fee Waiver for Government Agencies

Type: Exemption
Statutory/Other Authority: Unknown
Year Enacted: Unknown
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$7,050	\$11,130	\$5,610	\$5,050	\$4,520

Description

Fee waiver for government agencies requesting driver and vehicle records from DMV.

Legislative Intent, Public Purpose

Unknown; determined by Legislature.

Who Benefits and Number of Beneficiaries

Unknown

Estimated Cost to Administer

\$0

Department of Administration
Division of Motor Vehicles

Motor Vehicle License Plates and Registrations Fees for Amateur Radio Users

Type: Exemption
 Statutory/Other Authority: AS 28.10.181(i), AS 28.10.421
 Year Enacted: 1978
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$4,400	\$4,400	\$4,400	\$3,450	\$3,450

Description

Waives registration fees and personalized plate fees for certain amateur radio users

Legislative Intent, Public Purpose

Allows the registration of an amateur mobile radio station vehicle for each radio license issued by the federal government.

Who Benefits and Number of Beneficiaries

115 in FY 2018 and 119 in FY 2019.

Estimated Cost to Administer

\$0

Motor Vehicle License Plates and Registrations Fees for Disabled Persons

Type: Exemption
 Statutory/Other Authority: AS 28.10.181, AS 28.10.421
 Year Enacted: 2002
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$301,650	\$357,560	\$264,790	\$187,700	\$185,800

Description

Waives registration fees for disabled persons.

Legislative Intent, Public Purpose

Allow disabled persons to be issued a plate that does not have the international symbol of accessibility and which they are qualified for under AS 28.10.181.

Who Benefits and Number of Beneficiaries

1,877 in FY 2018 and 1,858 in FY 2019.

Estimated Cost to Administer

\$0

Department of Administration
Division of Motor Vehicles

Motor Vehicle License Plates and Registrations Fees for Disabled Veterans

Type: Exemption
 Statutory/Other Authority: AS 28.10.181, AS 28.10.421
 Year Enacted: 2002
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$193,900	\$248,100	\$223,800	\$188,200	\$204,600

Description

Waives registration fees for disabled veterans.

Legislative Intent, Public Purpose

Create a distinctive plate so disabled veterans can be recognized and stand out.

Who Benefits and Number of Beneficiaries

1,882 in FY 2018 and 2,046 in FY 2019.

Estimated Cost to Administer

\$0

Motor Vehicle License Plates and Registrations Fees for Gold Star Family

Type: Exemption
 Statutory/Other Authority: AS 28.10.181(l), AS 28.10.421
 Year Enacted: 2007
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$3,600	\$3,900	\$4,100	\$3,800	\$4,600

Description

Waives registration fees for survivors of those killed in the line of duty.

Legislative Intent, Public Purpose

Allow relatives of members of the United States Armed Forces that were killed in the line of duty to receive a gold star license plate.

Who Benefits and Number of Beneficiaries

38 in FY 2018 and 46 in FY 2019.

Estimated Cost to Administer

\$0

Department of Administration
Division of Motor Vehicles

Motor Vehicle License Plates and Registrations Fees for Municipal Governments and Charitable Organizations

Type: Discount
 Statutory/Other Authority: AS 28.10.181(a), AS 28.10.181(e), AS 28.10.421(d)
 Year Enacted: 1978
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$498,915	\$526,860	\$532,125	\$663,900	\$710,500

Description

Discounts vehicle registration fees from \$100 to \$10 for vehicles owned by municipal governments, charitable or non-profit organizations, church/religious organizations, and Alaska Tribal Village Councils.

Legislative Intent, Public Purpose

Allows municipalities, charitable, non-profits, and church/religious organizations to get a discounted rate on vehicle registrations. Alaska Native Tribal Village Councils are also eligible.

Who Benefits and Number of Beneficiaries

6,639 in FY 2018 and 7,105 in FY 2019.

Estimated Cost to Administer

\$0

Department of Administration
Division of Motor Vehicles

Motor Vehicle License Plates and Registrations Fees for Pearl Harbor Survivors

Type: Exemption
Statutory/Other Authority: AS 28.10.181(l), AS 28.10.421
Year Enacted: 1988
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$100	\$0	\$0	\$0	\$0

Description

Waives registration fees for Pearl Harbor survivors.

Legislative Intent, Public Purpose

Allows individuals who were on active duty in Pearl Harbor on December 7, 1941 to register one non-commercial vehicle.

Who Benefits and Number of Beneficiaries

One beneficiary.

Estimated Cost to Administer

\$0

Department of Administration
Division of Motor Vehicles

Motor Vehicle License Plates and Registrations Fees for Prisoners of War

Type: Exemption
 Statutory/Other Authority: AS 28.10.181(l), AS 28.10.421
 Year Enacted: 1984
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

Waives registration fees for Prisoners of War.

Legislative Intent, Public Purpose

Allows individuals who were Prisoners of War to register one non-commercial vehicle.

Who Benefits and Number of Beneficiaries

None

Estimated Cost to Administer

\$0

Motor Vehicle License Plates and Registrations Fees for Purple Heart Recipients

Type: Exemption
 Statutory/Other Authority: AS 28.10.181(q), AS 28.10.421
 Year Enacted: 1989
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$32,900	\$36,300	\$33,300	\$26,400	\$25,400

Description

Waives registration fees for Purple Heart recipients.

Legislative Intent, Public Purpose

Allows Purple Heart recipients to register one non-commercial vehicle.

Who Benefits and Number of Beneficiaries

264 in FY 2018 and 254 in FY 2019.

Estimated Cost to Administer

\$0

Department of Administration
Division of Motor Vehicles

Motor Vehicle License Plates and Registrations Fees for Senior Citizens

Type: Exemption
 Statutory/Other Authority: AS 28.10.411 (f)
 Year Enacted: 1978
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$662,900	\$449,100	\$449,100	\$1,412,900	\$1,241,800

Description

Waives registration fees for persons 65 years of age or older.

Legislative Intent, Public Purpose

Allows individuals who are 65 years of age or older on January 1st of the year the vehicle is registered to one exemption.

Who Benefits and Number of Beneficiaries

14,129 in FY 2018 and 12,418 in FY 2019.

Estimated Cost to Administer

\$0

Motor Vehicle License Plates and Registrations Fees for State Owned Vehicles

Type: Exemption
 Statutory/Other Authority: AS 28.10.421(d)(4)
 Year Enacted: Unknown
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$27,500	\$22,633	\$27,500	\$24,500	\$32,500

Description

Waives registration fees for state owned vehicles.

Legislative Intent, Public Purpose

Unknown

Who Benefits and Number of Beneficiaries

245 in FY 2018 and 325 in FY 2019.

Estimated Cost to Administer

\$0

Department of Administration
Division of Motor Vehicles

Permanent Registration for 8-Year-Old Vehicles in Unorganized Boroughs or Communities

Type: Exemption
 Statutory/Other Authority: AS 28.10.155
 Year Enacted: 2015
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$2,543,700	\$4,664,100	\$5,180,550	\$4,777,350

Note: Revenue loss was not realized until the 2-year registration period came due on the vehicles that were permanently registered starting with program inception.

Description

Allows permanent registration for vehicles 8 years or older in unorganized boroughs or in communities that have passed an ordinance to allow permanent registration.

Legislative Intent, Public Purpose

Unknown

Who Benefits and Number of Beneficiaries

69,074 in FY 2018 and 63,698 in FY 2019.

Estimated Cost to Administer

\$0

Departmental Direction/Additional Comments

This program began on January 1, 2014. The full registration fee and a \$25 fee are collected at the time of permanent registration. Thereafter, no registration fees are collected. The first revenue losses did not start until January 2016 due to the 2-year registration period.

Department of Administration
Division of Motor Vehicles

State Identification Cards for Senior Citizens

Type: Exemption
Statutory/Other Authority: AS 18.65.310(g)
Year Enacted: 1973 or 1976
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$207,630	\$218,310	\$198,630	\$191,655	\$204,480

Description

Waives identification card fees for applicants that are 60 years or older.

Legislative Intent, Public Purpose

Allows residents over 60 years of age to receive a free state identification card.

Who Benefits and Number of Beneficiaries

12,777 in FY 2018 and 13,632 in FY 2019.

Estimated Cost to Administer

\$0

Department of Commerce, Community, and Economic Development - *Banking*

Small Loan Company Exemption

Type: Exemption
 Statutory/Other Authority: AS 06.20.030
 Year Enacted: 1978
 Sunset/Repeal Date: N/A

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$50	\$0	\$0	\$0	\$0

Description

Exempts licensed small loan companies from the requirement of a business license.

Legislative Intent, Public Purpose

Alleviate regulatory burden on small loan companies by not requiring two licenses.

Who Benefits and Number of Beneficiaries

Between 0 and 13 businesses.

Estimated Cost to Administer

N/A.

Departmental Direction/Additional Comments

AS 06.20.030(c) reads 'The license fee required by this section is in place of the fee under AS 43.70 (Alaska Business License).' All currently licensed small loan companies also have an Alaska business license issued by the Division of Corporations, Business and Professional Licensing.

Department of Commerce, Community, and Economic Development - *Bulk Fuel Loan Program*

Interest Reduction

Type: Discount
 Statutory/Other Authority: AS 42.45.280, 3 AAC 161.045
 Year Enacted: 2013
 Sunset/Repeal Date: N/A

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$53,391	\$89,414	\$92,554	\$83,253	\$177,168

Note: The Bulk Fuel loan program is a revolving loan program. Program expenses come from the loan fund. The existing interest structure is expected to pay all costs of the program and keep the total loan fund at the current existing level of at least \$2.6 million.

Description

Statutory interest base rate for borrowers is 4%. Statutes allow a 1% or 2% interest reduction on subsequent loans for borrowers in good standing. The interest rate for a first-time borrower that receives a Bulk Fuel Loan will be zero.

Legislative Intent, Public Purpose

For the first year, zero interest loan for struggling entities to allow them time to work with the program to build management capacity. For the second and subsequent years, interest reduction to provide an incentive to entities that timely repaid their previous loans. Interest reduction is an incentive to remain in good standing in revolving loan program.

Who Benefits and Number of Beneficiaries

During FY 2018 there were 69 borrowers and in FY 2019 there were 82. This number is expected to vary between 50 and 80 in the future.

Estimated Cost to Administer

There is no additional incremental cost to the administration of the interest reduction program within the bulk fuel loans.

Department of Commerce, Community, and Economic Development - *Business Licensing*

Discount for Senior Citizens

Type: Discount
 Statutory/Other Authority: AS 43.70.030(a)(1-2), 12 AAC 12.010(a)(1-2)
 Year Enacted: 2003
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$90,475	\$91,975	\$96,650	\$42,325	\$89,750

Description

The Senior Citizen Discount provides a 50% discount to qualified sole proprietors. In FY 2009 the business license fee was \$100 per year, and the discounted business license fee was \$50. From FY 2010 to the present, the business license fee is \$50 per year and the discounted business license fee is \$25.

Legislative Intent, Public Purpose

Discount for sole proprietor senior citizens to foster Alaskan businesses and corporations.

Who Benefits and Number of Beneficiaries

During FY 2019 there were 3,590 beneficiaries.

Estimated Cost to Administer

N/A.

Departmental Direction/Additional Comments

Starting in FY 2016, the department separated out the Senior Citizen and the Service-Connected Disabled Veteran Discounts.

Department of Commerce, Community, and Economic Development - *Business Licensing*

Discount for Service-Connected Disabled Veterans

Type: Discount
 Statutory/Other Authority: AS 43.70.030(a)(1-2), 12 AAC 12.010(a)(1-2)
 Year Enacted: 2014
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$2,275	\$1,525	\$2,550	\$3,575	\$4,300

Note: The effective date of this program was 10/29/2014, part-way through FY 2015.

Description

The Service-Connected Disabled Veteran Discount provides a 50% discount to qualified sole proprietors. From FY 2015, the effective year of this discount, the business license fee is \$50 per year and the discounted business license fee is \$25 per year.

Legislative Intent, Public Purpose

Discount for sole proprietor service-connected disabled veterans to foster Alaskan businesses and corporations.

Who Benefits and Number of Beneficiaries

Between 61 and 102 beneficiaries.

Estimated Cost to Administer

N/A.

Departmental Direction/Additional Comments

Starting in FY 2016, the department separated out the Senior Citizen and the Service-Connected Disabled Veteran Discounts.

Department of Commerce, Community, and Economic Development - *Commercial Fishing Revolving Loan Fund*

Pay on Time Program

Type: Credit
 Statutory/Other Authority: AS 16.10.310, 3 AAC 80.055(p)
 Year Enacted: 8/1/2000
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$415,738	\$356,003	\$417,192	\$392,492	\$307,801

Description

1% interest rate incentive for following year to borrowers that make payment timely.

Legislative Intent, Public Purpose

Provide an incentive for borrowers who make timely payments. The program also saves the division money by reducing the number of extensions, soft collections contacts, workouts and other collection activity associated with borrowers that do not pay on time.

Who Benefits and Number of Beneficiaries

During FY 2019 there were 1,289 beneficiaries of the Pay on Time Program.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - Corporations

Discount for Alaskan Corporations on Biennial Report

Type: Discount
Statutory/Other Authority: AS 10.06.845(a)
Year Enacted: 1988
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$521,000	\$488,200	\$514,500	\$443,400	\$469,500

Description

The corporation tax on a biennial report for a domestic (Alaskan) corporation is \$100 and for a foreign (non-Alaskan) corporation is \$200.

Legislative Intent, Public Purpose

Discount for domestic (Alaskan) entities to foster Alaskan businesses and corporations.

Who Benefits and Number of Beneficiaries

In FY 2019 there were 4,695 domestic business corporations who filed biennial reports.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - Corporations

Discount for Alaskan Corporations on Creation

Type: Discount
 Statutory/Other Authority: AS 10.06.845(a)
 Year Enacted: 1988
 Sunset/Repeal Date: none

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$88,800	\$86,700	\$77,000	\$82,800	\$51,700

Description

The corporation tax on a creation filing for a domestic (Alaskan) corporation is \$100 and for a foreign (non-Alaskan) corporation is \$200.

Legislative Intent, Public Purpose

Discount for domestic (Alaskan) entities to foster Alaskan businesses and corporations.

Who Benefits and Number of Beneficiaries

FY 2018 had approximately 828 new domestic business corporations, and FY 2019 had approximately 517 new domestic business corporations.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - Corporations

Discount for Alaskan LLCs on Biennial Report

Type: Discount
 Statutory/Other Authority: AS 10.50.850, AS 10.50.900, 3 AAC 16.065
 Year Enacted: 1995
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,044,200	\$1,113,400	\$1,251,200	\$1,323,700	\$1,400,700

Description

The corporation tax on a biennial report for a domestic (Alaskan) limited liability company is \$100 and for a foreign (non-Alaskan) limited liability company is \$200.

Legislative Intent, Public Purpose

Discount for domestic (Alaskan) entities to foster Alaskan businesses and corporations.

Who Benefits and Number of Beneficiaries

FY 2018 had approximately 13,237 biennial reports, and FY 2019 had approximately 14,007 biennial reports.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - Corporations

Discount for Alaskan LLCs on Creation

Type: Discount
 Statutory/Other Authority: AS 10.50.850, AS 10.50.900, 3 AAC 16.065
 Year Enacted: 1995
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$418,100	\$473,400	\$496,700	\$537,800	\$555,700

Description

The corporation tax on a creation for a domestic (Alaskan) limited liability company is \$100 and for a foreign (non-Alaskan) limited liability company is \$200.

Legislative Intent, Public Purpose

Discount for domestic (Alaskan) entities to foster Alaskan businesses and corporations.

Who Benefits and Number of Beneficiaries

FY 2018 had approximately 5,378 new domestic LLCs. FY 2019 had approximately 5,557 new domestic LLCs.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - Corporations

Discount for Alaskan LLPs on Biennial Report

Type: Discount
 Statutory/Other Authority: AS 32.05.750, AS 32.06.970, 3 AAC 16.055(c)
 Year Enacted: 1997
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$2,200	\$1,600	\$2,700	\$1,800	\$2,600

Description

The corporation tax on a biennial report for a domestic (Alaskan) limited liability partnership is \$100 and for a foreign (non-Alaskan) limited liability partnership is \$200.

Legislative Intent, Public Purpose

Discount for domestic (Alaskan) entities to foster Alaskan businesses and corporations.

Who Benefits and Number of Beneficiaries

FY 2018 had approximately 18 domestic LLPs who filed. FY 2019 had approximately 26 domestic LLPs.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - *Insurance: all programs*

Alaska Comprehensive Health Insurance Association Tax Credit

Type: Credit
 Statutory/Other Authority: AS 21.55.220(f)
 Year Enacted: 2006
 Sunset/Repeal Date: N/A

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$2,998,235	\$1,499,959	\$5,000,000	\$3,000,000	\$2,000,000

Note: The estimated revenue impact is calculated at 50% of assessments.

Description

Tax credit of 50% of assessment by the Alaska Comprehensive Health Insurance Association.

Legislative Intent, Public Purpose

Rep. Norman Rokeberg's sponsor statement indicated the bill "would expand the base of entities paying into the Alaska Comprehensive Health Insurance Association (ACHIA), our 'high risk pool,' to ensure its future solvency and lower a barrier to entry into the Alaska market by health insurance underwriters." The offset likely was intended to soften the financial burden. The public purpose is to reduce taxes paid for companies paying into the Alaska Comprehensive Health Insurance Association.

Who Benefits and Number of Beneficiaries

In FY 2018, 59 companies benefited. In FY 2019, 63 companies benefited.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - *Insurance: all programs*

Alaska Fire Standards Council Tax Credit

Type: Credit
 Statutory/Other Authority: AS 21.96.075
 Year Enacted: 2000
 Sunset/Repeal Date: N/A

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

Tax credit up to \$300,000 amongst all eligible companies.

Legislative Intent, Public Purpose

Rep. Gene Therriault, sponsor of the bill, was approached by the Alaska Fire Chiefs Association to establish a tax credit to help fund the Alaska Fire Standards Council operations. The Council was assigned to find alternative funding methods and determine funding by offering a tax credit to the insurance companies and allows a tax credit for contributions made.

Who Benefits and Number of Beneficiaries

None.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - *Insurance: all programs*

Deduction from Premiums Written for Claims Paid

Type: Deduction
 Statutory/Other Authority: AS 21.09.210(b)(2)
 Year Enacted: 1966
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$13,019,395	\$19,784,799	\$18,423,828	\$22,170,193	\$23,873,003

Note: The estimated revenue impact is calculated claims paid * tax rate (6%).

Description

Premium tax on hospital and medical service corporations is based on 6% of gross premiums less claims paid.

Legislative Intent, Public Purpose

The minutes of the February 17, 1966 meeting of the House Commerce Committee included the following notation regarding AS 21.09.210(b)(2): "The question was raised as to whether or not health care plans were included. It was then discussed and noted that the provision was a compromise provision (group insurance insurers were discussed as to whether or not they were placed in a competitive disadvantage, the compromise which this section represents was then mentioned)." See legislative intent for premium deduction for more information. The public purpose is the establishment of premium tax on hospital and medical service corporations.

Who Benefits and Number of Beneficiaries

One company benefited.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - *Insurance: all programs*

Deduction from Premiums Written for Dividends

Type: Deduction
 Statutory/Other Authority: AS 21.09.210(b)
 Year Enacted: 1966
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,080,753	\$1,059,801	\$1,011,665	\$987,800	\$989,370

Note: The estimated revenue impact is calculated dividends * tax rate (2.7%).

Description

Premium deductions from premiums written due to cancellations, returned premiums, the unabsorbed premiums refunded to policy holders, refunds, savings, savings coupons and other similar returns to policy holders.

Legislative Intent, Public Purpose

There is no legislative history that indicates the legislative intent of this specific provision. The provision was enacted as part of a complete revision and reorganization of Alaska's insurance statutes in 1966 and was based on Montana's insurance code enacted in that state in 1961 and considered at that time to be "the most modern, complete, and up-to-date body of insurance regulation [of] any of the fifty states." The language of the provision, however, is unambiguous and the legislature's intent is clear from the common and ordinary meaning of the words the legislature used in the provision. The public purpose is the returning of policy premium when a policy is not in force.

Who Benefits and Number of Beneficiaries

The number of companies averaged 165 in FY 2018 and FY 2019.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - Insurance: all programs

Education Tax Credit

Type: Credit
 Statutory/Other Authority: AS 21.96.070
 Year Enacted: 1994
 Sunset/Repeal Date: On 1/1/2025 the credit will sunset.

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$151,000	\$150,000	\$975	\$0	\$500

Note: the estimated revenue impact is calculated at 50% of the first \$100,000 donation and 100% of the second \$100,000 and 50% exceeding \$300,000.

Description

Education tax credit for donations to allowable educational entities. See also p. 200.

Legislative Intent, Public Purpose

The provision was added to give the insurance industry the ability to take the tax credit which was a credit already available to anyone who pays a corporate income tax, oil production tax, fishing taxes or mining taxes and was intended to correct an oversight when the tax credit bill was enacted in 1991. The public purpose is to encourage donations for educational purposes.

Who Benefits and Number of Beneficiaries

The number of companies ranged from one to three from FY 2007 to FY 2015. One company benefited from FY 2016 to FY 2019.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - *Insurance: all programs*

Independently Procured Tax

Type: Exemption
 Statutory/Other Authority: AS 21.33.061(g)
 Year Enacted: Enacted 1984, effective date 1985
 Sunset/Repeal Date: N/A

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Note: Exempt State of Alaska and entities engaging in aircraft used for interstate or foreign commerce from paying tax.

Description

Tax exemption for insurance of risks of the state or a political subdivision of this state, or to insurance of aircraft primarily engaged in interstate or foreign commerce.

Legislative Intent, Public Purpose

There is no legislative history that indicates the legislative intent of this specific provision. The language of the provision, however, is unambiguous and the legislature's intent is clear from the common and ordinary meaning of the words the legislature used in the provision.

Who Benefits and Number of Beneficiaries

None.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - Insurance: all programs

Lower Tax Rate

Type: Discount
 Statutory/Other Authority: AS 21.09.210(m)
 Year Enacted: 1998
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$13,070,405	\$7,162,215	\$4,981,415	\$4,478,599	\$4,138,827

Note: The estimated revenue impact is calculated as premiums over \$100,000 per individual policy * tax rate (2.7%).

Description

Lower tax rate on individual life insurance policy premiums over \$100,000. The first \$100,000 taxed at 2.7% and anything over \$100,000 taxed at 0.08%.

Legislative Intent, Public Purpose

At the time of passage in 1998, testimony from the insurance division director indicated that there were no policies being written in the state with a yearly premium of \$100,000 or more. Testimony of supporters of the bill and Rep. Joe Ryan, sponsor of the amendment, indicated the intent of the amendment was to encourage large insurance policies to be placed in Alaska, to increase revenue and jobs in the state, to enhance the trust and financial planning industries in the state, and to make Alaska more competitive. The public purpose is to lower the cost for very large individual life insurance policies.

Who Benefits and Number of Beneficiaries

The number of companies ranged from 15 to 16 from FY 2018 to FY 2019.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - *Insurance: all programs*

Tax Exempt State Premiums

Type: Exemption
 Statutory/Other Authority: AS 21.09.210(i)
 Year Enacted: 1966
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
-	\$432,811	\$540,105	\$425,759	\$1,318,608

Note: The estimated revenue impact is calculated as premiums written * tax rate (2.7%)

Description

Premiums paid by the state for insurance policies and contracts purchased under AS 39.30 are exempt from taxation.

Legislative Intent, Public Purpose

There is no legislative history that indicates the legislative intent of this specific provision. The provision was enacted as part of a complete revision and reorganization of Alaska's insurance statutes in 1966. See legislative intent for premium deduction for more information. The public purpose is to reduce the cost of premiums to employees working for the State of Alaska.

Who Benefits and Number of Beneficiaries

Three companies benefited in FY 2018 and two companies benefited in FY 2019.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - Insurance: all programs

Unauthorized Company Tax

Type: Exemption
 Statutory/Other Authority: AS 21.33.055(c)
 Year Enacted: 1992
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Note: Exempt State of Alaska and entities engaging in aircraft used for interstate or foreign commerce from paying tax.

Description

Tax exemption for insurance of risks of the state or a political subdivision of this state, or to insurance of aircraft primarily engaged in interstate or foreign commerce.

Legislative Intent, Public Purpose

The provision was enacted as part of a substantial bill to enable the Alaska Division of Insurance to obtain accreditation by the National Association of Insurance Commissioners and to bring the State's insurance statutes up to date including the reorganization and revision of the requirements of licensing of insurance professionals. There is no legislative history that indicates the legislative intent of this specific provision. The language of the provision, however, is unambiguous and the legislature's intent is clear from the common and ordinary meaning of the words the legislature used in the provision. The public purpose is to exempt State of Alaska and entities engaging in aircraft used for interstate or foreign commerce from paying tax.

Who Benefits and Number of Beneficiaries

None.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - *Insurance: all programs*

Wet Marine and Transportation tax

Type: Deduction
 Statutory/Other Authority: AS 21.09.210(d)
 Year Enacted: 1966
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$147,511	\$159,350	\$147,608	\$139,997	\$183,059

Note: The estimated revenue impact is calculated as direct losses paid * tax rate (0.75%).

Description

Premium tax on insurer of wet marine and transportation contracts. Three-quarters of 1% on its gross underwriting profit which is less direct losses paid.

Legislative Intent, Public Purpose

A. J. Lingle, Former Director of the Division of Insurance, pointed out that the wet marine insurance tax amount was "the usual one put on insurance of this type" (2/17/1966 Minutes of the Commerce Committee). The provision was enacted as part of a complete revision and reorganization of Alaska's insurance statutes in 1966. See legislative intent for premium deduction for more information. The public purpose is to establish premium taxes on wet marine and transportation contracts.

Who Benefits and Number of Beneficiaries

The number of companies ranged from 29 to 36 from FY 2018 to FY 2019.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - Office of the State Assessor

Property Tax Equivalency Payments (Renters Rebate)

Type: Rebate
 Statutory/Other Authority: AS 29.45.040
 Year Enacted: 1973
 Sunset/Repeal Date: N/A

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Note: By not appropriating funds to meet the reimbursement obligation, the State increases the Unrestricted General Fund.

Description

The program rebates, to eligible applicants, that portion of their yearly rent on their permanent residence that goes towards the payment of real property taxes. A resident of the state who rents a permanent place of abode is eligible for a tax equivalency payment from the state through the department if the resident is (1) at least 65 years old; (2) a disabled veteran; or (3) at least 60 years old and the widow or widower of a person who was eligible for payment under (1) or (2).

Legislative Intent, Public Purpose

Reimburse municipalities for reduced revenue from a legislatively mandated program. The public purpose is to lessen the fiscal burden on elderly to encourage them to stay residents of the state.

Who Benefits and Number of Beneficiaries

Eighteen municipalities that collect property taxes that are mandated by law to provide this exemption. The Property Tax Equivalency Payment Program has not been funded since FY 2000, so there are no beneficiaries.

Estimated Cost to Administer

This program is not funded, so there is no fiscal impact.

Department of Commerce, Community, and Economic Development - Office of the State Assessor

Senior Citizens - Disabled Veterans Tax Exemption

Type: Exemption
 Statutory/Other Authority: AS 29.45.030(e) - (g)
 Year Enacted: 1973
 Sunset/Repeal Date: N/A

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Note: By not appropriating funds to meet the reimbursement obligation, the State increases the Unrestricted General Fund.

Description

State law exempts real property owned and occupied as a permanent home by a resident, 65 years of age or older, or, by a disabled veteran with a 50% or greater service-connected disability. The exemption applies to the first \$150,000 of assessed valuation.

Legislative Intent, Public Purpose

Reimburse municipalities for reduced revenue from a legislatively mandated program and lessen the tax burden on elderly persons and disabled veterans to encourage them to stay residents of the state.

Who Benefits and Number of Beneficiaries

24 municipalities that collect property taxes are mandated by law to provide this exemption.

There are 37,455 qualified applicants for the senior citizen and disabled veterans exemption.

Estimated Cost to Administer

This program is not funded, so there is no fiscal impact.

Department of Commerce, Community, and Economic Development - *Professional Licensing: all programs*

Pro-rated Rate for Renewal of Licenses Within 90 Days of Expiration

Type: Discount
 Statutory/Other Authority: AS 08.01.065, AS 08.01.080, AS 08.01.100, 12 AAC 02.030
 Year Enacted: 1981
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. This specific type of application is not separately identified or quantified.				

Description

Provides a pro-rated rate for renewal of the license for those who make initial application for a professional license within 90 days of its biennial expiration.

Legislative Intent, Public Purpose

Streamlines licensing paperwork and expense for those who make initial application for a professional license within 90 days of its biennial expiration.

Who Benefits and Number of Beneficiaries

Unknown.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - *Securities*

Discount for Securities Registrants and Notice Filers

Type: Discount

Statutory/Other Authority: AS 45.55.110; 45.55.139; 45.55.950; 45.55.980, 3 AAC 08.920 (a)(3), (a)(4) and (a)(5) - amended am 1/17/2016, Register 217

Year Enacted: 1999

Sunset/Repeal Date: N/A

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$285,620	\$13,200	\$14,800	\$0	\$0

Note: Revenue impact leveled as more filers move to one-year filings and use of electronic filing systems.

Description

Allowed securities registrants and notice filers to renew for two years for a discount of \$100. Usual fee is \$600 annually, or two years for \$1100.

Legislative Intent, Public Purpose

At the time the legislation passed in 1999 (HB 83), the Division was moving to a flat fee schedule. Testimony by then Director Elder that mutual funds have one- and two-year notice filings; so by providing a two-year option, it would reduce the paperwork burden on the issuers and the division, with only a slight discount. The public purpose is to reduce regulatory burden on issuers of securities and work load on the division for renewal processing.

Who Benefits and Number of Beneficiaries

Less than 150 securities issuers requested two-year initial or renewal mutual fund filings in FY 2016 and FY 2017, respectively.

Estimated Cost to Administer

N/A.

Departmental Direction/Additional Comments

Updated regulations effective January 2017 removed the two-year filing option with the discounted fee. Only one-year initial and renewal filings were accepted after May 2017. This nullifies the legislative intent/public purpose discussed above.

Department of Commerce, Community, and Economic Development - *Surplus Lines Tax*

Deduction From Premiums Written for Return Premium Transactions

Type: Deduction
 Statutory/Other Authority: AS 21.34.180
 Year Enacted: Enacted 1984, effective date 1985
 Sunset/Repeal Date: N/A

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$156,856	\$99,594	\$90,073	\$96,780	\$85,272

Note: The estimated revenue impact is calculated return premium * tax plus fee rate (3.7%).

Description

Deduction from premiums written for return premium transactions.

Legislative Intent, Public Purpose

Ch 117 SLA 1984 created a new Chapter 34, Surplus Lines Insurance, in the insurance Title 21 which included this provision. The new title was an “Alaskanized” version of the model bill” which was the NAIC surplus lines model bill. A provision with the same effect was first enacted as part of a complete revision and reorganization of Alaska's insurance statutes in 1966. See legislative intent for premium deduction for more information. The language of the provision, however, is unambiguous and the legislature's intent is clear from the common and ordinary meaning of the words the legislature used in the provision. The public purpose is to establish premium taxes on surplus lines contracts

Who Benefits and Number of Beneficiaries

The number of insured transactions ranged from 949 to 1071 from FY 2018 to FY 2019.

Estimated Cost to Administer

N/A.

Department of Commerce, Community, and Economic Development - *Surplus Lines Tax*

Tax Exemptions

Type: Exemption
 Statutory/Other Authority: AS 21.34.180(i)
 Year Enacted: Enacted 1984, effective 1985
 Sunset/Repeal Date: N/A

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$705,621	\$528,876	\$343,015	\$433,461	\$622,297

Note: The estimated revenue impact is calculated premium * tax plus fee rate (3.7%).

Description

Tax exemption for insurance of risks of the state or a political subdivision of this state, to an agency of state government or its political subdivisions, or to insurance of aircraft primarily engaged in interstate or foreign commerce.

Legislative Intent, Public Purpose

Ch 117 SLA 1984 created a new Chapter 34, Surplus Lines Insurance, in the insurance Title 21 which included this provision. The new title was an "'Alaskanized' version of the model bill," which was the NAIC surplus lines model bill. Ch 117 SLA 1984 has no legislative history to indicate the legislative intent of this specific provision. The language of the provision, however, is unambiguous and the legislature's intent is clear from the common and ordinary meaning of the words the legislature used in the provision. The public purpose is to exempt State of Alaska and entities engaging in aircraft used for interstate or foreign commerce from paying tax

Who Benefits and Number of Beneficiaries

The number of insured transactions ranged from 313 to 409 from FY 2018 to FY 2019.

Estimated Cost to Administer

N/A.

Alaska Court System

Additional Lighting Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.040
Year Enacted: pre-1959
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$160	\$160

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Additional Lights Required for Emergency Vehicle (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.090
Year Enacted: pre-1959
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Anti-Spray Devices Required (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: AS 28.35.253
 Year Enacted: 1986
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$8,460	\$4,140	\$6,180	\$3,800	\$2,170

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Brake Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: 13 AAC 04.205
 Year Enacted: 1979
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$270	\$450	\$540	\$270	\$270

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Community Work Service Order In lieu of Fine or Surcharge

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: AS 12.55.055
 Year Enacted: 2005
 Sunset/Repeal Date: None

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$38,880	\$29,246	\$20,700	\$28,781	\$22,485

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective behavior.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Defensive Driving Course Completion Credit Against Fines

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: By Court Order
 Year Enacted: N/A
 Sunset/Repeal Date: None

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$435	\$170	\$470	\$0	\$1,290

Description

N/A

Legislative Intent, Public Purpose

N/A

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Emission Control System Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.257
Year Enacted: 1979
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Energy Absorption System Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.272
Year Enacted: 1979
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,200	\$525	\$0	\$225	\$375

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Exemption from Payment of Fees due to Determination of Indigency

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: Admin. Rules 9 & 10
Year Enacted: 1980
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$148,016	\$220,318	\$198,574	\$169,126	\$232,635

Description

N/A

Legislative Intent, Public Purpose

N/A

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Fail To Provide Child Safety Device 1st Offense (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: AS 28.05.095
Year Enacted: 1984
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$440	\$445	\$485	\$460	\$400

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Headlight Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.020
Year Enacted: pre-1959
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$51,920	\$ 32,040	\$41,680	\$30,720	\$14,160

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Horn/Warning Device Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.210
Year Enacted: pre-1959
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Ignition Interlock Device Credit Against Fines

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: AS 12.55.102
Year Enacted: 1989
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$501,385	\$359,826	\$396,642	\$366,832	\$358,916

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective behavior.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

License Carried/ Exhibited on Demand (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: AS 28.15.131
Year Enacted: 1978
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$8,450	\$5,100	\$2,850	\$4,150	\$3,940

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Mirror Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.220
Year Enacted: pre-1959
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,860	\$720	\$540	\$660	\$420

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Muffler Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.215
Year Enacted: pre-1959
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$2,700	\$1,290	\$810	\$660	\$360

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Operating Vehicle w/Studded/Chained Tires When Prohibited (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: AS 28.35.155
Year Enacted: 1976
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$25,200	\$16,200	\$10,150	\$7,250	\$11,500

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Other Equipment Required: Horn/Mirrors/Tires/Etc. (Bicycle) (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.355
Year Enacted: 1979
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$40	\$0	\$0

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Parking Light Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: 13 AAC 04.070
 Year Enacted: pre-1959
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$40

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Proof of Insurance to Be Carried and Exhibited on Demand (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: AS 28.22.019
 Year Enacted: 2002
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$2,894,410	\$2,206,500	\$1,949,000	\$1,887,000	\$1,428,500

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Reflector Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: 13 AAC 04.030
 Year Enacted: pre-1959
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$320	\$0	\$0	\$40	\$40

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Restrictions on Lighting Equipment (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: 13 AAC 04.145
 Year Enacted: pre-1959
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$200	\$330	\$80	\$290	\$120

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Safety Belt Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.270
Year Enacted: 1961
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$300	\$225	\$375	\$450	\$150

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Sportfishing License (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: AS 16.05.330(a)
Year Enacted: 1997
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$14,850

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

State of Alaska Agencies Exempt from Filing, Copy and Certifying Fees

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: Admin. Rule 9(f)(2)
 Year Enacted: 1980
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$74,735	\$77,350	\$98,740	\$94,275	\$100,565

Description

N/A

Legislative Intent, Public Purpose

N/A

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Steering Assembly / Wheel Align / Body Condition (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: 13 AAC 04.227
 Year Enacted: 1979
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$200	\$0	\$200	\$800

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Stop Light Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.035
Year Enacted: pre-1959
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$10,040	\$4,520	\$4,320	\$5,600	\$3,800

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Suspended Court Ordered Fines and Surcharges

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: AS 12.55.080
Year Enacted: 1962
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$3,480,910	\$3,110,966	\$3,033,854	\$2,769,381	\$2,856,860

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective behavior.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Taillight Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.025
Year Enacted: pre-1959
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$15,160	\$9,880	\$10,680	\$14,230	\$6,520

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Tinted Windows (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.223
Year Enacted: 1992
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$57,000	\$28,500	\$71,400	\$54,150	\$39,450

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Tire Restrictions and Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: 13 AAC 04.230
 Year Enacted: pre-1959
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$100	\$400	\$400	\$0	\$0

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Turn Light Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
 Statutory/Other Authority: 13 AAC 04.037
 Year Enacted: 1979
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$760	\$360	\$520	\$640	\$240

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not provided.

Alaska Court System

Windshield and Wiper Requirements (Correctable)

Type: Fee/Fine/Cost Dismissal or Credit
Statutory/Other Authority: 13 AAC 04.225
Year Enacted: pre-1959
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,350	\$1,900	\$1,250	\$1,570	\$550

Description

N/A

Legislative Intent, Public Purpose

Encourage corrective action.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

Not reported.

Department of Education and Early Development

Credit: Education Loan Forgiveness - Alaska Student Loan Corporation

Type: Credit
Statutory/Other Authority: AS 14.43.120(j)
Year Enacted: 1971
Sunset/Repeal Date: Repealed 1987

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$340	\$0	\$0	\$0	\$0

Description

Under certain conditions up to 50% of a borrower's obligation to repay loan principal and interest is forgiven.

Legislative Intent, Public Purpose

Encourage Alaska residents to complete postsecondary education and return to or remain in Alaska thereafter.

Who Benefits and Number of Beneficiaries

Varies. At 6/30/2019, there were 69 ASL borrowers with outstanding loans containing forgiveness provisions.

Estimated Cost to Administer

Automated; minimal manual intervention

Department of Education and Early Development *Institutional Authorization*

Exemption from Authorization

Type: Exemption
 Statutory/Other Authority: AS 14.48.030
 Year Enacted: 1976
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$300,000	\$99,000	\$74,500	\$13,150	\$13,150

Note: Estimate 30 institutions would seek authorization if required which assumes 15% of current 200 exempt distance education providers would seek authorization if required.

Description

Out-of-state postsecondary institutions offering distance education to Alaska students are exempt from authorization. Fee to institution for authorization is \$2,500; fee for exemption is \$100.

Legislative Intent, Public Purpose

Ensure no disincentive for institutions to enroll Alaska students. Maximize higher education options for Alaska students.

Who Benefits and Number of Beneficiaries

Two hundred out-of-state colleges and universities offering distance education to Alaskans. 6,308 Alaska students enrolled in out-of-state distance education provider schools approved under the State Authorization Reciprocity Agreement (SARA).

Estimated Cost to Administer

Estimated at \$8,000 annually, based on percent of staff processing time.

Department of Education and Early Development *Multiple Education Loan Programs*

Interest Deduction

Type: Deduction
Statutory/Other Authority: AS 14.42.200, AS 14.42.210
Year Enacted: 2001
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$968,722	\$854,374	\$693,139	\$543,613	\$409,673

Description

ASLC annually approves a deduction of interest of some percent value to be provided to borrowers who meet specific criteria.

Legislative Intent, Public Purpose

Provide lowest possible costs of education loans to qualifying borrowers.

Who Benefits and Number of Beneficiaries

As of 6/30/2019, approximately 11,500 borrowers with outstanding loans could be eligible for a benefit in any given year.

Estimated Cost to Administer

Automated; minimal manual intervention

Department of Education and Early Development

Multiple Education Loan Programs

Subsidized Interest Period

Type: Exemption

Statutory/Other Authority: AS 14.43.120(e)

Year Enacted: 1984 (Teacher Education Loan) & 1971 (Alaska Student Loan)

Sunset/Repeal Date: ASL repealed in 1987

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$166,265	\$114,394	\$73,506	\$81,503	\$40,735

Note: These loans are no longer being made.

Description

ASLC subsidizes interest while the borrower is enrolled or, in some cases, in a deferment period.

Legislative Intent, Public Purpose

Encourage Alaska residents to complete postsecondary education.

Who Benefits and Number of Beneficiaries

Borrowers of loans. As of 6/30/19 there were about 69 borrowers with loans eligible for interest subsidies.

Estimated Cost to Administer

Automated; minimal manual intervention

Department of Education and Early Development State Archives

Copy Fee Waiver, Government

Type: Discount
 Statutory/Other Authority: AS 40.21.030(a)(5), 4 AAC 59.065
 Year Enacted: Unknown
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	\$756	\$1,723	\$875	\$1,851

Description

Copy fees waived for government agencies.

Legislative Intent, Public Purpose

N/A, In the public interest.

Who Benefits and Number of Beneficiaries

Varies. FY 2016: 34; FY 2017: 43, FY 2018: 29, FY 2019: 34

Estimated Cost to Administer

Minimal staff time.

Copy Fee Waiver, Students

Type: Discount
 Statutory/Other Authority: AS 40.21.030(a)(5), 4 AAC 59.065
 Year Enacted: Unknown
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	\$50	\$75	\$102	\$592

Description

Copy fees waived for students.

Legislative Intent, Public Purpose

N/A, encourage Alaska high school and postsecondary education students to research, report and publish on Alaskan topics.

Who Benefits and Number of Beneficiaries

Varies. FY 2016: 8, FY 2017: 9, FY 2018: 14, FY 2019: 30

Estimated Cost to Administer

Minimal staff time.

Department of Education and Early Development *State Library, Extended reference & other staff services*

Staff Time Fee Waiver

Type: Discount
 Statutory/Other Authority: AS 14.56.030, 4 AAC 57.910
 Year Enacted: 1966, with later amendments
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Information not available.				

Note: It has been determined that the cost to charge agencies is likely higher than any revenue that would be realized. This is likely not the case for the public, however due to infrequent use of this service the revenue is minimal.

Description

According to regulations, the Alaska State Library charges \$50 per hour for staff time for additional services. Normally the time limit for reference services is about 20 minutes per query. This limit is waived for State employees, requiring the spending of hours on queries. Occasionally it is waived for other researchers if they need information from unique collections and they don't have any practical way of accessing them.

Legislative Intent, Public Purpose

N/A, saves overall costs to state government.

Who Benefits and Number of Beneficiaries

Other State agencies, rare public use.

Estimated Cost to Administer

The costs to state government would be greater if these fees were charged.

Department of Education and Early Development State Library, Interlibrary Loan

Reciprocal Fee Waiver

Type: Exemption
 Statutory/Other Authority: AS 14.56.030, 4 AAC 57.910
 Year Enacted: 1966, with later amendments
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Information not available.		-\$5,321	-\$3,052	-\$2,611

Note: The Alaska State Library has entered into several large reciprocal agreements for interlibrary loan. Although revenue is lost by not charging, Alaska State Library pays less by not being reciprocally charged. There is also saved staff time. The savings outweigh revenue lost and for that reason a negative revenue impact (meaning a net increase to the state) is shown above for FY 2017. The Alaska State Library still charges libraries that are not participants in these reciprocal agreements.

Description

Fees are waived for libraries that are members of groups who have agreed to waive fees for all members. This includes all Alaskan libraries.

Legislative Intent, Public Purpose

N/A, Support sharing among Alaskan libraries and cost savings.

Who Benefits and Number of Beneficiaries

In general, this benefits all participating libraries because of saving service fees and staff time.

Estimated Cost to Administer

\$0; minimal manual intervention. Program saves administration costs (time and service fees).

Departmental Direction/Additional Comments

Amount saved is approximate, based on estimated fees.

Department of Education and Early Development
State Library, Photocopying & printing

Photocopying and Printing Fee Waiver

Type: Discount
 Statutory/Other Authority: AS 14.56.030, 4 AAC 57.910
 Year Enacted: 1966, with later amendments
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Information not available.				

Note: It has been determined that the cost to charge state agencies is likely higher than revenue that would be realized.

Description

Fees waived for state agencies.

Legislative Intent, Public Purpose

N/A, saves overall costs to state government.

Who Benefits and Number of Beneficiaries

Other State agencies, other use rare.

Estimated Cost to Administer

The costs to state government would be greater if these fees were charged.

Department of Education and Early Development State Library, Photo Orders

Alaska Governmental Entity

Type: Waiver (10 per project)
 Statutory/Other Authority: AS 14.56.030, 4 AAC 57.910
 Year Enacted: 1966, with later amendments
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	\$2,725	\$4,900	\$950	\$425

Description

Photo orders by governmental entities based in Alaska.

Legislative Intent, Public Purpose

N/A

Who Benefits and Number of Beneficiaries

32 in FY 2016, 43 in FY 2017, 38 in FY 2018, 17 in FY 2019.

Estimated Cost to Administer

Estimated at \$3,250 annually.

Alaska Non-Profit

Type: Waiver (10 per project)
 Statutory/Other Authority: AS 14.56.030, 4 AAC 57.910
 Year Enacted: 1966, with later amendments
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	\$425	\$725	\$150	\$150

Description

Photo orders by non-profit agencies based in Alaska.

Legislative Intent, Public Purpose

N/A

Who Benefits and Number of Beneficiaries

17 in FY 2016, 12 in FY 2017, 6 in FY 2018, 6 in FY 2019.

Estimated Cost to Administer

Minimal staff time.

Department of Education and Early Development State Library, Photo Orders

Alaska Resident

Type: Waiver (3 per year)
 Statutory/Other Authority: AS 14.56.030, 4 AAC 57.910
 Year Enacted: 1966, with later amendments
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	\$300	\$525	\$325	\$250

Description

Photo orders by Alaska residents for personal use of the image.

Legislative Intent, Public Purpose

N/A

Who Benefits and Number of Beneficiaries

17 in FY 2016, 21 in FY 2017, 13 in FY 2018, 10 in FY 2019.

Estimated Cost to Administer

Estimated at \$100 annually.

Collection Donor

Type: Waiver
 Statutory/Other Authority: AS 14.56.030, 4 AAC 57.910
 Year Enacted: 1966, with later amendments
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	\$50	\$100	\$25	\$0

Description

Reciprocal agreement (implied) with the donor. Encourages photo collection donations.

Legislative Intent, Public Purpose

Increased assets available to the public.

Who Benefits and Number of Beneficiaries

2 in FY 2016, 1 in FY 2017, 1 in FY 2018, 0 in FY 2019.

Estimated Cost to Administer

Minimal staff time.

Department of Education and Early Development State Library, Photo Orders

Miscellaneous, In the Public Interest

Type: Waiver
 Statutory/Other Authority: AS 14.56.030, 4 AAC 57.910
 Year Enacted: 1966, with later amendments
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	\$175	\$525	\$175	\$75

Description

Photo orders by or on behalf of the public/public interest (educational and/or cultural support)

Legislative Intent, Public Purpose

N/A

Who Benefits and Number of Beneficiaries

6 in FY 2016, 8 in FY 2017, 7 in FY 2018, 3 in FY 2019.

Estimated Cost to Administer

Minimal staff time.

Reciprocal Agreement

Type: Waiver
 Statutory/Other Authority: AS 14.56.030, 4 AAC 57.910
 Year Enacted: 1966, with later amendments
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	\$75	\$25	\$300	\$50

Description

Reciprocal Agreement leading to increased access to different collections.

Legislative Intent, Public Purpose

N/A, increased assets available to the public.

Who Benefits and Number of Beneficiaries

1 in FY 2016, 1 in FY 2017, 12 in FY 2018, 2 in FY 2019.

Estimated Cost to Administer

Minimal staff time.

Department of Education and Early Development State Library, Photo Orders

State of Alaska Agency

Type: Waiver (10 per project)
 Statutory/Other Authority: AS 14.56.030, 4 AAC 57.910
 Year Enacted: 1966, with later amendments
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	\$1,250	\$2,040	\$275	\$325

Description

Photo orders by Alaska state agencies.

Legislative Intent, Public Purpose

N/A, It is not cost-effective to pursue fees from another State agency for less than \$250.

Who Benefits and Number of Beneficiaries

8 in FY 2016, 20 in FY 2017, 11 in FY 2018, 13 in FY 2019.

Estimated Cost to Administer

Estimated at \$400 annually.

Student

Type: Waiver
 Statutory/Other Authority: AS 14.56.030, 4 AAC 57.910
 Year Enacted: 1966, with later amendments
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	\$34	\$11	\$0	\$25

Description

Photo orders by students using images for class work.

Legislative Intent, Public Purpose

N/A

Who Benefits and Number of Beneficiaries

4 in FY 2016, 4 in FY 2017, 0 in FY 2018, 1 in FY 2019.

Estimated Cost to Administer

Minimal staff time.

Department of Education and Early Development
State Museum, Sheldon Jackson Museum

Discount for Closing Time Admission

Type: Discount
 Statutory/Other Authority: AS 14.57.010(c), 4 AAC 58.010(c)
 Year Enacted: 2010
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$1,117	\$1,188	\$1,278

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility and remained closed through FY 2015 and most of FY 2016. Cost of admission increased in FY 2017.

Description

Half-price discount on admission fee near closing time.

Legislative Intent, Public Purpose

N/A, In the public interest.

Who Benefits and Number of Beneficiaries

Varies. 0 half-price discounts in FY 2016, 101 in FY 2017, 303 in FY 2018, 257 in FY 2019.

Estimated Cost to Administer

\$0

Department of Education and Early Development
State Museum, Sheldon Jackson Museum

Discounts for Special Events

Type: Discount
 Statutory/Other Authority: AS 14.57.010(c), 4 AAC 58.010(c)
 Year Enacted: 1987
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$4,040	\$3,867	\$42,380	\$50,309	\$48,234

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility and remained closed through FY 2015 and most of FY 2016. Cost of admission increased in FY 2017.

Description

Special events - adults, youth, families.

Legislative Intent, Public Purpose

N/A, In the public interest.

Who Benefits and Number of Beneficiaries

Varies. 740 in FY 2016, 5,186 in FY 2017, 6,820 in FY 2018, 6,319 in FY 2019.

Estimated Cost to Administer

\$0

Department of Education and Early Development
State Museum, Sheldon Jackson Museum

Free Admission for Military

Type: Discount
Statutory/Other Authority: National Program; AS 14.57.010(c)
Year Enacted: 2010
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$30	\$1,147	\$7,452	\$5,749	\$6,609

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility and remained closed through FY 2015 and most of FY 2016. Cost of admission increased in FY 2017.

Description

Blue Star Military discount//Free admission to active military and their immediate families.

Legislative Intent, Public Purpose

N/A, Federal program to benefit those serving our country in the military.

Who Benefits and Number of Beneficiaries

Varies. 101 in FY 2016, 715 in FY 2017, 637 in FY 2018, 702 in FY 2019.

Estimated Cost to Administer

\$0

Department of Education and Early Development
State Museum, Sheldon Jackson Museum

Free Admission for Students

Type: Discount
 Statutory/Other Authority: AS 14.57.010(c), 4 AAC 58.010(a)
 Year Enacted: 1987
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$6,030	\$14,199	\$68,391	\$41,682	\$54,910

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility and remained closed through FY 2015 and most of FY 2016. Cost of admission increased in FY 2017.

Description

Entry Fee waived for those 18 years or younger.

Legislative Intent, Public Purpose

N/A, Student Discount.

Who Benefits and Number of Beneficiaries

Varies. 1,955 in FY 2016, 7,009 in FY 2017, 7,089 in FY 2018, 9,265 in FY 2019.

Estimated Cost to Administer

\$0

Department of Education and Early Development
State Museum, Sheldon Jackson Museum

Group Discount

Type: Discount
Statutory/Other Authority: AS 14.57.010(c), 4 AAC 58.010(a)
Year Enacted: 2012
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$662	\$662

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility and remained closed through FY 2015 and most of FY 2016.

Description

Discount on entry fee for educational and not-for-profit groups.

Legislative Intent, Public Purpose

N/A, Net benefit to the museum as it draws visitors that may not visit the museum otherwise.

Who Benefits and Number of Beneficiaries

Visitors receiving the group discount included 393 in FY 2018 and 171 in FY 2019.

Estimated Cost to Administer

\$0

Department of Education and Early Development
State Museum, Sheldon Jackson Museum

Miscellaneous, In the Public Interest

Type: Discount
 Statutory/Other Authority: AS 14.57.010(c), 4 AAC 58.010(h)
 Year Enacted: 2017
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	N/A	N/A	\$3,813	\$4,219

Note: Facility rentals began in FY 2018.

Description

Discount on rentals.

Legislative Intent, Public Purpose

N/A, Offers programming consistent with LAM mission while incurring little cost to LAM (Libraries, Archives, Museums) and inviting diverse groups to see building. Promotes collaboration between LAM and larger community.

Who Benefits and Number of Beneficiaries

FY 2018 had 5 total rentals in this category. FY 2019 had 5 total rentals in this category.

Estimated Cost to Administer

\$0

Department of Education and Early Development
State Museum, Sheldon Jackson Museum

Non-Profit or Other Government

Type: Discount
 Statutory/Other Authority: AS 14.57.010(c), 4 AAC 58.010(h)
 Year Enacted: 2017
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	N/A	N/A	\$7,228	\$7,138

Note: Facility rentals began in FY 2018.

Description

Discount on rentals.

Legislative Intent, Public Purpose

N/A, Promotes relationships with non-profits or other agencies that bring awareness of rental spaces and LAM mission to a larger audience.

Who Benefits and Number of Beneficiaries

FY 2018 had 22 total rentals in this category. FY 2019 had 22 total rentals in this category.

Estimated Cost to Administer

\$0

Department of Education and Early Development
State Museum, Sheldon Jackson Museum

Senior Citizen Discount

Type: Discount
 Statutory/Other Authority: AS 14.57.010(c), 4 AAC 58.010(a)
 Year Enacted: 2012
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$2,079	\$13,259	\$61,933	\$11,312	\$12,374

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility, and remained closed through FY 2015 and most of FY 2016.

Description

Entry Fee//Senior Discount - \$1.00 off for those 65 years or older.

Legislative Intent, Public Purpose

N/A, Senior Citizen Discount.

Who Benefits and Number of Beneficiaries

Varies. 2,079 senior discounts in FY 2015, 4,239 in FY 2016, 12,455 in FY 2017, 11,944 in FY 2018, 12,918 in FY 2019.

Estimated Cost to Administer

\$0

Department of Education and Early Development
State Museum, Sheldon Jackson Museum

State Agency Discount

Type: Discount
 Statutory/Other Authority: AS 14.57.010(c), 4 AAC 58.010(h)
 Year Enacted: 2017
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
N/A	N/A	N/A	\$16,350	\$11,094

Note: Facility rentals began in FY 2018.

Description

Discount on rentals.

Legislative Intent, Public Purpose

N/A, Encourages state agencies to hold meetings outside of regular space without incurring large fees.

Who Benefits and Number of Beneficiaries

FY 2018 had 18 rentals to state agencies. FY 2019 had 14 rentals to state agencies.

Estimated Cost to Administer

\$0

Department of Education and Early Development
State Museum, Sheldon Jackson Museum

Tour Company Discount

Type: Discount
 Statutory/Other Authority: Letters of Agreement; AS 14.57.010(c)
 Year Enacted: Prior to 1999
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$7,419	\$5,856	\$20,476	\$28,010	\$43,086

Note: The Alaska State Museum closed in FY 2014 for the construction of the new facility, and remained closed through FY 2015 and most of FY 2016.

Description

Discount on entry fee for tour company visitors according the following schedule:

<u># of Visitors</u>	<u>ASM // SJM Discount</u>
1-500	2.00 // 1.00
501-2,500	2.25 // 1.25
2,501-5,000	2.50 // 1.50
5,001-7,500	2.75 // 1.75
7,501-10,000	3.00 // 2.00
Over 10,000	3.50 // N/A

Legislative Intent, Public Purpose

N/A, net benefit to the museum as it draws visitors that may not have visited the museum otherwise.

Who Benefits and Number of Beneficiaries

Varies. 3 tour operators brought 4,763 visitors in FY 2015, 6 tour operators brought 2,531 visitors in FY 2016, 6 tour operators brought 6,658 visitors in FY 2017, 14 tour operators brought 14,005 in FY 2018, 17 tour operators brought 21,581 visitors in FY 2019.

Estimated Cost to Administer

\$0

Department of Education and Early Development Teacher Education Loan

Teacher Education Loan Forgiveness - Alaska Student Loan Corporation

Type: Credit
 Statutory/Other Authority: AS 14.43.600, AS 14.43.700
 Year Enacted: 1984
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$67,094	\$181,319	\$78,438	\$182,930	\$47,103

Note: Loans to new program participants are no longer being made effective FY 2015. Revenue impacts post FY 2015 are related to loans made in the past that remain forgiveness eligible.

Description

Under certain conditions 100% of a borrower's obligation to repay loan principal and interest is forgiven.

Legislative Intent, Public Purpose

Develop rural residents as teachers for rural Alaska. Encourage Alaska high school graduates to become elementary/secondary educators and teach in rural Alaska communities.

Who Benefits and Number of Beneficiaries

Borrowers of Teacher Education Loans. As of 6/30/2019 there were 224 borrowers with outstanding TEL loans.

Estimated Cost to Administer

Automated; minimal manual intervention

Department of Education and Early Development Winn Brindle Memorial Education Program (WB)

Credit: Education Loan Forgiveness - Winn Brindle Memorial Education Program

Type: Credit
 Statutory/Other Authority: AS 14.43.250, AS 14.43.325
 Year Enacted: 1986
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$60,731	\$102,088	\$64,478	\$33,490	\$8,149

Note: Revenue that the state forgoes is the tax credit provided by the Department of Revenue (AS 43.75.032). Once a donation is made to the WB Memorial Education loan account, loans are made to qualifying borrowers. Any activity related to those loans (such as forgiveness or interest subsidies) impact the WB Memorial Education loan account.

Description

Under certain conditions 50% of a borrower's obligation to repay loan principal is forgiven.

Legislative Intent, Public Purpose

Attract students to careers supporting Alaska fisheries. Encourage Alaska high school graduates to be trained in some fisheries-related occupation and be employed in that occupation in Alaska.

Who Benefits and Number of Beneficiaries

Varies. There are currently 109 borrowers with outstanding WB loans.

Estimated Cost to Administer

Automated; minimal manual intervention.

Departmental Direction/Additional Comments

The tax credit related to the Winn Brindle Memorial Education Program, administered by the Department of Revenue, was discontinued on December 31, 2016. Foregone Revenue relating to contributions made to the Winn Brindle Memorial Education Program are found on page 178 of this report. The revenue impacts reported above relate to forgiveness of loans made using funds within the Winn Brindle Memorial Education Program.

Department of Education and Early Development
WWAMI Graduate Medical Education Program

Financial Support

Type: Discount
Statutory/Other Authority: AS 14.43.510
Year Enacted: 2007
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,581,258	\$1,582,257	\$1,682,952	\$1,718,338	\$1,767,768

Description

The financial support to be repaid is equal to 50% of amount paid for the program and its participants.

Legislative Intent, Public Purpose

Support Alaskans' medical training and reward practice in Alaska.

Who Benefits and Number of Beneficiaries

Participants of the program. As of 6/30/2019 there were 224 participants with outstanding WWAMI loans.

Estimated Cost to Administer

Automated; minimal manual intervention

Department of Education and Early Development
WWAMI Graduate Medical Education Program

Loan Forgiveness

Type: Credit
 Statutory/Other Authority: AS 14.43.510
 Year Enacted: 2007
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$529,876	\$649,878	\$588,943	\$573,786	\$584,744

Description

Under certain conditions 100% of a WWAMI participant's obligation to repay 50% of financial support provided by the state is forgiven.

Legislative Intent, Public Purpose

Support Alaskans' medical training and reward practice in Alaska. Encourage Alaskan WWAMI participants to return to or remain in Alaska to practice in their medical field.

Who Benefits and Number of Beneficiaries

Participants of the program. As of 6/30/2019 there were 224 participants with outstanding WWAMI loans.

Estimated Cost to Administer

Automated; minimal manual intervention.

Department of Education and Early Development
WWAMI Graduate Medical Education Program

Subsidized Interest Period

Type: Exemption
Statutory/Other Authority: AS 14.43.510
Year Enacted: 2007
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$296,782	\$292,236	\$237,052	\$211,536	\$208,939

Description

Interest is not charged to the participant while pursuing their education in the medical education program.

Legislative Intent, Public Purpose

Support Alaskans' medical training and reward practice in Alaska.

Who Benefits and Number of Beneficiaries

40 program participants

Estimated Cost to Administer

Automated; minimal manual intervention.

Department of Environmental Conservation *Food Safety and Sanitation*

50% Discount on Annual Permit Fees

Type: Discount
 Statutory/Other Authority: 18 AAC 31.050(r)
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$7,200	\$7,200	\$7,200	\$9,510	\$9,755

Description

Entities receiving this benefit are non-profit organizations.

Legislative Intent, Public Purpose

To comply with existing state statutes or regulations.

Who Benefits and Number of Beneficiaries

501(c)(4), (c)(10), or (c)(19) tax exempt organizations: 58 facilities

Estimated Cost to Administer

\$0

50% Discount on Annual Permit Fees

Type: Discount
 Statutory/Other Authority: 18 AAC 31.050(u)
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$8,800	\$8,800	\$8,800	\$7,147	\$10,680

Description

This allows a small pro-ration of fees for facilities that commence business in the last two months of the billing year.

Legislative Intent, Public Purpose

To prevent unfair penalties for businesses based on start-up period.

Who Benefits and Number of Beneficiaries

New establishments: 59 facilities

Estimated Cost to Administer

\$0

Department of Environmental Conservation *Food Safety and Sanitation*

Although DEC performs the inspections, DEC is prohibited from charging fees directly because DCCED has the authority to issue licenses for these facilities. DEC has an RSA with DCCED to cover some of the cost associated with these inspections.

Type: Exemption
 Statutory/Other Authority: 18 AAC 23
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown				

Description

DEC does not have authority to charge fees even though DEC performs the inspections. Cost for inspections is reimbursed through an RSA with DCCED.

Legislative Intent, Public Purpose

In order to comply with existing state statutes or regulations.

Who Benefits and Number of Beneficiaries

Body art facility operators: 71 facilities

Estimated Cost to Administer

\$0

Department of Environmental Conservation *Food Safety and Sanitation*

Fee Exemption

Type: Exemption
 Statutory/Other Authority: 18 AAC 31.050(p)(1)
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$90,300	\$90,300	\$90,300	\$137,385	\$144,395

Description

Tax-exempt entities benefit by not paying a fee for fundraisers for their organizations, as a fee would reduce the funds raised.

Legislative Intent, Public Purpose

To streamline the efficiency and increase compliance within the permitting process

Who Benefits and Number of Beneficiaries

501(c)(3) tax exempt organizations: 467 facilities

Estimated Cost to Administer

\$0

Fee Exemption

Type: Exemption
 Statutory/Other Authority: AS 44.46.025(d), 18 AAC 31.050(p)(2)
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$159,600	\$159,600	\$159,600	\$159,600	\$161,200

Description

By statute, the program cannot charge these facilities a fee.

Legislative Intent, Public Purpose

In order to comply with existing state statutes or regulations.

Who Benefits and Number of Beneficiaries

Schools and Head Start Programs: 403 facilities

Estimated Cost to Administer

\$0

Department of Environmental Conservation *Food Safety and Sanitation*

Fee Exemption

Type: Exemption
 Statutory/Other Authority: AS 44.46.025(d), 18 AAC 31.050(t)
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$4,600	\$4,600	\$4,600	\$16,815	\$18,230

Description

By statute, the program cannot charge these facilities a fee.

Legislative Intent, Public Purpose

In order to comply with existing state statutes or regulations.

Who Benefits and Number of Beneficiaries

School, class, or school club: 89 facilities

Estimated Cost to Administer

\$0

No Statutory Authority to Charge for Facilities Inspected. No Permits Issued and Therefore No Fees Charged.

Type: Exemption
 Statutory/Other Authority: AS 44.46.020, 18 AAC 30
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown				

Description

Facilities are inspected on an annual basis. No permit is issued, so no fee is charged.

Legislative Intent, Public Purpose

Not provided.

Who Benefits and Number of Beneficiaries

Pools and spas operators: 125 facilities

Estimated Cost to Administer

\$0

Department of Environmental Conservation *Food Safety and Sanitation*

No Statutory Authority to Charge for Facilities Inspected. No Permits Issued and Therefore No Fees Charged.

Type: Exemption
 Statutory/Other Authority: AS 44.46.020, 18 AAC 23
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown				

Description

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY 2016 due to budget reductions.

Legislative Intent, Public Purpose

N/A

Who Benefits and Number of Beneficiaries

Hair and nail salon operators: 637 facilities as of FY 2015. Facility count is no longer maintained.

Estimated Cost to Administer

\$0

Departmental Direction/Additional Comments

DEC stopped inspecting hair and nail salons in FY 2016 and the DCCED board now has the authority to enforce DEC regulations.

Department of Environmental Conservation
Food Safety and Sanitation

Plan Review Fee Discount of 20%

Type: Discount
 Statutory/Other Authority: 18 AAC 31.050(d)
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: 2017

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,100	\$1,100	\$0	\$0	\$0

Description

Reduced time required to review multiple applications from a single operator within the same establishment allows for a reduction in the fees.

Legislative Intent, Public Purpose

In order to streamline the efficiency and increase compliance within the permitting process.

Who Benefits and Number of Beneficiaries

Operators with three (3) or more types of operations within a single food establishment: 51 facilities

Estimated Cost to Administer

\$0

Departmental Direction/Additional Comments

This exemption has been repealed as of January 2017 and facilities are now subject to fees.

Department of Environmental Conservation
Food Safety and Sanitation

Plan Review Fee Discount of 20%

Type: Discount
 Statutory/Other Authority: 18 AAC 31.050(e)
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: 2017

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$44,400	\$44,400	\$0	\$0	\$0

Description

Reduced time required to review multiple applications from a single operator within the same establishment allows for a reduction in the fees.

Legislative Intent, Public Purpose

In order to streamline the efficiency and increase compliance within the permitting process.

Who Benefits and Number of Beneficiaries

Operators with both food service and bar/tavern service: 654 facilities

Estimated Cost to Administer

\$0

Departmental Direction/Additional Comments

This exemption has been repealed as of January 2017 and facilities are now subject to fees.

Department of Environmental Conservation *Food Safety and Sanitation*

Plan Review Fee Discount of 50%

Type: Discount
 Statutory/Other Authority: 18 AAC 31.050(f)
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: 2017

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$6,800	\$6,800	\$0	\$0	\$0

Description

There is a very limited risk for establishments that serve only hot beverages and/or non-potentially hazardous food received commercially packaged.

Legislative Intent, Public Purpose

In order to streamline the efficiency and increase compliance within the permitting process.

Who Benefits and Number of Beneficiaries

Hot beverage facilities: 85 facilities

Estimated Cost to Administer

\$0

Departmental Direction/Additional Comments

This exemption has been repealed as of January 2017 and facilities are now subject to fees.

Department of Environmental Conservation *Food Safety and Sanitation*

Prohibited From Charging Fees

Type: Exemption
 Statutory/Other Authority: AS 44.46.025 (d), 18 AAC 30
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown				

Description

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY 2016 due to budget reductions.

Legislative Intent, Public Purpose

Not provided.

Who Benefits and Number of Beneficiaries

Schools - Sanitation only: 518 facilities as of FY 2015. Facility count is no longer maintained.

Estimated Cost to Administer

\$0

Department of Environmental Conservation
Food Safety and Sanitation

Statutory Authority to Charge for Facilities Inspected, But No Permits Issued and Therefore No Fees Charged

Type: Exemption
 Statutory/Other Authority: AS 44.46.025, 18 AAC 30
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown.				

Description

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY 2016 due to budget reductions.

Legislative Intent, Public Purpose

Not provided.

Who Benefits and Number of Beneficiaries

Overnight accommodations facilities: 2,486 facilities as of FY 2015. Facility count is no longer maintained.

Estimated Cost to Administer

\$0

Department of Environmental Conservation
Food Safety and Sanitation

Statutory Authority to Charge for Facilities Inspected, But No Permits Issued and Therefore No Fees Charged

Type: Exemption
 Statutory/Other Authority: AS 44.46.025, 18 AAC 30
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown				

Description

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY 2016 due to budget reductions.

Legislative Intent, Public Purpose

Not provided.

Who Benefits and Number of Beneficiaries

Public toilets, showers, and laundromat operators: 223 facilities as of FY 2015. Facility count is no longer maintained.

Estimated Cost to Administer

\$0

Department of Environmental Conservation
Laboratory Services

Cheese Testing

Type: Exemption
Statutory/Other Authority: No fees in regulation
Year Enacted: Prior to FY 2008
Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$351

Description

Public Industry Health

Legislative Intent, Public Purpose

To comply with existing state statutes or regulations.

Who Benefits and Number of Beneficiaries

All businesses required to perform cheese testing.

Estimated Cost to Administer

\$0

Departmental Direction/Additional Comments

A new cheese manufacturer started in May 2019.

Department of Environmental Conservation *Laboratory Services*

Dairy Testing

Type: Exemption
 Statutory/Other Authority: No fees in regulation
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$33,500	\$16,525	\$15,425	\$9,239	\$9,476

Description

Public Industry Health.

Legislative Intent, Public Purpose

To comply with existing state statutes or regulations.

Who Benefits and Number of Beneficiaries

All businesses required to perform dairy testing: 2 operators

Estimated Cost to Administer

\$0

Departmental Direction/Additional Comments

At the start of FY 2018 the number of operators was reduced to 1. A new dairy producer began operating in May of 2019.

Department of Environmental Conservation *Laboratory Services*

Fishmeal Testing

Type: Exemption
 Statutory/Other Authority: Grandfathered, No fee in regulation
 Year Enacted: Prior to FY 2008
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$900	\$500	\$750	\$1,000	\$500

Description

Public Industry Health.

Legislative Intent, Public Purpose

To comply with existing state statutes or regulations. These fee reductions are grandfathered into the industry by regulation.

Who Benefits and Number of Beneficiaries

All businesses submitting fishmeal for testing: 1 facility

Estimated Cost to Administer

\$0

Marine Toxins (Paralytic Shellfish & Domoic Acid) Testing - No Charge to Industry

Type: Exemption
 Statutory/Other Authority: Legislature funded an increment so the industry wouldn't be charged
 Year Enacted: Not Provided
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$65,300	\$76,025	\$90,500	\$84,425	\$73,225

Description

Public Industry Health.

Legislative Intent, Public Purpose

Legislature funded an increment so the industry wouldn't be charged.

Who Benefits and Number of Beneficiaries

Commercial Shellfish Harvesters: 268 operators

Estimated Cost to Administer

\$0

Department of Environmental Conservation *Laboratory Services*

Shellfish Growing Waters Testing - No Charge to Industry.

Type: Exemption
 Statutory/Other Authority: Legislature funded an increment so the industry wouldn't be charged
 Year Enacted: Not Provided
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$7,700	\$7,701	\$10,166	\$7,038	\$8,279

Description

Public Industry Health.

Legislative Intent, Public Purpose

Legislature funded an increment so the industry wouldn't be charged.

Who Benefits and Number of Beneficiaries

Commercial Shellfish Harvesters: 268 operators

Estimated Cost to Administer

\$0

Department of Environmental Conservation

Laboratory Services

Slaughter Facility Testing

Type: Exemption

Statutory/Other Authority: Grandfathered, no fee in regulation, historically charged \$17, similar test in food regulation is \$25 for an \$8 discount

Year Enacted: Prior to FY 2008

Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,200	\$1,288	\$1,144	\$1,064	\$1,080

Description

Public Industry Health

Legislative Intent, Public Purpose

To comply with existing state statutes or regulations. These fee reductions are grandfathered into the industry by regulation.

Who Benefits and Number of Beneficiaries

All businesses required to perform HACCP for slaughter and meat processing facility: 6 facilities

Estimated Cost to Administer

\$0

Department of Environmental Conservation
State Revolving Loan Fund Program

Discounted Interest Rates on SRF Loans to Municipalities (As Reported in Annual Legislative Report)

Type: Discount
 Statutory/Other Authority: AS 37.05.035
 Year Enacted: Not Provided
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$3,150,000	\$6,054,000	\$6,349,000	\$4,870,713	\$12,168,837

Description

Discounted Interest Rates on SRF Loans to municipalities.

Legislative Intent, Public Purpose

In order to encourage municipalities to use the program.

Who Benefits and Number of Beneficiaries

Municipalities that receive loans for Clean Water or Drinking Water Projects: In any given year there are approximately 150-160 active loans.

Estimated Cost to Administer

\$0

Department of Environmental Conservation
State Revolving Loan Fund Program

Principal Forgiveness on SRF Loans to Municipalities (As Reported on Annual Report)

Type: Exemption
 Statutory/Other Authority: EPA Requirement to receive Capitalization Grants
 Year Enacted: FY 2010
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$2,596,000	\$2,460,000	\$2,440,000	\$3,181,700	\$3,811,640

Description

Principal Forgiveness based on certain criteria for disadvantaged communities.

Legislative Intent, Public Purpose

This is an EPA Requirement to receive Capitalization Grants.

Who Benefits and Number of Beneficiaries

Municipalities that qualify for partial principal forgiveness on loans for Clean Water and Drinking Water Projects: In any given year there are approximately 150-160 active loans; Not all loans qualify for partial principal forgiveness.

Estimated Cost to Administer

\$0

Department of Environmental Conservation *Solid Waste*

Exempt From Charging Fees in Regulation

Type: Exemption
 Statutory/Other Authority: 18 AAC 60.700(i)(1)
 Year Enacted: 1998
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

To encourage and promote non-disposal activities. Facility is exempt from fee per regulation.

Legislative Intent, Public Purpose

Not Provided.

Who Benefits and Number of Beneficiaries

Composting facilities: 2 facilities

Estimated Cost to Administer

\$0

Departmental Direction/Additional Comments

This exemption has been repealed as of October 2017 and facilities are now subject to fees.

Department of Environmental Conservation *Solid Waste*

Exempt From Charging Fees in Regulation

Type: Exemption
 Statutory/Other Authority: 18 AAC 60.700(i)(2)
 Year Enacted: 1998
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$4,800	\$4,800	\$4,800	\$0	\$0

Description

To encourage and promote non-disposal activities. Facility is exempt from fee per regulation.

Legislative Intent, Public Purpose

Not Provided.

Who Benefits and Number of Beneficiaries

Landspreading of biosolids: 4 facilities

Estimated Cost to Administer

\$0

Departmental Direction/Additional Comments

This exemption has been repealed as of October 2017 and facilities are now subject to fees.

Department of Environmental Conservation *Wastewater Discharge Permitting*

Reduced General and Individual Permit Fees for Wastewater Discharge Facilities

Type: Discount
 Statutory/Other Authority: AS 37.10.052, 18 AAC 72.956-7
 Year Enacted: 2000
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown		\$330	\$415	\$570

Description

Decreased State regulation fees for small businesses.

Legislative Intent, Public Purpose

In order to prevent excessive hurdles for small businesses that could inhibit their start-up or sustainability.

Who Benefits and Number of Beneficiaries

Businesses with fewer than 20 employees: Unknown universe of wastewater discharge businesses across Alaska with less than 20 employees.

Estimated Cost to Administer

\$0

Department of Environmental Conservation *Wastewater Discharge Permitting*

Stormwater Plan Review Fee Waived / Wastewater Permit Fee Waived

Type: Exemption
 Statutory/Other Authority: AS 44.45.025, AS 44.46.020(5)(c)
 Year Enacted: 1993
 Sunset/Repeal Date: Not Provided

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown.				

Description

Reduces State costs to State funded public schools.

Legislative Intent, Public Purpose

Exempt schools from plan review fees in specific emergency situations and reduce fees to certain organizations with tax exemptions.

Who Benefits and Number of Beneficiaries

Public schools discharging wastewater. Regulation covers all charitable organization exempt from federal taxation: 3 waivers between 2004 and 2011; 2 waivers between 2012 and 2013 for wastewater permit fees waived. No waivers have been logged for FY 2013 through FY 2019.

Estimated Cost to Administer

\$0

Department of Fish and Game
Commercial Fisheries Entry Commission

Application Fee Differential

Type: Differential Allowance
 Statutory/Other Authority: AS 16.43.100, AS 16.43.110, 20 AAC 05.250(b)
 Year Enacted: 1987
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

Reduces limited entry permit application fees (Fee reduced from \$100 to \$50 for qualifying individuals).

Legislative Intent, Public Purpose

To assist low-income permit holders. Assist low-income fishermen in their ability to apply for a commercial limited entry permit.

Who Benefits and Number of Beneficiaries

There have been no new limitations between 2009 and 2019 so there have been no new applications for entry permits.

Estimated Cost to Administer

Not provided.

Department of Fish and Game
Commercial Fisheries Entry Commission

Expedite Fee Waived

Type: Discount
 Statutory/Other Authority: AS 16.43.100, AS 16.43.110, AS 16.43.220, 20AAC 05.425(e)(1)
 Year Enacted: 2007
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
These discounts are not tracked by DFG's licensing system.				

Description

Fishermen are charged an \$80 service fee for expediting their permits. CFEC provides for a waiver of this fee to qualified individuals with low income.

Legislative Intent, Public Purpose

To assist low-income permit holders. Assist low-income fishermen in their ability to immediately fish.

Who Benefits and Number of Beneficiaries

Approximately 20 – 30 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game
Commercial Fisheries Entry Commission

Nonresident Fee Differential

Type: Differential Allowance
 Statutory/Other Authority: AS 16.43.160, 20 AAC 05.245(a)(7)
 Year Enacted: 2006
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$641,340	\$709,670	\$713,990	\$660,630	\$707,910

Description

Requires nonresident permit holders to pay a surcharge the first time they renew an entry permit each year. The nonresident surcharge was \$140 for each fisherman prior to 2009 and \$190 per fisherman in 2012-2015.

Legislative Intent, Public Purpose

To comply with the Alaska Supreme Court decisions in Carlson v. State of Alaska. Nonresident surcharge partially compensates for benefits State of Alaska provides to Nonresident commercial fishermen.

Who Benefits and Number of Beneficiaries

Not a benefit. This is a surcharge and may not fit the criteria outlined for provisions which result in indirect expenditures

Estimated Cost to Administer

Not provided.

Department of Fish and Game Commercial Fisheries Entry Commission

Permit Fees Waived (Fishery Closures)

Type: Differential Allowance
 Statutory/Other Authority: AS 16.43.100, AS 16.43.110, AS 16.43.220, 20 AAC 05.425
 Year Enacted: 1986
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$75,968	\$163,013	\$178,385	\$207,100	\$178,275

Description

Waives or reimburses the cost of renewing an annual CFEC fishing permit if the fishery was closed.

Legislative Intent, Public Purpose

To assist permit holders who are not allowed to fish due to season-long closure. Provide partial compensation to persons who lose their fishing opportunities due to season-long closures.

Who Benefits and Number of Beneficiaries

Approximately 800 to 900 fees waived per year.

Estimated Cost to Administer

Not provided.

Permit Transfer Fee Reduction

Type: Discount
 Statutory/Other Authority: AS 16.43.100, AS 16.43.110, 20 AAC 05.1910(h)
 Year Enacted: 2002
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
These discounts are not tracked by DFG's licensing system.				

Description

The permit transfer fee is reduced from \$50 to \$25 for qualified individuals with low income.

Legislative Intent, Public Purpose

To assist low-income permit holders; Assist low-income fishermen with the fees associated with CFEC permit transfers.

Who Benefits and Number of Beneficiaries

Approximately one to five beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game
Commercial Fisheries Entry Commission

Reduced Permit Fees (Low Income)

Type: Discount
 Statutory/Other Authority: AS 16.43.160(d), 20 AAC 05.245(c)-(e)
 Year Enacted: 1975
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$17,135	\$16,548	\$13,027	\$11,206	\$10,660

Description

Provides for a discount of commercial fishing permit fees for fishermen in low income brackets.

Legislative Intent, Public Purpose

To assist low-income permit holders. Assist low-income fishermen in their ability to renew annual commercial fishing permits.

Who Benefits and Number of Beneficiaries

Approximately 190 to 200 individuals paid reduced fees per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game

Game Tag

Nonresident Military Bear Tag

Type: Discount
 Statutory/Other Authority: AS 16.05.340
 Year Enacted: 1993
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$16,625	\$9,025	\$34,125	\$25,350	\$11,700

Note: There was a license fee increase in FY 2017.

Description

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase a bear tag at resident rate.

Legislative Intent, Public Purpose

To assist non-resident military members on active duty permanently stationed in Alaska. To assist non-resident military members on active duty permanently stationed in Alaska.

Who Benefits and Number of Beneficiaries

Approximately 20 to 30 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game

Game Tag

Nonresident Military Goat Tag

Type: Discount
 Statutory/Other Authority: AS 16.05.340
 Year Enacted: 1993
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$600	\$1,800	\$6,000	\$4,200	\$600

Note: There was a license fee increase in FY 2017.

Description

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase a goat tag at resident rate.

Legislative Intent, Public Purpose

To assist non-resident military members on active duty permanently stationed in Alaska.

Who Benefits and Number of Beneficiaries

Less than 10 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game *Game Tag*

Nonresident Military Sheep Tag

Type: Discount
Statutory/Other Authority: AS 16.05.340
Year Enacted: 1993
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,700	\$2,550	\$6,800	\$4,250	\$1,700

Note: There was a license fee increase in FY 2017.

Description

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase a sheep tag at resident rate.

Legislative Intent, Public Purpose

To assist non-resident military members on active duty permanently stationed in Alaska.

Who Benefits and Number of Beneficiaries

Less than 10 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game

Hunting License

Nonresident Military Hunting License

Type: Discount
 Statutory/Other Authority: AS 16.05.340
 Year Enacted: 1977
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$40,200	\$36,120	\$68,310	\$71,415	\$63,250

Note: There was a license fee increase in FY 2017.

Description

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase hunting license at resident rate.

Legislative Intent, Public Purpose

To assist non-resident military members on active duty permanently stationed in Alaska.

Who Benefits and Number of Beneficiaries

Approximately 600 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game *Sport Fishing and Hunting License*

Disabled Veterans Hunting License, King Stamp, and Duck Stamp

Type: Discount
 Statutory/Other Authority: AS 16.05.341
 Year Enacted: 1996
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$409,437	\$444,717	\$686,012	\$740,480	\$801,445

Note: There was a license fee increase in FY 2017.

Description

Allows Alaska disabled veterans a free license, king salmon stamp and duck stamp.

Legislative Intent, Public Purpose

To assist resident disabled veterans.

Who Benefits and Number of Beneficiaries

Approximately 8,000 active beneficiaries.

Estimated Cost to Administer

Not provided.

Department of Fish and Game *Sport Fishing and Hunting License*

Nonresident Military Combined Hunting / Fishing License

Type: Discount
 Statutory/Other Authority: AS 16.05.340
 Year Enacted: 1977
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$278,824	\$289,562	\$345,268	\$297,832	\$298,776

Note: There was a license fee increase in FY 2017.

Description

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase fishing and hunting license at resident rate.

Legislative Intent, Public Purpose

To assist non-resident military members on active duty permanently stationed in Alaska.

Who Benefits and Number of Beneficiaries

Approximately 1,400 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game *Sport Fishing and Hunting License*

Resident National Guard / Military Reserves Hunting / Fishing License

Type: Discount
 Statutory/Other Authority: AS 16.05.341
 Year Enacted: 2008
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$80,976	\$59,520	\$93,012	\$116,610	\$92,115

Note: There was a license fee increase in FY 2017.

Description

Allows qualified Alaska military reserves a free annual fishing and hunting license.

Legislative Intent, Public Purpose

To assist resident military reserve members.

Who Benefits and Number of Beneficiaries

Approximately 1,300 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game *Sport Fishing King Salmon Stamp*

Nonresident Military King Stamp

Type: Discount
 Statutory/Other Authority: AS 16.05.340
 Year Enacted: 1993
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$162,480	\$187,760	\$150,780	\$147,140	\$132,860

Note: There was a license fee increase in FY 2017.

Description

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase a king salmon stamp at resident rate.

Legislative Intent, Public Purpose

To assist non-resident military members on active duty permanently stationed in Alaska.

Who Benefits and Number of Beneficiaries

Approximately 2,000 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game *Sport Fishing King Salmon Stamp*

Yukon Resident King Stamp

Type: Discount
Statutory/Other Authority: AS 16.05.340
Year Enacted: 2005
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$52,200	\$36,090	\$32,490	\$22,680	\$22,950

Note: There was a license fee increase in FY 2017.

Description

Yukon residents allowed to purchase king salmon stamp at the Alaska resident rate.

Legislative Intent, Public Purpose

To provide a reciprocal king salmon stamp with Yukon Territory residents.

Who Benefits and Number of Beneficiaries

Approximately 300 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game *Sport Fishing License*

Blind Resident Sport Fishing License

Type: Discount
 Statutory/Other Authority: AS 16.05.340
 Year Enacted: 1995
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$998	\$998	\$1,055	\$798	\$912

Note: There was a license fee increase in FY 2017.

Description

\$0.25 license: Qualified blind residents.

Legislative Intent, Public Purpose

To assist blind residents.

Who Benefits and Number of Beneficiaries

Approximately 40 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game

Sport Fishing License

Nonresident Military Fishing License

Type: Discount
 Statutory/Other Authority: AS 16.05.340
 Year Enacted: 1977
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$626,175	\$674,817	\$580,696	\$606,680	\$613,988

Note: There was a license fee increase in FY 2017.

Description

Qualified non-resident military on active duty permanently stationed in Alaska are allowed to purchase fishing license at resident rate.

Legislative Intent, Public Purpose

To assist non-resident military members on active duty permanently stationed in Alaska.

Who Benefits and Number of Beneficiaries

Approximately 5,000 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game

Sport Fishing License

Yukon Resident Sport Fishing License

Type: Discount
 Statutory/Other Authority: AS 16.05.340
 Year Enacted: 2005
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$272,613	\$272,855	\$265,176	\$264,712	\$253,924

Note: There was a license fee increase in FY 2017.

Description

Yukon residents allowed to purchase fishing license at the Alaska resident rate.

Legislative Intent, Public Purpose

To provide a reciprocal fishing license with Yukon Territory residents.

Who Benefits and Number of Beneficiaries

Approximately 2,200 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game
Sport Fishing, Hunting and Trapping License

Low Income Resident Combined Hunting / Fishing / Trapping License

Type: Discount
 Statutory/Other Authority: AS 16.05.340
 Year Enacted: 1961
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,077,243	\$1,094,571	\$1,557,589	\$1,626,653	\$1,665,546

Note: There was a license fee increase in FY 2017.

Description

\$5 fishing, hunting and trapping license and king salmon stamp: Alaska residents of low income meeting the most recent poverty guidelines set by the US Department of Health and Human Services.

Legislative Intent, Public Purpose

To assist low-income residents.

Who Benefits and Number of Beneficiaries

Approximately 18,000 beneficiaries per year.

Estimated Cost to Administer

Not provided.

Department of Fish and Game
Sport Fishing, Hunting and Trapping License

Resident Senior Hunting License, King Stamp, and Duck Stamp

Type: Discount
 Statutory/Other Authority: AS 16.05.400
 Year Enacted: 1981
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$6,795,978	\$8,837,444	\$13,833,216	\$14,568,858	\$15,324,678

Note: There was a license fee increase in FY 2017.

Description

Allows Alaska residents over the age of 60 a free license, king salmon stamp and duck stamp.

Legislative Intent, Public Purpose

To assist resident seniors.

Who Benefits and Number of Beneficiaries

Approximately 125,000 active beneficiaries.

Estimated Cost to Administer

Not provided.

Department of Health and Social Services
Alaska Pioneer Homes

Alaska Pioneer Home Payment Assistance Program

Type: Differential Allowance
 Statutory/Other Authority: AS 47.55.010, AS 47.55.020, AS 47.55.030, 7 AAC 74.045
 Year Enacted: Regulations revised 10/15/2004
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$8,681,125	\$6,143,756	\$6,028,877	\$7,017,490	\$6,941,864

Note: each year's figure is based on the 12/31 deferred rate.

Description

Provides for the Pioneer Home Payment Assistance Program allowing residents to reside in the Pioneer Homes when they do not have the funds to pay the full monthly rate.

Legislative Intent, Public Purpose

Provides for the Pioneer Home Payment Assistance Program allowing residents to reside in the Pioneer Homes when they do not have the funds to pay the full monthly rate.

Who Benefits and Number of Beneficiaries

Approximately 132 individuals are participating in the Payment Assistance Program.

Estimated Cost to Administer

Not Provided.

Departmental Direction/Additional Comments

The Division of Alaska Pioneer Homes has worked to reduce the number of elders that are requiring Pioneer Home Payment Assistance by assisting them to qualify for other funding options when available.

Department of Health and Social Services
Bureau of Vital Statistics

Fees for Death Certificates

Type: Waiver
Statutory/Other Authority: AS 18.50.320
Year Enacted: 2012
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$12,880	\$74,355	\$72,810	\$50,730	\$38,910

Note: FY 2016 and FY 2017 increases are a result of improvement in the method for accounting for indirect expenditures.

Description

Provides up to four free copies of veteran's death certificate; discount is \$40 for the first certificate and \$25 for the 2nd-4th copies.

Legislative Intent, Public Purpose

Honor veterans by making it easier to apply for benefits

Who Benefits and Number of Beneficiaries

Approximately 25% of the deaths reported in Alaska annually, or 1,000, indicate the decedent was a veteran.

Estimated Cost to Administer

Duties are carried out by existing staff, requires minimal resources.

Department of Health and Social Services *HB 310 Vaccine*

Fees for Vaccines

Type: Waiver
 Statutory/Other Authority: AS 18.09, HB310: Ch 24, SLA 2012; SB169: SLA 2014
 Year Enacted: 2012
 Sunset/Repeal Date: 2015

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$4,496,000	Program not in existence.			

Note: The revenue impacts from FY 2013 to FY 2015 were temporary funding to sustain the program until the Vaccine Fund could get started. These general funds no longer exist in FY 2016.

Description

Free vaccine for specific-aged individuals. Vaccine is limited to those listed in legislation.

Legislative Intent, Public Purpose

Assures protection of overall public health by making certain vaccines available to uninsured and under-insured children and seniors.

Who Benefits and Number of Beneficiaries

Approximately 18,000 children (ages 0-18) and 7,000 adults.

Estimated Cost to Administer

This program is not funded, so there is no cost to administer.

Department of Health and Social Services *Public Health Nursing*

Reasonable Fees, Collection, Non-Denial of Services

Type: Waiver
 Statutory/Other Authority: AS 44.29.022, 7 AAC 80.010-060
 Year Enacted: 1986
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$513,640	\$60,687	\$5,788	\$16,354	\$25,184

Description

No denial of public health services because of inability to pay. Reduced fees on a sliding scale based on income and family size using USDHHS annual poverty guidelines. Waives fees if it is in the public interest for communicable disease control or in response to a public health emergency.

Legislative Intent, Public Purpose

Provide statewide health care. Ensures protection of overall public health by making public health services available to all individuals regardless of their ability to pay.

Who Benefits and Number of Beneficiaries

An average of approximately 52,000 individuals per year receive public health nursing services and are eligible to receive the benefit if needed.

Estimated Cost to Administer

Duties are carried out by existing staff, requires minimal resources.

Departmental Direction/Additional Comments

In years past Public Health Nursing was calculating all costs, including those designated in statute; with those costs removed the amount would be \$513,640.00 about 1/3 of what has been historically reported.

Department of Health and Social Services *SHARP II*

Health Care Professions Loan Repayment and Incentive

Type: Waiver
 Statutory/Other Authority: AS 29.18, 7 AAC 24
 Year Enacted: 2012
 Sunset/Repeal Date: 2019 – report due in 5 years

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$73,337	\$49,736	\$6,783	\$0	\$0

* Program not in existence, first invoices began FY 2014, last invoices were collected in FY 2017.

Description

Waiver of employers' share of repayment of educational loans, direct incentive for certain health care professionals.

Legislative Intent, Public Purpose

Increase access to health care in rural Alaska.

Who Benefits and Number of Beneficiaries

All Alaskans, particularly in rural areas. Up to 90 each health care facilities and practitioners.

Estimated Cost to Administer

Estimated at less than \$12,500 annually, based on percent of staff processing time.

Department of Health and Social Services
Women, Children, and Family Health (WCFH) Pediatric Specialty Clinics

Fees for Services at Pediatric Specialty Clinics

Type: Discount
 Statutory/Other Authority: AS 44.29.022, 7 AAC 80.010-060
 Year Enacted: 1986
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$116,300	\$70,281	\$44,647	\$25,547	\$31,725

Description

Fees charged to patients based on the published Alaska Medicaid fee schedule and not the market price. Sliding scale fee for calculation sheet. Beneficiary may be any patient seen at the four types of clinics: genetics, metabolic, cleft lip and palate, and/or neurodevelopmental autism. There is no denial of services due to a patient's inability to pay.

Legislative Intent, Public Purpose

Ability to collect fees for services provided by the state to provide services for special healthcare needs population. Increase access to specialized health care services for Alaskans statewide.

Who Benefits and Number of Beneficiaries

Approximately 215 patients annually.

Estimated Cost to Administer

Estimated at \$12,200 annually, based on percent of staff processing time.

Department of Labor and Workforce Development Alaska Vocational Technical Center

AVTEC Tuition Waiver

Type: Waiver
 Statutory/Other Authority: AS 44.31.020
 Year Enacted: 2000
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$2,750	\$11,000	\$7,685	\$19,595	\$20,320

Note: The exact fiscal impact varies based on the recipient's training program. The revenue would have been General Fund Program Receipts (Designated General Funds).

Description

AVTEC provides tuition waivers to one Seward high school student, and seven students via the Alaska School Counselors Association. Schools nominate graduating students and the nominations are reviewed and approved by the Alaska School Counselors Association.

Legislative Intent, Public Purpose

To encourage Alaska high school graduates to work hard in school and attend AVTEC for vocational training.

Who Benefits and Number of Beneficiaries

Up to eight Alaska high school graduate recipients per year:

FY 2015 - 1 student

FY 2016 - 4 students

FY 2017 - 3 students

FY 2018 - 7 students

FY 2019 - 8 students

Estimated Cost to Administer

N/A

Department of Labor and Workforce Development *Occupational Safety and Health*

Occupational Safety and Health Employer Violation Penalties

Type: Waiver
 Statutory/Other Authority: AS 18.60.095, 8 ACC 61.155
 Year Enacted: Statute 1973, Regulation 1975
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$56,660	\$350,866	\$364,469	\$101,403	\$230,232

Description

By regulation, during an Alaska Occupational Safety and Health informal conference the director, or the director’s authorized designee, on behalf of the commissioner, may change the penalty assessed against an employer. An AKOSH informal conference provides an opportunity for an employer to meet with the director, or the director’s authorized designee, and discuss any issues related to an inspection, citation and notice of proposed penalty. The informal conference may result in an adjustment of penalties to settle the alleged violation(s).

Legislative Intent, Public Purpose

To allow flexibility when assessing a penalty to consider the size of the business of the employer being charged, the gravity of the violation, the good faith of the employer, and the history of previous violations. Penalty reductions assist with quicker and less expensive resolutions of citations and penalties along with faster hazard abatement. Formal contests are time consuming and costly. Also, during the period a case is in formal contest the hazards associated with alleged violations are not required to be corrected, while all hazards must be verified as corrected under the terms of an informal settlement agreement achieved through informal conference.

Who Benefits and Number of Beneficiaries

The number of beneficiaries varies from year to year and has not been tracked.

Estimated Cost to Administer

N/A

Department of Labor and Workforce Development *Workers' Compensation*

Workers' Compensation Appeals Commission (WCAC) Fees

Type: Waiver
 Statutory/Other Authority: AS 23.30.128, 8 AAC 57.090
 Year Enacted: 2005
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$3,296	\$2,690	\$1,170	\$1,520	\$1,814

Description

The WCAC may waive the \$50 filing fee for a notice of appeal and the costs of preparation of the transcript of board hearings. Transcription costs may run anywhere from \$200 to \$2,000, depending on the length of the hearing.

Legislative Intent, Public Purpose

To ensure that all parties have the ability to due process, even if they cannot afford filing and/or transcription costs.

Who Benefits and Number of Beneficiaries

The number of persons whose filing and/or transcription costs were waived ranges between 2 and 10 per year.

Estimated Cost to Administer

N/A

Department of Labor and Workforce Development

Workers' Compensation

Workers' Compensation Uninsured Employer Civil Penalties

Type: Waiver
 Statutory/Other Authority: AS 23.30.080(f), 8 AAC 45.176
 Year Enacted: 2005
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$2,129,599	\$5,019,017	\$914,136	\$1,747,853	\$2,559,965

Note: Revenue from these civil penalties funds the Workers' Compensation Benefits Guaranty Fund, AS 23.30.082, which covers expenses for injured employees of uninsured employers.

Description

Statutes provide for a civil penalty of up to \$1,000 per uninsured employee per workday. If an employer voluntarily stipulates, regulations allow a reduction of 25% of the calculated penalty. If the employer goes to hearing, the Board has discretion to suspend the calculated civil penalty in whole or in part.

Legislative Intent, Public Purpose

Waiving a penalty under 8 AAC 45.176 is to encourage an employer to agree to the calculated civil penalty without litigation, freeing up Board time and resources. Waiving a penalty under AS 23.30.080(f) is to avoid extreme financial hardship to an employer, or putting the employer out of business (Workers' Compensation Appeals Commission Case: Alaska R&C Communications v SOA, Decision No. 88, 9/16/08).

Who Benefits and Number of Beneficiaries

The number of uninsured employers receiving a 25% discount and/or suspension ranges between 40 and 60 per year.

Estimated Cost to Administer

N/A

Department of Labor and Workforce Development

Workers' Compensation

Workers' Compensation Late Filing Penalties

Type: Waiver
 Statutory/Other Authority: AS 23.30.155(c), AS 23.30.155(m), 8 AAC 45.136
 Year Enacted: Statute 1988, Regulation 1999
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Unknown		\$162,718	\$3,523

Description

The Department of Labor and Workforce Development Commissioner has authority to waive all or part of late report filing penalties assessed against an insurer/self-insured employer if 95% of the reports filed in the calendar year were filed timely. Each employer is required to submit a compensation report on each claim when payment is initiated, the pay type or benefit amount is changed, or the claim is terminated. Reports are due within 28 days of the triggering event. If the report is late, there is a statutory civil penalty of \$100 per day (maximum of \$1,000). At the end of each calendar year, the Workers' Compensation Division totals the amount of civil penalties due.

Legislative Intent, Public Purpose

The intent was to reward insurers/self-insured employers whose overall performance was excellent (above 95%). Waiving the penalties under AS 23.30.155 is a way of forgiving the occasional untimely report of insurers/self-insured employers that provide the vast majority of their reports timely.

Who Benefits and Number of Beneficiaries

Late penalties waived for FY 2014 through FY 2017 because of a system change and there being no mechanism programmed to inform an employer, insurer, or adjuster of a late filed compensation report. In FY 2014 there were approximately 229 insurance companies/self-insured employers who submitted 17,803 compensation reports. The number of beneficiaries and final assessments are subject to change and revenue impact could be restated.

Estimated Cost to Administer

N/A

Department of Natural Resources
Mining, Land and Water

Exploration Incentive Credits for Mining Activities

Type: Credit
 Statutory/Other Authority: AS 27.30.010
 Year Enacted: 1995
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

Provides exploration incentive credit for exploration activities that can be used against mining taxes or royalties.

Legislative Intent, Public Purpose

For purpose of determining existence, location, extent, or quality of a locatable or leasable mineral or coal deposit.

Who Benefits and Number of Beneficiaries

One beneficiary per year.

Estimated Cost to Administer

\$2,500 (approximate)

Departmental Direction/Additional Comments

No requests were received for the credit in FY 2016 and FY 2017.

Department of Natural Resources
Mining, Land and Water

Sale of Material at less than Fair Market Value

Type: Discount
 Statutory/Other Authority: AS 38.05.872(b)
 Year Enacted: 2012
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

Convey materials at less than fair market value for mitigation of a flooding area where excess material deposition contributes to flooding.

Legislative Intent, Public Purpose

The Act was to provide for the disposal of certain bedload materials in conjunction with a flood mitigation plan. To make it easier to remove gravel/sand where excess deposits may cause the flooding.

Who Benefits and Number of Beneficiaries

None to date; however, the City of Seward has expressed interest.

Estimated Cost to Administer

None.

Departmental Direction/Additional Comments

Again, City of Seward has expressed interest, but no applications have been received.

Department of Natural Resources
Mining, Land and Water

Sales of Material at less than Fair Market Value

Type: Discount
 Statutory/Other Authority: AS 38.05.555(f)
 Year Enacted: 2012
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

Provides 200 cubic yards of peat for personal use by individual for free, <30,000 c.y. for commercial use at no cost for 10-year period; >30,000 c.y. at price of 20% of representative regional price or 20% of FMV for a period of 10 years.

Legislative Intent, Public Purpose

Create incentive for development of peat as a source of heat or power.

Who Benefits and Number of Beneficiaries

None.

Estimated Cost to Administer

None.

Departmental Direction/Additional Comments

A difference from prior report on this indirect expenditure was a clarification of material. This is for peat only.

Department of Natural Resources

Mining, Land and Water

Public and Charitable Use

Type: Discount
 Statutory/Other Authority: AS 38.05.810(a)
 Year Enacted: 1959
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown				

Description

Provides lease, sale, or other disposal of state land or resources to certain entities for less than fair market value.

Legislative Intent, Public Purpose

To allow the state the ability to balance the public benefit against revenues when it is in the public's best interest to authorize certain types of projects to certain types of governmental or non-profit entities. Provide state land or resources to a state or federal agency, a political subdivision, a tax-exempt non-profit organization, or a government operated or nonprofit cooperative association operated utility, for less than appraised value that serve a public purpose and are in the public interest.

Who Benefits and Number of Beneficiaries

77 P&C authorizations issued from FY 2013 to FY 2019.

Estimated Cost to Administer

\$3000

Department of Natural Resources *Oil and Gas*

Shale Oil

Type: Discount
 Statutory/Other Authority: AS 38.05.160
 Year Enacted: 1959
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Note: No activity has required authorization of this rental and royalty relief clause.

Description

The Commissioner may waive payment of royalty and rental during the first five years of the lease.

Legislative Intent, Public Purpose

Provide Commissioner with discretion in rental fees for future shale development. Encourage the production of petroleum products from shale.

Who Benefits and Number of Beneficiaries

None.

Estimated Cost to Administer

None.

Department of Natural Resources *Oil and Gas*

Exploration Incentive Credits for Oil & Gas Activities

Type: Credit
Statutory/Other Authority: AS 41.09.010
Year Enacted: 1994
Sunset/Repeal Date: 1/1/2017

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

EIC May not exceed 50% of eligible costs relating to activities performed on state-owned lands and 25% of eligible costs related to activities performed on land in but not owned by the state.

Legislative Intent, Public Purpose

Incentivize exploration with data available to state. Encourage oil and gas exploratory work on state land.

Who Benefits and Number of Beneficiaries

As of 2007, none (6/30/07 was last date for qualifying work).

Estimated Cost to Administer

None.

Department of Natural Resources *Oil and Gas*

Exploration Incentive Credits for Oil & Gas Activities

Type: Credit
 Statutory/Other Authority: AS 38.05.180(i)
 Year Enacted: 1983
 Sunset/Repeal Date: 1/1/2017

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

A non-transferrable credit for the cost of drilling or seismic work performed under a limited time period established by the Commissioner of the Department of Natural Resources. Credit may be granted for up to 50% of the cost of drilling or seismic work, not to exceed 50% of the tax liability to which it is being applied. See also p. 214.

Legislative Intent, Public Purpose

Incentivize exploration of state lands and make data publicly available post lease sale. Encourage oil and gas exploratory work on state land.

Who Benefits and Number of Beneficiaries

22 exploratory wells qualified; last claim was in 1994.

Estimated Cost to Administer

None.

Department of Natural Resources *Oil and Gas*

Royalty Relief

Type: Discount
 Statutory/Other Authority: AS 38.05.180(f)(6)
 Year Enacted: 2003
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$6,371,535	\$2,923,493	\$2,762,081	\$5,774,340	\$5,797,583

Description

Royalty relief for Cook Inlet platforms.

Legislative Intent, Public Purpose

Provide monetary incentive as royalty relief from oil and gas producing platforms. Incentives to lessees to continue to produce from Cook Inlet platforms which were not economically viable at a 12.5% royalty rate.

Who Benefits and Number of Beneficiaries

6 companies

Estimated Cost to Administer

None.

Department of Natural Resources Oil and Gas

Royalty Relief

Type: Discount
 Statutory/Other Authority: AS 38.05.180(f)(5)
 Year Enacted: 1998
 Sunset/Repeal Date: 10 years after restart of production

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

Royalty Relief for small Cook Inlet discoveries.

Legislative Intent, Public Purpose

Increase Cook Inlet oil and gas production from shut in wells and platforms. Incentives to lessees to restart production from Cook Inlet leases that had been shut down prior to 1988.

Who Benefits and Number of Beneficiaries

12 companies

Estimated Cost to Administer

None.

Royalty Modification for Oooguruk Unit

Type: Discount
 Statutory/Other Authority: AS 38.05.180(f)(1)(a), (2), (3), (4)(a), (5)
 Year Enacted: 2006
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$27,873,459	\$14,669,675	\$19,354,332	\$20,256,824	\$8,452,549

Description

Royalty modification for Oooguruk Unit

Legislative Intent, Public Purpose

Provide reduced royalty enabling Oooguruk Unit to begin production. Stimulate increased production on ANS.

Who Benefits and Number of Beneficiaries

2 companies

Estimated Cost to Administer

None.

Department of Natural Resources Oil and Gas

Royalty Modification for Nikaitchuq Unit

Type: Discount
 Statutory/Other Authority: AS 38.05.180(f)(1)(a), (2), (3), (4)(a), (5)
 Year Enacted: 2008
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$8,519,176	\$4,675,978	\$817,624	\$0

Description

Royalty Modification for Nikaitchuq Unit

Legislative Intent, Public Purpose

To allow the Commissioner royalty modification on individual leases. Stimulate increased production on ANS.

Who Benefits and Number of Beneficiaries

1 company

Estimated Cost to Administer

None.

Royalty Relief for Cook Inlet Discoveries

Type: Discount
 Statutory/Other Authority: AS 38.05.180(f)(4)
 Year Enacted: 1996
 Sunset/Repeal Date: 10 years after date of discovery

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$767,431	\$905,646	\$787,425	\$0

Description

Royalty relief for previously undiscovered Cook Inlet oil or gas pools capable of commercial production.

Legislative Intent, Public Purpose

Provide monetary incentive as royalty relief from oil and gas discoveries. Incentives aimed towards lessees to increase drilling of discovery wells in the Cook Inlet sedimentary basin.

Who Benefits and Number of Beneficiaries

6 companies

Estimated Cost to Administer

None.

Department of Natural Resources
Parks and Outdoor Recreation

Disabled Veterans Camping Pass

Type: Discount
 Statutory/Other Authority: AS 41.21.026(d)
 Year Enacted: 1987
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$449,100	\$137,400	\$247,000	\$123,600	\$229,000

Description

Free camping pass to disabled veterans of this country for use in the state park campgrounds.

Legislative Intent, Public Purpose

Honor disabled veterans by providing them free overnight camping in state parks units. Provide a benefit to disabled veterans.

Who Benefits and Number of Beneficiaries

1,210 (annual average 2008-2012) 3.4 million potential beneficiaries (US Census Bureau, 11/11)

Estimated Cost to Administer

Negligible/cost of printing decals.

Department of Natural Resources *Geological & Geophysical Surveys*

Fees for Facilities, Equipment, Products, and Services: Educational Discount

Type: Discount
 Statutory/Other Authority: AS 41.08.045
 Year Enacted: 2017
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Not in effect.			\$1,819,570	\$1,546,411

Description

The division shall waive fees under this section for a student who uses facilities, equipment, products, or services for educational purposes.

Legislative Intent, Public Purpose

Honor K-12 students, classes, teachers, and educators, and professors and college students involved in higher education. Provide a benefit to those (1) promoting the theory and practice of teaching or (2) conducting academic research and associated with an accredited postsecondary educational institution.

Who Benefits and Number of Beneficiaries

26 beneficiaries in FY 2018 and 20 beneficiaries in FY 2019.

Estimated Cost to Administer

\$1,500

Department of Revenue *Alcoholic Beverage Tax*

Small Brewery Reduced Rate

Type: Reduced Rate
Statutory/Other Authority: AS 43.60.010(c)
Year Enacted: 2002
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$2,881,017	\$3,006,130	\$3,019,712	\$3,047,428	\$2,994,761

Description

Beer, cider, and malt beverages produced by brewers who have qualified with the federal government per 26 U.S.C. 5051(a)(2) and have been approved fiscally by DOR is taxed at a reduced rate of tax of 35 cents per US gallon instead of the full tax rate of \$1.07 per us gallon.

Legislative Intent, Public Purpose

The intent was to foster the development of breweries and brewpubs in Alaska.

Who Benefits and Number of Beneficiaries

80 distributors (both local and out of state breweries that meet the volume definition).

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Cigarette Tax*

Indian Reservation Exemption from Cigarette Tax

Type: Exclusion
Statutory/Other Authority: AS 43.50.090, AS 43.50.150
Year Enacted: 1983
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$373,480	\$389,400	\$368,100	\$388,480	\$407,766

Description

Cigarettes imported or acquired by one of the two federally recognized Indian reservations are exempt from the cigarette tax.

Legislative Intent, Public Purpose

The purpose is to comply with federal law.

Who Benefits and Number of Beneficiaries

1 federally recognized Indian reservation.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Cigarette Tax

Personal Exemption from Cigarette Tax

Type: Exclusion
Statutory/Other Authority: AS 43.50.090(d), AS 43.50.190(c)
Year Enacted: 2003, amended 2004
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. There is no reporting requirement for cigarettes personally transported into the state.				

Description

The first 400 cigarettes personally transported into the state by an individual for that individual's personal consumption during the calendar month are excluded from the cigarette tax.

Legislative Intent, Public Purpose

The Legislature intended the personal use exemption to support efficient administration of tax by focusing the tax towards wholesalers and distributors rather than personal consumption by an individual.

Who Benefits and Number of Beneficiaries

Unknown.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Cigarette Tax*

Tax Stamp Discount

Type: Reduced Rate
Statutory/Other Authority: AS 43.50.540(c)
Year Enacted: 2003
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$360,326	\$312,544	\$320,574	\$306,628	\$311,480

Description

This gives a discount of up to \$50,000 per company per year as compensation for affixing stamps to packs of cigarettes. The discount is 3% if stamps purchased are \$1,000,000 or less, 2% if between \$1,000,000 and \$2,000,000, and 0% for amounts of stamps purchased over \$2,000,000.

Legislative Intent, Public Purpose

The purpose is to provide a discount to compensate taxpayers for the cost of affixing stamps to each pack.

Who Benefits and Number of Beneficiaries

8 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Cigarette Tax*

Uniformed Services Exemption from Cigarette Tax

Type: Exclusion
 Statutory/Other Authority: AS 43.50.090(c)
 Year Enacted: 1977
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. There is no reporting requirement for cigarettes sold to uniformed services directly from the manufacturer.				

Description

Cigarettes imported or acquired by one of the uniformed services of the United States are exempt from the cigarette tax.

Legislative Intent, Public Purpose

The purpose is to comply with federal law.

Who Benefits and Number of Beneficiaries

Unknown.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Commercial Passenger Vessel Taxes

72 Hour Threshold Voyage Exemption

Type: Exemption
 Statutory/Other Authority: AS 43.52.295(4)
 Year Enacted: 2010
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. Only voyages that exceed 72 hours are required to report.				

Description

Voyages on the state's marine waters 72 hours or less are excluded from the tax.

Legislative Intent, Public Purpose

The purpose is to clarify the definition of "voyage" for purposes of the tax and to encourage cruise ship activity in Alaska.

Who Benefits and Number of Beneficiaries

Unknown.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Large Passenger Vessel Gambling Tax Deduction

Type: Deduction
 Statutory/Other Authority: AS 43.35.210
 Year Enacted: 2006
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. There is no reporting requirement for federal and municipal taxes paid.				

Description

Allows a deduction of federal and municipal taxes paid from gambling gross income.

Legislative Intent, Public Purpose

This provision was part of a ballot measure and therefore has no legislative history. The public purpose is to prevent double taxation.

Who Benefits and Number of Beneficiaries

Unknown.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Commercial Passenger Vessel Taxes

Small Passenger Vessel Exemption

Type: Exemption
 Statutory/Other Authority: AS 43.52.295(1)(a)
 Year Enacted: 2006
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. There is no filing requirement for small passenger vessels.				

Description

Vessels with fewer than 250 berths are excluded from commercial passenger vessel taxes.

Legislative Intent, Public Purpose

This provision was part of a ballot measure and therefore has no legislative history. The public purpose is to avoid burdening small passenger vessels with tax.

Who Benefits and Number of Beneficiaries

Unknown.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Tax Reduction for Local Levies

Type: Reduced Rate
 Statutory/Other Authority: AS 43.52.255
 Year Enacted: 2010
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$12,871,480	\$13,145,074	\$13,248,509	\$14,636,213	\$12,008,909

Description

The cost of local passenger fees is deducted from the state's passenger fee. This reduction is an offset for fees collected by the two communities (Juneau and Ketchikan) that had levies in effect prior to December 17, 2007.

Legislative Intent, Public Purpose.

The purpose is to encourage cruise ship activity in Alaska by limiting the total tax burden.

Who Benefits and Number of Beneficiaries

11 cruise lines.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

"S" Corporation Exclusion

Type: Exclusion
Statutory/Other Authority: AS 43.20.021
Year Enacted: N/A (See Description)
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unable to determine revenue impact.				

Note: While S Corporations doing business in Alaska are required to submit a tax return, they do not report any income or income tax on the returns, so the estimated revenue impact is unavailable.

Description

Under Alaska's adoption of the Internal Revenue Code, corporations that have elected S Corporation status ("S" corporations) are generally not subject to tax. Prior to 1980, the stakeholders' share of income was subject to Alaska's personal income tax. Since the 1980 repeal of the state's personal income tax, the income is taxed neither at the corporate level nor at the shareholder level.

Legislative Intent, Public Purpose

The exclusion is intended to support the efficient administration of the corporate income tax through uniformity with the federal income reporting.

Who Benefits and Number of Beneficiaries

Approximately 11,700 companies. The number of companies that would pay tax without this exclusion is unknown.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Exclude Income from Certain Vessels from Tax

Type: Exclusion
 Statutory/Other Authority: AS 43.20.021(h)
 Year Enacted: 1998, amended 2006
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. There are limited reporting requirements for foreign-flagged vessels.				

Description

Foreign-flagged vessels other than cruise ships operating in Alaska waters are excluded from tax.

Legislative Intent, Public Purpose

The intent of the exclusion adopted in 1998 was to exclude foreign-flagged vessels from tax. A 2006 ballot measure removed the exclusion for certain cruise ships.

Who Benefits and Number of Beneficiaries

Unknown.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Exempt Corporations from Tax that are Participants in Contract under Stranded Gas Development Act

Type: Exemption
Statutory/Other Authority: AS 43.20.145(g)
Year Enacted: 1998
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

Corporations that are a party to a contract under the Stranded Gas Development Act are exempt from corporate income tax filing requirements, if the agreement provides for a payment in lieu of income tax.

Legislative Intent, Public Purpose

This provision is intended to allow the state to take payment in lieu of tax under the Stranded Gas Development Act and to promote the construction of a gas pipeline from the North Slope to export markets.

Who Benefits and Number of Beneficiaries

No beneficiaries because there is no contract under the Stranded Gas Development Act.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Federal Tax Credits

Type: Credit
Statutory/Other Authority: AS 43.20.021
Year Enacted: 1975
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$2,276,765	\$1,936,758	\$1,928,694	\$2,419,294	FY 2019 incomplete.

Note: All returns with tax periods beginning in FY 2019 have not yet been received, so FY 2019 data is incomplete.

Description

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

Legislative Intent, Public Purpose

The adoption by reference of federal credits to support the efficient administration of the corporate income tax through uniformity with the federal incentive credits.

Who Benefits and Number of Beneficiaries

Between 300 and 500 companies in a given fiscal year.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Foreign Royalty Exclusion

Type: Exclusion
Statutory/Other Authority: AS 43.20.145(b)
Year Enacted: 1991
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,913,154	\$1,479,879	\$1,706,901	\$2,169,950	FY 2019 incomplete.

Note: All returns with tax periods beginning in FY 2019 have not yet been received, so FY 2019 data is incomplete.

Description

Excludes 80% of foreign royalties from apportionable income.

Legislative Intent, Public Purpose

The sponsor of the legislation stated in committee that the purpose was to encourage foreign investment in Alaska.

Who Benefits and Number of Beneficiaries

Approximately 250 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Gas Exploration and Development Credit

Type: Credit
Statutory/Other Authority: AS 43.20.043
Year Enacted: 2003, amended 2010
Sunset/Repeal Date: Repealed 1/1/2016

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

This credit was for qualified expenditures for the exploration and development of non-North Slope natural gas reserves. The credit was 25% of qualified expenditures; investments in existing units qualified. The credit was capped at 75% of tax liability as calculated before applying other credits.

Legislative Intent, Public Purpose

The purpose was to increase gas exploration and development outside the North Slope, leading to more production and gas supplies, particularly for Southcentral Alaska.

Who Benefits and Number of Beneficiaries

Fewer than 5 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Gas Storage Facility Credit

Type: Credit
Statutory/Other Authority: AS 43.20.046
Year Enacted: 2010
Sunset/Repeal Date: 12/31/2015

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

This credit was a refundable credit taken in FY 2014. It was a credit for the costs incurred to establish a natural gas storage facility. The credit was \$1.50 per thousand cubic feet of "working gas" storage capacity as determined by the Alaska Oil and Gas Conservation Commission and was only available to facilities used by public utilities. It did not apply to gas storage related to a gas pipeline on the North Slope. The maximum credit was the lesser of \$15 million or 25% of costs incurred to establish the facility.

Legislative Intent, Public Purpose

The purpose was to provide an incentive for the construction of natural gas storage facilities for the use of public utilities, thereby reducing the potential for gas shortages during peak demand.

Who Benefits and Number of Beneficiaries

1 beneficiary in FY 2014.

Estimated Cost to Administer

No additional cost; the credit was written to be used once and was administered with current resources.

Department of Revenue
Corporate Income Tax

In-State Refinery Tax Credit

Type: Credit
Statutory/Other Authority: AS 43.20.053
Year Enacted: 2014
Sunset/Repeal Date: 12/31/2019

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Confidential due to small number of recipients.				

Description

This was a credit for qualified infrastructure expenditures for in-state oil refineries. The credit could not exceed the lesser of 40% of total qualifying expenditures or \$10 million per refinery per tax year. The credit could be applied against corporate income tax liability and carried forward, or refunded.

Legislative Intent, Public Purpose

The purpose was to encourage investment in infrastructure improvements and help maintain economic viability of the in-state refining industry.

Who Benefits and Number of Beneficiaries

Fewer than 5 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Liquid Natural Gas Storage Facility Credit

Type: Credit
 Statutory/Other Authority: AS 43.20.047
 Year Enacted: 2012
 Sunset/Repeal Date: 12/31/2019

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	Confidential due to small number of recipients.

Description

This was a credit for the costs incurred to establish a storage facility for liquefied natural gas. The credit was the lesser of \$15 million or 50% of costs incurred to establish the facility. It applied to facilities with a minimum storage capacity of 25,000 gallons of LNG and that were public utilities regulated by the Regulatory Commission of Alaska.

Legislative Intent, Public Purpose

The purpose was to encourage construction of LNG storage facilities, thereby reducing the potential for gas shortages during peak demand.

Who Benefits and Number of Beneficiaries

Fewer than 3 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Oil and Gas Service Industry Expenditures Credit

Type: Credit
 Statutory/Other Authority: AS 43.20.049
 Year Enacted: 2013
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Confidential due to small number of recipients.			\$0	FY 2019 incomplete.

Note: All returns with tax periods beginning in FY 2019 have not yet been received, so FY 2019 data is incomplete.

Description

A credit of 10% for qualified oil and gas industry service expenditures that are for in-state manufacture or in-state modification of oil and gas tangible personal property with a service life of three years or more. The credit may be applied to corporate income tax liabilities up to \$10 million per taxpayer per year. If the credit exceeds the taxpayer's liability it may be carried forward up to five years.

Legislative Intent, Public Purpose

The purpose is to encourage expansion of in-state service industry activity, particularly manufacturing of modules and equipment in Alaska.

Who Benefits and Number of Beneficiaries

Fewer than 5 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Reduced Tax Rate on Capital Gains

Type: Reduced Rate
Statutory/Other Authority: AS 43.20.021(c)
Year Enacted: 1975
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$3,359,032	\$1,744,630	\$4,690,230	\$1,141,392	\$0

Note: Beginning 1/1/2018, per the federal Tax Cuts and Jobs Act, capital gains are taxed at the ordinary graduated tax rate, essentially nullifying this provision.

Description

Long term capital gains are taxed at a maximum rate of 4.5%, while other income is taxed at a maximum rate of 9.4%.

Legislative Intent, Public Purpose

The rate differential reflects preferential treatment of capital gains in the federal tax code when Alaska's rate structure was adopted. The intent was to allow for efficient administration of taxes by basing Alaska's taxes on the federal code.

Who Benefits and Number of Beneficiaries

Between 130 and 230 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Small Corporation Exemption

Type: Exemption
 Statutory/Other Authority: AS 43.20.012
 Year Enacted: 2012
 Sunset/Repeal Date: 7/1/2023

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$115,116	\$281,539	\$252,841	\$788,953	FY 2019 incomplete.

Note: All returns with tax periods beginning in FY 2019 have not yet been received, so FY 2019 data is incomplete.

Description

Exempts businesses from tax that are C-corporations that are in certain industries identified in Section 1202 of the Internal Revenue Code, that have assets of under \$50 million, and that meet other requirements of AS 43.20.012.

Legislative Intent, Public Purpose

The purpose of the exemption is to encourage the development of high-growth technology and research companies in Alaska and to encourage small business development.

Who Benefits and Number of Beneficiaries

Between 10 and 40 small corporations.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Utilities Exempted from Water's Edge Combination Reporting

Type: Filing Methodology
 Statutory/Other Authority: AS 43.19.010, Article IV, Sec. 2; AS 43.20.146
 Year Enacted: 1970, Modified. 1/1/2019
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. Cannot be reported, information not collected.				

Note: Effective 1/1/19, AS 43.20.146 requires utilities to allocate and apportion using the remainder of AS 43.19.

Description

Income from public utilities including telephone services is exempt from water's edge combination reporting requirements. These companies can instead pay tax only on Alaska net income, based on separate-entity reporting.

Legislative Intent, Public Purpose

This provision was adopted as part of the state's adoption of the multistate tax compact. The Legislature adopted the compact to promote the efficient collection of taxes.

Who Benefits and Number of Beneficiaries

Public utilities, but the number of public utilities using this methodology is not tracked because utilities are not required to report that information.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Corporate Income Tax

Veteran Employment Tax Credit

Type: Credit
 Statutory/Other Authority: AS 43.20.048
 Year Enacted: 2012
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Confidential due to small number of recipients.		\$0	Confidential	FY 2019 incomplete.

Note: All returns with tax periods beginning in FY 2019 have not yet been received, so FY 2019 data is incomplete.

Description

A credit for corporate income taxpayers that employ qualified veterans in the state. The credit is \$3,000 for a disabled veteran or \$2,000 for a veteran who is not disabled for employment for a minimum of 1,560 hours during 12 consecutive months following the veteran's employment date. For seasonal employment, the credit is \$1,000 for a veteran employed for a minimum of 500 hours during three consecutive months following the employment date.

Legislative Intent, Public Purpose

The purpose is to provide an incentive for businesses to hire veterans.

Who Benefits and Number of Beneficiaries

Fewer than 3 beneficiaries.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Fisheries Business Tax*

Reduced Fisheries Business Tax Rate for Developing Fisheries

Type: Reduced Rate
Statutory/Other Authority: AS 43.75.015(b)
Year Enacted: 1979, amended 1981
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$17,181	\$3,474	\$2,936	\$735	\$2,489

Note: The revenue impact given is pre-credit and includes both the state and municipal share. It is based on fishing year data; actual tax payments may differ from this estimate.

Description

Fish species classified as "developing" are subject to tax rates of 1% for on-shore processors and 3% for floating processors instead of the regular rates of 3% and 5%, respectively. "Developing" species are annually designated by the commissioner of the department of fish and game under AS 16.05.050(a)(10).

Legislative Intent, Public Purpose

The Legislature intended to encourage the development of new fisheries.

Who Benefits and Number of Beneficiaries

Between 8 and 14 on-shore or floating processors.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Fisheries Business Tax*

Reduced Tax Rate for Small Fish Processors

Type: Reduced Rate
 Statutory/Other Authority: AS 43.75.015(d), AS 43.75.020(c)
 Year Enacted: 2004
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unable to Determine.				

Description

Fishers processing on vessels 65 feet or less are subject to a 3% tax rate instead of the regular floating rate of 5%. AS 43.75.020(c) states that the Department of Revenue may issue a direct marketing fisheries business license to a licensed commercial fisherman who processes fishery resources caught using a vessel that does not exceed 65 feet in length. The statute says the resources may be processed either on board the vessel or at a shore-based facility. However, the license holder pays the tax rate applicable to a shore-based facility and fills out his/her tax return as if (s)he was the operator of a shore-based processing facility. The taxpayer is only getting a “reduced rate” if the fish are processed off shore, but the Department of Revenue has no way of knowing whether the fish were processed on or off shore. Therefore, the revenue impact is indeterminate.

Legislative Intent, Public Purpose

The Legislature adopted the reduced rate provision to encourage direct marketing and the production of value-added products.

Who Benefits and Number of Beneficiaries

Unknown.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Fisheries Business Tax

Salmon and Herring Product Development Credit

Type: Credit
Statutory/Other Authority: AS 43.75.035
Year Enacted: 2003, last amended 2014
Sunset/Repeal Date: 12/31/2020

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$945,621	\$3,939,376	\$3,255,429	\$4,507,134	\$3,092,027

Description

A non-transferable credit for eligible capital expenditures to expand value-added processing of Alaska salmon and herring. The credit is 50% of qualified investments up to 50% of tax liability incurred for processing salmon and herring during the tax year. The credit may be carried forward for three years. Herring was added to the credit in 2014.

Legislative Intent, Public Purpose

The Legislature intended to encourage the development of value-added salmon and herring products in Alaska and to increase the value of Alaskan fisheries.

Who Benefits and Number of Beneficiaries

Approximately 15 processors.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Fisheries Business Tax, Fisheries Resource Landing Tax

Winn Brindle Scholarship Contribution Credit

Type: Credit
 Statutory/Other Authority: AS 43.75.032, AS 43.77.035
 Year Enacted: 1986, amended 2014
 Sunset/Repeal Date: 12/31/2016

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$120,197	\$71,894	\$105,000	\$0	\$0

Description

This credit was a non-transferable credit for contributions to the A.W. "Winn" Brindle memorial education loan account. The credit was 100% of the contribution amount, up to a maximum of 5% of tax liability.

Legislative Intent, Public Purpose

The Legislature intended the credit to encourage contributions to the A.W. "Winn" Brindle memorial education loan account. This would promote education in the fisheries industry, an industry that is important to the Alaskan economy.

Who Benefits and Number of Beneficiaries

Fewer than 10 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Fisheries Resource Landing Tax

Community Development Quota Credit

Type: Credit
Statutory/Other Authority: AS 43.77.040
Year Enacted: 1993, last amended 2014
Sunset/Repeal Date: 12/31/2020

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$571,581	\$556,529	\$738,168	\$671,866	\$731,443

Description

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

Legislative Intent, Public Purpose

The Legislature intended to provide a tax credit to encourage CDQ programs to contribute to nonprofits that provide jobs and training in Western Alaska.

Who Benefits and Number of Beneficiaries

Between 12 and 22 Alaska nonprofit corporations.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Fisheries Resource Landing Tax*

Reduced Fishery Resource Landing Tax Rate for Developing Fisheries

Type: Reduced Rate
 Statutory/Other Authority: AS 43.77.010(1)
 Year Enacted: 1996
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$597	\$3,058	\$23,615	\$25,123	FY 2019 data incomplete.

Note: The revenue impact given is pre-credit and includes both the state and municipal share. It is based on fishing year data; actual tax payments may differ from this estimate.

Description

Fish species classified as "developing" are subject to a tax rate of 1% rather than the regular rate of 3%. "Developing" species are annually designated by the commissioner of the department of fish and game under AS 16.05.050(a)(10).

Legislative Intent, Public Purpose

The Legislature adopted the reduced rate provision to parallel a similar provision in the Fisheries Business Tax to encourage the development of new fisheries.

Who Benefits and Number of Beneficiaries

Fewer than 5 processors.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Mining License Tax*

3.5-year Exemption

Type: Exemption
Statutory/Other Authority: AS 43.65.010(a)
Year Enacted: 1951
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown				

Note: Revenue impact is unknown. Those who are exempt from taxation and have been granted this 3.5-year exemption are required to file a mining license tax return under 15 AAC 65.010(a)(5) and 15 AAC 65.030, but are not required to fill out a complete return.

Description

New mining operations are exempt from the Mining License Tax for the first 3.5 years after production begins.

Legislative Intent, Public Purpose

The Legislature intended the exclusion to encourage new mining operations.

Who Benefits and Number of Beneficiaries

Fewer than 5 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue

Mining License Tax

Depletion Deduction

Type: Deduction
 Statutory/Other Authority: AS 43.65.010(e)
 Year Enacted: 1955
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$26,152,025	\$29,231,279	\$35,094,966	\$22,070,627	FY 2019 data incomplete.

Description

Depletion allows for mining companies to get value for the money they spent developing the mine in advance of taxable production. A percentage depletion deduction is allowed for certain types of mining, such as metal mining, sulfur mining and coal mining. Other types of mines must use cost depletion.

Legislative Intent, Public Purpose

To encourage the development of the state's resources; to generate state revenue by efficient administration of tax.

Who Benefits and Number of Beneficiaries

Between 40 and 55 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Mining License Tax*

Sand and Gravel Exemption

Type: Exemption
Statutory/Other Authority: AS 43.65.060(2)
Year Enacted: 2012
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. There is no reporting requirement for exempt operations.				

Description

Sand, gravel, quarry rock and marketable earth operations are exempt from the Mining License Tax.

Legislative Intent, Public Purpose

The Legislature found that the tax cost nearly as much to administer as it brought in. To generate state revenue by efficient administration of tax and to reduce the burden on sand and gravel operators.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue

Mining License Tax

Small Miner Exemption

Type: Exemption
 Statutory/Other Authority: AS 43.65.010(c)
 Year Enacted: 1955
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$40,982	\$32,984	\$33,615	\$29,626	FY 2019 data incomplete.

Note: This does not include taxpayers who filed a loss on their return or taxpayers who did not file at all.

Description

No tax is due if taxable income is \$40,000 or less. Taxpayers with taxable income between \$40,000 and \$50,000 pay a tax rate of 3% on income within that bracket, with the tax rate increasing for taxable income above \$50,000.

Legislative Intent, Public Purpose

The Legislature intended the exclusion to encourage smaller mining operations.

Who Benefits and Number of Beneficiaries

Between 60 and 100 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Motor Fuel Tax

Bunker Fuel Exemption

Type: Exemption
Statutory/Other Authority: AS 43.40.100(2)(I)
Year Enacted: 1997
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Note: Calculated assuming \$0.08 per gallon tax rate.

Description

Bunker fuel is exempt from the motor fuel tax.

Legislative Intent, Public Purpose

The Legislature intended to encourage the use of bunker fuel, which is a residual from the refining process.

Who Benefits and Number of Beneficiaries

0 in most years.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Motor Fuel Tax

Charitable Institution Exemption

Type: Exemption
Statutory/Other Authority: AS 43.40.100(2)(e)
Year Enacted: 1949
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$117,425	\$79,394	\$111,862	\$84,384	\$76,910

Note: Calculated assuming \$0.08 per gallon tax rate.

Description

Fuel used by charitable institutions is exempt from the motor fuel tax.

Legislative Intent, Public Purpose

The Legislature intended the exclusion to allow the motor fuel tax to generate revenue without impacting charitable endeavors.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue

Motor Fuel Tax

Dealer Exemption

Type: Exemption
Statutory/Other Authority: AS 43.40.100(2)(f)
Year Enacted: 1982
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. There is no reporting requirement for transfers between dealers.				

Description

Fuel sold or transferred between qualified dealers is exempt from the motor fuel tax.

Legislative Intent, Public Purpose

The Legislature intended the exclusion to encourage qualified dealers to focus the impetus of the tax towards final use of the motor fuel, and to avoid double taxation of fuel.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Motor Fuel Tax

Foreign Flight Exemption

Type: Exemption
Statutory/Other Authority: AS 43.40.100(2)(b)
Year Enacted: 1949, last amended 1997
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$8,589,969	\$7,224,661	\$8,845,138	\$9,518,056	\$8,540,700

Note: Calculated assuming \$0.08 per gallon tax rate.

Description

Fuel used in flights to foreign countries or continuing on from foreign countries is exempt from the motor fuel tax.

Legislative Intent, Public Purpose

The Legislature intended the exclusion to allow the tax to generate revenue without impacting international flights, to encourage refueling activities at Alaskan airports.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue

Motor Fuel Tax

Foreign Fuel Exemption

Type: Exemption
Statutory/Other Authority: AS 43.40.100(2)(a)
Year Enacted: 1949
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$6,483,070	\$4,259,360	\$4,828,855	\$4,184,155	\$3,456,486

Note: Calculated assuming \$0.08 per gallon tax rate.

Description

Fuel consigned to foreign countries is exempt from the motor fuel tax.

Legislative Intent, Public Purpose

The exclusion is intended to focus the impetus of the tax on motor fuel sales in Alaska, to encourage refueling activities in Alaska.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Motor Fuel Tax*

Government Exemption

Type: Exemption
Statutory/Other Authority: AS 43.40.100(2)(g)
Year Enacted: 1982
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$9,664,348	\$9,094,136	\$9,707,391	\$9,186,804	\$9,966,914

Note: Calculated assuming \$0.08 per gallon tax rate.

Description

Fuel sold to federal, state, and local government agencies for official use is exempt from the motor fuel tax.

Legislative Intent, Public Purpose

The Legislature intended the exclusion to recognize the exempt status of sovereign powers.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Heating Fuel Exemption

Type: Exemption
Statutory/Other Authority: AS 43.40.100(2)(i)
Year Enacted: 1982
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$8,781,768	\$8,094,431	\$8,308,371	\$8,030,562	\$7,741,339

Note: Calculated assuming \$0.08 per gallon tax rate.

Description

Fuel used to heat private or commercial buildings or facilities is exempt from the motor fuel tax.

Legislative Intent, Public Purpose

To generate state revenue without increasing heating costs.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Motor Fuel Tax*

Non-Profit Power Association Exemption

Type: Exemption
Statutory/Other Authority: AS 43.40.100(2)(d)
Year Enacted: 1949
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$3,565,112	\$3,569,280	\$4,867,273	\$3,636,050	\$3,585,989

Note: Calculated assuming \$0.08 per gallon tax rate.

Description

Fuel used by nonprofit power associations or corporations for generating electric energy for resale is exempt from the motor fuel tax.

Legislative Intent, Public Purpose

The Legislature intended the exclusion to allow the motor fuel tax to generate revenue without impacting nonprofit power associations or corporations, which serve a substantially similar purpose to public utilities and to reduce the cost of power provided by non-profit power associations.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue

Motor Fuel Tax

Off-Highway Use Reduced Rate

Type: Reduced Rate
Statutory/Other Authority: AS 43.40.030(a)
Year Enacted: 1955, last amended 1982
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$6,356,609	\$5,685,495	\$4,088,263	\$3,114,071	\$4,994,948

Note: Calculated assuming \$0.08 per gallon tax rate.

Description

Refunds 6 cents per gallon of tax-paid motor fuel that was used for non-highway use.

Legislative Intent, Public Purpose

The Legislature intended the exclusion to focus the impetus of the tax away from off-highway use as off-highway use does not contribute to highway maintenance cost.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Motor Fuel Tax

Reduced Rate for Aviation Gasoline

Type: Reduced Rate
Statutory/Other Authority: AS 43.40.010(a)(1)
Year Enacted: 1955, last amended 1994
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$336,457	\$318,533	\$312,529	\$302,799	\$334,382

Note: Calculated assuming \$0.08 per gallon tax rate.

Description

Aviation gasoline is taxed at a rate of 4.7 cents per gallon rather than the rate of 8 cents per gallon for other fuel.

Legislative Intent, Public Purpose

The Legislature intended the separate rate to make the tax on aviation gasoline comparable to the amount of revenue that would be derived from imposing landing fees at rural state operated airports.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue

Motor Fuel Tax

Reduced Rate for Jet Fuel

Type: Reduced Rate
Statutory/Other Authority: AS 43.40.010(a)(3)
Year Enacted: 1957, last amended 1994
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$6,122,121	\$6,642,693	\$6,592,927	\$6,264,141	\$6,645,487

Note: Calculated assuming \$0.08 per gallon tax rate.

Description

Jet fuel is taxed at a rate of 3.2 cents per gallon rather than the rate of 8 cents per gallon for other fuel.

Legislative Intent, Public Purpose

The Legislature intended to make the tax on aviation fuels comparable to the amount of revenue that would be derived from imposing landing fees at rural state operated airports.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Motor Fuel Tax

Reduced Rate for Marine Fuel

Type: Reduced Rate
Statutory/Other Authority: AS 43.40.010(a)(2)
Year Enacted: 1957, last amended 1977
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$3,213,059	\$3,575,357	\$3,272,035	\$3,317,110	\$3,406,900

Note: Calculated assuming \$0.08 per gallon tax rate.

Description

Marine fuel is taxed at a rate of 5 cents per gallon rather than the rate of 8 cents per gallon for other fuel.

Legislative Intent, Public Purpose

The Legislature intended the separate rate to provide revenue for construction and maintenance of boat harbors. This expense is presumably less than that required for highway maintenance as reflected by the reduced rate for marine fuel.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Motor Fuel Tax

Small Generator Exemption

Type: Exemption
Statutory/Other Authority: AS 43.40.100(2)(k)
Year Enacted: 1983
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Totals included in stationary power plant exemption.				

Description

Fuel used in stationary power plants of 100 kilowatts or less that generate electrical power for commercial enterprises not for resale is exempt from the motor fuel tax.

Legislative Intent, Public Purpose

To generate state revenue without burdening small power plants.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue

Motor Fuel Tax

Stationary Power Plant Exemption

Type: Exemption
Statutory/Other Authority: AS 43.40.100(2)(c)
Year Enacted: 1949
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$290,571	\$656,321	\$447,256	\$911,043	\$952,510

Note: Calculated assuming \$0.08 per gallon tax rate. Total includes stationary power plants for home heating and small generators.

Description

Fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public is exempt from the motor fuel tax.

Legislative Intent, Public Purpose

The Legislature intended the exclusion to allow the motor fuel tax to generate revenue without impacting the public utilities, to reduce the cost of fuel to the general public.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Motor Fuel Tax

Stationary Power Plant Exemption for Home Heating

Type: Exemption
Statutory/Other Authority: AS 43.40.100(2)(h)
Year Enacted: 1982
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Totals included in stationary power plant exemption.				

Description

Fuel used in stationary power plants that generate electricity for private residential consumption is exempt from the motor fuel tax.

Legislative Intent, Public Purpose

To generate state revenue without burdening private residential use of fuel for electricity.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue

Motor Fuel Tax

Timely Filing Discount

Type: Reduced Rate
Statutory/Other Authority: AS 43.40.010(c)
Year Enacted: 1951, last amended 1997
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$62,590	\$65,074	\$61,581	\$58,842	\$62,312

Description

Gives a timely filing credit of 1% of the total monthly tax due to a maximum of \$100.

Legislative Intent, Public Purpose

To encourage timely filing of motor fuel tax returns and provide an allowance to cover the accounting expense of filing timely monthly tax returns.

Who Benefits and Number of Beneficiaries

86 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Multiple Tax Programs

Education Credit

Type: Credit

Statutory/Other Authority: AS 21.96.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, AS 43.77.045

Year Enacted: 1987, last amended 2018

Sunset/Repeal Date: On 1/1/2025 the credit will sunset.

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$6,746,110	\$6,299,749	\$5,448,717	\$4,784,876	FY 2019 incomplete.

Note: All returns with tax periods beginning in FY 2019 have not yet been received, so FY 2019 data is incomplete.

Description

A non-transferable credit applicable to the Corporate Income Tax, Fisheries Business Tax, Fishery Resource Landing Tax, Insurance Premium Tax, Title Insurance Premium Tax, Mining License Tax, Oil and Gas Production Tax, and the Oil and Gas Property Tax. The credit is available for up to 50% of annual contributions up to \$100,000, 75% of the next \$200,000, and 50% of annual contributions beyond \$300,000. The credit for any one taxpayer cannot exceed \$1,000,000 annually across all eligible tax types. The credit is for contributions to qualified education purposes given in AS 43.20.014(a).

Legislative Intent, Public Purpose

The Legislature intended to encourage private businesses to make charitable contributions to support Alaskan schools.

Who Benefits and Number of Beneficiaries

Between 30 and 40 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Multiple Tax Programs*

Film Production Credit

Type: Credit
Statutory/Other Authority: AS 43.98.030, AS 44.25.100-190
Year Enacted: 2008, last amended 2014
Sunset/Repeal Date: Repealed 7/1/2015

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$9,987,231	\$5,083,321	\$5,614,493	\$5,840,035	\$1,931,001

Description

A transferable credit for expenditures on eligible film production activities in Alaska. The credit percentage is between 30% and 58% depending on the activity. The credits must be used within six years. The program is capped at \$200 million of credits for all projects. Prior to FY 2013, the credit was only applicable to the corporate income tax. Beginning in FY 2013, the credit is also applicable to the insurance premium tax, title insurance tax, oil and gas production tax, oil and gas property tax, mining license tax, fisheries business tax, and fishery resource landing tax.

Legislative Intent, Public Purpose

The purpose is to encourage production of film and television in Alaska.

Who Benefits and Number of Beneficiaries

Between 17 and 24 credits issued per year.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Multiple Tax Programs

Minerals Exploration Credit

Type: Credit
 Statutory/Other Authority: AS 27.30.030, AS 43.20.044
 Year Enacted: 1995
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	FY 2019 incomplete.

Note: This credit has been claimed only against the Mining License Tax and not the Corporate Income Tax. All returns with tax periods beginning in FY 2019 have not yet been received, so FY 2019 data is incomplete.

Description

This is a non-transferable credit for eligible costs of non-petroleum mineral or coal exploration activities and must be used within 15 years. The credit is 100% of allowable exploration costs with a maximum of \$20 million per mining operation. The credit is limited to 50% of liability for the applicable tax type, which includes Corporate Income Tax, Mining License Tax, and Mineral Production Royalty.

Legislative Intent, Public Purpose

The purpose is to encourage mineral exploration in Alaska.

Who Benefits and Number of Beneficiaries

Fewer than 3 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Oil and Gas Production Tax

Alternative Credit for Exploration

Type: Credit
 Statutory/Other Authority: AS 43.55.025(a)(1)-(4)
 Year Enacted: 2003, last amended 2017
 Sunset/Repeal Date: 6/30/2016 for North Slope and Cook Inlet, 12/31/2021 for Middle Earth (does not apply to seismic after 1/1/2018)

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Between \$42,000,000 & \$50,000,000	Between \$10,000,000 & \$15,000,000	\$0	Between \$15,000,000 & \$20,000,000	Between \$15,000,000 & \$20,000,000

Note: These revenue impacts are approximated and rounded to the nearest million dollars. The FY 2015 numbers also include any credits taken under AS 43.55.025(a)(6-7). Revenue impacts are presented as a range to protect confidentiality due to a small number of recipients.

Description

A transferable credit for expenditures for certain oil and gas exploration activities. The credit is 40% for seismic costs outside an existing unit, 30% for drilling costs greater than 25 miles (10 miles in Cook Inlet) from an existing unit, 30% for pre-approved new targets, and 40% for drilling costs that are greater than 3 miles (10 miles in Cook Inlet) from an existing unit and pre-approved new targets.

Legislative Intent, Public Purpose

To increase oil and gas exploration, leading to more production.

Who Benefits and Number of Beneficiaries

Fewer than 10 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Oil and Gas Production Tax

Carried-Forward Annual Loss Credit

Type: Credit
 Statutory/Other Authority: AS 43.55.023(b)
 Year Enacted: 2006, last amended 2016
 Sunset/Repeal Date: Repealed 1/1/2018

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Totals included in Qualified Capital Expenditure Credits.				

Description

A transferable credit for a carried-forward annual loss, defined as a producer or explorer's adjusted lease expenditures that are not deductible in calculating production tax values for the calendar year. From 2008 until 2014, the credit was 25% for all regions of the state. Beginning in 2014, the credit remained 25% for areas outside the North Slope and increased to 45% in the North Slope. On January 1, 2016, the credit for losses incurred on the North Slope decreased to 35%. Beginning January 1, 2017, a gross value reduction (GVR) could no longer be used to increase the size of an annual loss for credit calculation purposes.

This credit was repealed for all areas of the state on January 1, 2018. For the North Slope and Middle Earth, the credit was replaced by a new carried-forward lease expenditures provision. No carried-forward lease expenditures provision was provided for Cook Inlet.

Legislative Intent, Public Purpose

The credit was intended to allow producers that incur a loss but do not have tax liability to carry the loss forward to future years. This credit was originally part of the PPT tax legislation and was changed under the Alaska's Clear and Equitable Share (ACES) legislation and Senate Bill 21 to match the base tax rate. It was increased above the base tax rate for 2014 and 2015 to hold taxpayers harmless for the expiration of the qualified capital expenditure credit, then decreases to match the base tax rate. The overall purpose is to increase oil and gas exploration and production.

Who Benefits and Number of Beneficiaries

Included in Qualified Capital Expenditure Credits.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Oil and Gas Production Tax

Cook Inlet Jack-Up Rig Credit

Type: Credit
Statutory/Other Authority: AS 43.55.025(a)(5)
Year Enacted: 2010
Sunset/Repeal Date: 6/30/2016

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

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

Legislative Intent, Public Purpose

The intent of the credit is to encourage the use of jack-up rigs in Cook Inlet to increase oil and gas exploration and production in Cook Inlet.

Who Benefits and Number of Beneficiaries

0. Although jack-up rigs were brought into Cook Inlet following the passage of this credit, companies chose not to utilize the credit.

Estimated Cost to Administer

No additional cost; was administered with current resources.

Department of Revenue Oil and Gas Production Tax

Exploration Incentive Credit

Type: Credit
 Statutory/Other Authority: AS 38.05.180(i)
 Year Enacted: 1978
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

A non-transferrable credit for the cost of drilling or seismic work performed within a limited time period established by the Commissioner of the Department of Natural Resources. Credit may be granted for up to 50% of the cost of drilling or seismic work, not to exceed 50% of the tax liability to which it is being applied.

Legislative Intent, Public Purpose

The Legislature intended the credit to encourage geophysical work on state lands, so the state can manage their lands more effectively and to increase oil and gas exploration.

Who Benefits and Number of Beneficiaries

0.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Oil and Gas Production Tax

Frontier Basin Credit

Type: Credit
 Statutory/Other Authority: AS 43.55.025(a)(6)-(7)
 Year Enacted: 2012, last amended 2016
 Sunset/Repeal Date: 6/30/2017 (seismic sunsetted on 7/1/2016)

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Reported with Alternative Credit for Exploration.	\$0	\$0	\$0	\$0

Description

A credit for expenses for the first four persons to drill exploration wells and the first four persons to conduct seismic projects within an area designated in AS 43.55.025(p), also called the "Frontier Basins." The credit was for lesser of 80% of qualified exploration drilling expenses or \$25 million per well; or for seismic projects, credit was for lesser of 75% of qualified seismic exploration expenditures or \$7.5 million per seismic project. It included expenditures incurred for work performed after June 1, 2012, which legislation later extended to July 1, 2017, allowing expenditures for wells that were spudded, but not yet completed, by that date.

Legislative Intent, Public Purpose

The Legislature intended to provide a tax credit to encourage hydrocarbon exploration in certain remote areas of the state outside the North Slope and Cook Inlet.

Who Benefits and Number of Beneficiaries

Confidential due to a small number of recipients.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Oil and Gas Production Tax*

New Area Development Credit

Type: Credit
Statutory/Other Authority: AS 43.55.024(a)
Year Enacted: 2006
Sunset/Repeal Date: 12/31/2015 or nine years after first production

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

A nonrefundable credit of up to \$6 million per company annually, for oil or gas produced from leases outside Cook Inlet and the North Slope, providing the producer had a positive tax liability on that production before the application of credits.

Legislative Intent, Public Purpose

The purpose was to encourage companies to explore and develop prospects outside the two primary petroleum basins (the North Slope and Cook Inlet).

Who Benefits and Number of Beneficiaries

0.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Oil and Gas Production Tax

Per-Taxable-Barrel Credit for GVR-eligible Production

Type: Credit
 Statutory/Other Authority: AS 43.55.024(i)
 Year Enacted: 2013
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Due to Confidentiality, the Per-Taxable-Barrel credits are combined for reporting purposes.				

Note: See Per-Taxable-Barrel Credit for Non-GVR-Eligible Production (AS 43.55.024(j)) for Non-GVR Eligible Production credits.

Description

A per-taxable-barrel credit for oil production on the North Slope that qualifies for a GVR, as defined in AS 43.55.160(f). The credit is \$5 per taxable barrel and cannot be transferred, carried forward, or used to reduce the producer's tax liability to less than zero (however, it can be used to reduce the producer's tax liability to less than the minimum tax established under AS 43.55.011(f)).

Legislative Intent, Public Purpose

To provide a direct incentive for oil production. This credit was part of the Senate Bill 21 tax legislation and is not a stand-alone credit.

Who Benefits and Number of Beneficiaries

Due to Confidentiality, the Per-Taxable-Barrel credits are combined.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue Oil and Gas Production Tax

Per-Taxable-Barrel Credit for Non-GVR-Eligible Production

Type: Credit
 Statutory/Other Authority: AS 43.55.024(j)
 Year Enacted: 2013
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$523,000,000	\$86,000,000	\$536,000,000	\$1,001,000,000	\$1,002,000,000

Note: This revenue impact is approximated and rounded to the nearest million dollars and also includes amounts from Per-Taxable-Barrel Credit for GVR-Eligible Production (AS 43.55.024(i)) due to a small number of recipients.

Description

A sliding scale credit for areas of the North Slope that are not eligible for a gross value reduction (GVR), as defined by AS 43.55.160(f). It is a dollar-per-taxable-barrel credit ranging from zero dollars per taxable barrel at per-barrel gross value at point of production (GVPP) values greater than or equal to \$150 to \$8 per taxable barrel at per-barrel GVPP values less than \$80. The credit may not reduce the producer's tax liability to less than the minimum tax established under AS 43.55.011(f) and may not be transferred or carried forward.

Legislative Intent, Public Purpose

To provide a direct incentive for oil production; the sliding scale is intended to introduce a progressive element that reduces government take when oil prices are low and increases government take when oil prices are high. This credit was part of the Senate Bill 21 tax package and is not a stand-alone credit.

Who Benefits and Number of Beneficiaries

Between 4 and 8 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Departmental Direction/Additional Comments

The revenue impact for this indirect expenditure may differ from reported amounts of (i) and (j) credits elsewhere due to companies' specific reporting of when these credits are earned on a monthly basis within their annual tax returns.

Department of Revenue Oil and Gas Production Tax

Qualified Capital Expenditure Credit

Type: Credit
 Statutory/Other Authority: AS 43.55.023(a)
 Year Enacted: 2006, last amended 2013
 Sunset/Repeal Date: 12/31/2013 for North Slope, 12/31/17 for Cook Inlet; Remains in place for Middle Earth only.

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Between \$587,000,000 and \$607,000,000	Between \$490,000,000 and \$500,000,000	Between \$30,000,000 and \$40,000,000	Between \$70,000,000 and \$80,000,000	Between \$90,000,000 and \$100,000,000

Note: These revenue impacts are approximated and rounded to the nearest million dollars. Includes the Well Lease Expenditures Credit and the Carried-Forward Annual Loss Credit under AS 43.55.023. It includes the total fiscal impact, including reductions in tax liability and the amount that is refunded through the operating budget. Due to confidentiality, revenue impacts are presented as ranges.

Description

A transferable tax credit for qualified oil and gas capital expenditures outside the North Slope. It can be taken in lieu of exploration incentive credits under AS 43.55.025 and gas exploration credits under AS 43.20.043. Prior to 2014, this tax credit was applicable to all areas of the state. The credit is 20% of qualified capital expenditures. Legislation reduced the credit to 10% on January 1, 2017 for Cook Inlet and Middle Earth, and on January 1, 2018 the credit was eliminated for Cook Inlet and maintained in Middle Earth at the lower rate. The credit was available to North Slope companies until 2014.

Legislative Intent, Public Purpose

The credit was intended to encourage taxpayers to invest in capital expenditures and to increase oil and gas exploration and production. It was implemented as part of the broader Petroleum Profits Tax (PPT) legislation.

Who Benefits and Number of Beneficiaries

Between 50 and 100 companies for all credits under AS 43.55.023.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Oil and Gas Production Tax*

Small Producer Credit

Type: Credit
 Statutory/Other Authority: AS 43.55.024(c)
 Year Enacted: 2006
 Sunset/Repeal Date: 12/31/2016 or nine years after first production

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Between \$40,000,000 and \$50,000,000	\$34,000,000	\$33,000,000	\$19,000,000	\$15,000,000

Note: These revenue impacts are approximated and rounded to the nearest million dollars. Due to confidentiality, the FY 2015 revenue impact is presented as a range.

Description

A non-transferable, nonrefundable credit for oil and gas produced by small producers, defined as having average taxable oil and gas production of less than 100,000 BTU equivalent barrels per day. The small producer credit is capped at \$12 million annually for producers with no more than 50,000 BTU equivalent barrels per day. The credit then phases to zero for producers with 100,000 or more BTU equivalent barrels per day.

Legislative Intent, Public Purpose

The purpose was to attract new companies to Alaska's oil and gas industry, to explore and develop prospects not being pursued by major producers. This credit was part of the PPT tax legislation.

Who Benefits and Number of Beneficiaries

Fewer than 37 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Departmental Direction/Additional Comments

Eligibility for this credit ended 12/31/2015. Credits for eligible companies may continue through calendar year 2024.

Department of Revenue *Oil and Gas Production Tax*

Transitional Investment Expenditure Credit

Type: Credit
Statutory/Other Authority: AS 43.55.023(i)
Year Enacted: 2006, amended 2007
Sunset/Repeal Date: Repealed 12/31/2013

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	\$0	\$0	\$0	\$0

Description

A non-transferable credit for qualified oil and gas capital expenditures incurred between March 31, 2001 and April 1, 2006. It was available only to companies that did not have production in commercial quantities prior to January 1, 2008. The credit was 20% of qualified oil and gas capital expenditures incurred between March 31, 2001 and April 1, 2006, not to exceed 10% of the capital expenditures incurred between March 31, 2006 and January 1, 2008.

Legislative Intent, Public Purpose

When the 20% capital credit was introduced in 2006, this credit was intended to provide some benefit for companies that had recently made capital investments that did not receive a credit. This credit was part of the PPT and ACES tax packages.

Who Benefits and Number of Beneficiaries

0.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Oil and Gas Production Tax*

Well Lease Expenditure Credit

Type: Credit
Statutory/Other Authority: AS 43.55.023(l)
Year Enacted: 2010
Sunset/Repeal Date: 12/31/17 for Cook Inlet; Remains in place for Middle Earth only

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Totals included in Qualified Capital Expenditure Credits.				

Description

A transferable tax credit for intangible qualified oil and gas capital expenditures related to a well or seismic inside a unit in areas outside the North Slope. It can be taken in lieu of exploration incentive credits under AS 43.55.025 and gas exploration credits under AS 43.20.043. The credit is 20% of qualified well lease expenditures and can be taken in conjunction with the Qualified Capital Expenditure Credit. The credit is 10% of qualified capital expenditures. Legislation reduced the credit on January 1, 2017 to 10% for Cook Inlet and 20% for Middle Earth, and on January 1, 2018 the credit was eliminated for Cook Inlet, but maintained in Middle Earth at the lower rate.

Legislative Intent, Public Purpose

The Legislature intended to stimulate redevelopment and exploration in the Cook Inlet basin, while limiting the incentive only to activities that were viewed to be directly tied to exploration and production.

Who Benefits and Number of Beneficiaries

Included in Qualified Capital Expenditure Credits.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Oil and Gas Property Tax*

Excluded from Taxation is the Value of Intangible Drilling Expenses and Exploration Expenses

Type: Exclusion as taxable property under 43.56
 Statutory/Other Authority: AS 43.56.060(f)
 Year Enacted: 1973
 Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Not Tracked.				

Description

The value of intangible drilling expenses and exploration expenses are not subject to property tax.

Legislative Intent, Public Purpose

The Legislature intended the exclusion to support the efficient administration of tax as intangible drilling expenses and exploration expenses would be difficult to assess. Additionally, the Legislature intended to promote drilling for the continued development of state resources.

Who Benefits and Number of Beneficiaries

Approximately 12 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Tire Fee*

Exemption from Studded Tire Fee for Lightweight Studs

Type: Exclusion
Statutory/Other Authority: AS 43.98.025(b)
Year Enacted: 2003
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. Filers do not have to report the number of tires sold with lighter-weight studs.				

Description

Excludes tires that are studded with studs weighing less than 1.1 grams each from the \$5 fee.

Legislative Intent, Public Purpose

The Legislature intended to provide an incentive to encourage the widespread use lightweight studs to reduce road damage.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Tire Fee*

Government Exemption

Type: Exclusion
Statutory/Other Authority: AS 43.98.025(g)(1)
Year Enacted: 2003
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$132,808	\$164,860	\$236,990	\$244,348	\$193,320

Note: Total includes resale exemption. Assuming \$2.50 tax rate on new tires.

Description

Tires and services sold to federal, state or local government agencies for official use are exempt from the fee.

Legislative Intent, Public Purpose

The Legislature intended the exclusion to recognize the exempt status of sovereign powers.

Who Benefits and Number of Beneficiaries

Approximately 20 agencies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Tire Fee*

Resale Exemption

Type: Exclusion
Statutory/Other Authority: AS 43.98.025(g)(2), 15 AAC 98.060
Year Enacted: 2003
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total included in government exemption.				

Description

Tires intended for resale are exempt from the tire fee. The department will consider a tire to be a tire for resale in a transaction between the manufacturer of a tire and a distributor of the tire; a distributor of the tire and a retail dealer of the tire; or a retail dealer and another retail dealer of the tire.

Legislative Intent, Public Purpose

The Legislature included the exemption to prevent the double taxation of tires.

Who Benefits and Number of Beneficiaries

Included in government exemption.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Tire Fee*

Timely Filing Credit

Type: Reduced Rate
Statutory/Other Authority: AS 43.98.025(e)
Year Enacted: 2003, last amended in 2015
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$48,675	\$42,344	\$40,399	\$37,168	\$34,935

Description

Sellers that remit the fees collected to the department within 30 days after the last day of the preceding calendar quarter may retain five percent of the amount collected, not to exceed \$600 per quarter.

Legislative Intent, Public Purpose

The discount was intended to encourage timely remittance of taxes and to cover the cost of collecting the fee and filing the return.

Who Benefits and Number of Beneficiaries

Between 55 and 70 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Tobacco Products Tax*

Commission

Type: Reduced Rate
Statutory/Other Authority: AS 43.50.330(b)
Year Enacted: 1988, amended 1997
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$54,053	\$55,437	\$55,848	\$57,341	\$58,370

Description

Gives a four-tenths of one percent deduction to cover the expense of accounting and filing the return for the tobacco tax. The percentage was decreased in 1997 to reflect a higher tax rate than in the original statute.

Legislative Intent, Public Purpose

The discount was intended to cover the cost of filing the return to encourage timely filing of tax returns.

Who Benefits and Number of Beneficiaries

Between 10 and 40 companies.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Tobacco Products Tax*

Indian Reservation Exemption from Tobacco Products Tax

Type: Exclusion
Statutory/Other Authority: AS 43.50.310(b)
Year Enacted: 1988
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$45,419	\$45,502	\$57,041	\$80,758	\$88,715

Description

Federally recognized Indian tribes are exempt from the tobacco products tax.

Legislative Intent, Public Purpose

To comply with federal law.

Who Benefits and Number of Beneficiaries

One federally recognized tribe.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Tobacco Products Tax*

Personal Exemption from Tobacco Products Tax

Type: Exclusion
Statutory/Other Authority: AS 43.50.300
Year Enacted: 1988
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. See note.				

Note: There is no reporting requirement for tobacco products personally transported into the state.

Description

Other tobacco products brought into the state or made in the state for personal consumption and not for sale are not subject to the tobacco products tax.

Legislative Intent, Public Purpose

The Legislature intended only to tax tobacco products at the point of sale. The public purpose is to generate state revenue by efficient administration of tax.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Tobacco Products Tax*

Uniformed Services Exemption from Tobacco Products Tax

Type: Exclusion
Statutory/Other Authority: AS 43.50.310(a)
Year Enacted: 1988
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. See note.				

Note: There is no reporting requirement for such facilities.

Description

Facilities operated by one of the uniformed services of the United States are exempt from the tobacco products tax.

Legislative Intent, Public Purpose

To comply with federal law.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Vehicle Rental Tax*

Motorcycle Exemption

Type: Exemption
Statutory/Other Authority: AS 43.52.099(2)(h)
Year Enacted: 2013
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unavailable. See note.				

Note: Effective 5/10/13, the legislature excluded motorcycles and motor-driven cycles from the tax, so the exemption is no longer tracked.

Description

Excludes motorcycles and motor-driven cycles from the vehicle rental tax.

Legislative Intent, Public Purpose

The legislature intended only to tax the rentals of cars, light trucks, vans and SUVs not motorcycle rentals.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue
Vehicle Rental Tax

Moving Truck Exemption

Type: Exemption
Statutory/Other Authority: AS 43.52.099(2)(f)
Year Enacted: 2006
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. There is no reporting requirement for moving trucks.				

Description

Exempts moving trucks from the vehicle rental tax.

Legislative Intent, Public Purpose

The Legislature intended only to tax visitors (tourists) renting vehicles and did not intend to tax moving trucks. To limit the vehicle rental tax to the tourism industry.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Vehicle Rental Tax*

Reduced Rate for Recreational Vehicles (RVs)

Type: Reduced Rate
Statutory/Other Authority: AS 43.52.040
Year Enacted: 2003
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,077,414	\$1,185,139	\$1,209,171	\$1,297,293	\$1,215,321

Note: Applied the 7% tax rate differential to taxable fees and costs to determine foregone revenue.

Description

Recreational vehicles (RVs) are taxed at a rate of 3% while other vehicle rentals are taxed at a rate of 10%.

Legislative Intent, Public Purpose

The Legislature adopted the reduced rate for RVs to reflect the higher per-day rental cost of RVs compared to other vehicles. The rate was intended to make the tax relatively even on a dollar-per-day basis.

Who Benefits and Number of Beneficiaries

Between 25 and 35 beneficiaries.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Vehicle Rental Tax*

Taxicab Exemption

Type: Exemption
Statutory/Other Authority: AS 43.52.030
Year Enacted: 2004
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. See note.				

Note: There is no reporting requirement for taxicabs.

Description

Excludes taxicab rentals from the vehicle rental tax.

Legislative Intent, Public Purpose

To generate state revenue from short-term vehicle rentals without burdening taxis.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Revenue *Vehicle Rental Tax*

Warranty Work Exemption

Type: Exemption
Statutory/Other Authority: AS 43.52.099(2)(g)
Year Enacted: 2006
Sunset/Repeal Date: None

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Unknown. See note.				

Note: There is no reporting requirement for warranty work rentals.

Description

Exempts a vehicle provided by an automobile dealer to a customer as replacement transportation from the vehicle rental tax.

Legislative Intent, Public Purpose

The Legislature intended only to tax visitors renting vehicles (tourists) and did not intend to tax vehicles provided as replacements by dealers.

Who Benefits and Number of Beneficiaries

Not tracked.

Estimated Cost to Administer

No additional cost; is administered with current resources.

Department of Transportation Alaska Marine Highway System

Alcohol Board Passes

Type: Pass
 Statutory/Other Authority: AMHS Policy and Procedure # 7-4, no known contract or agreement
 Year Enacted: Not Provided
 Sunset/Repeal Date: Contract expired early FY 2014

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Expired.				

Description

These are issued to qualified employees of the Alcoholic Beverage Control Board (in exchange for waiving fees related to alcohol permits).

Legislative Intent, Public Purpose

The purpose is to mitigate the cost of State Government programs that provide services to Alaska.

Who Benefits and Number of Beneficiaries

This program has expired.

Estimated Cost to Administer

Not Provided.

Children's Discounted Tariffs

Type: Discount
 Statutory/Other Authority: Not Provided
 Year Enacted: Not Provided
 Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$638,574	\$571,024	\$571,225	\$459,360	\$473,425

Description

Children aged 6-11 receive a 50% discount on the route based Adult passenger tariff.

Legislative Intent, Public Purpose

The purpose is to benefit families with children while traveling for any purpose.

Who Benefits and Number of Beneficiaries

10,885 in FY 2018 and 10,643 in FY 2019.

Estimated Cost to Administer

Not Provided.

Department of Transportation Alaska Marine Highway System

Disability Pass

Type: Pass
 Statutory/Other Authority: AMHS Policy and Procedure # 7-8
 Year Enacted: Not Provided
 Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$33,792	\$145,208	\$101,778	\$12,585	\$14,223

Description

Qualified disabled individuals receive a 50% discount on the route specific adult passenger tariff - in State passage only.

Legislative Intent, Public Purpose

The purpose is to reduce transportation costs for qualified disabled Americans.

Who Benefits and Number of Beneficiaries

On average 100 individuals use this pass each year.

Estimated Cost to Administer

Not Provided.

Employee Annual Passes

Type: Pass
 Statutory/Other Authority: Collective Bargaining Agreement (CBA) with MMP, MEBA, IBU-AMHS P&P # 7-1
 Year Enacted: Not Provided
 Sunset/Repeal Date: Unknown; continuing under terms of previous CBAs that terminated 6/30/2017

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,254,827	\$1,132,377	\$971,754	\$1,027,881	\$1,333,257

Description

Qualified Alaska Marine Highway System employees and their immediate families can get free passenger/vehicle travel space based on availability. \$100 annual fee negotiated into contracts and being implemented.

Legislative Intent, Public Purpose

This is a provision of Collective Bargaining Agreement with Vessel Employees Unions.

Who Benefits and Number of Beneficiaries

On average 450 employees use their pass, some several times per year.

Estimated Cost to Administer

Not Provided.

Department of Transportation Alaska Marine Highway System

Employee Trip Passes

Type: Pass
 Statutory/Other Authority: Collective Bargaining Agreements (CBA) with MMP, MEBA, IBU-AMHS P&P # 7-2
 Year Enacted: Not Provided
 Sunset/Repeal Date: Unknown; continuing under terms of previous CBAs that terminated 6/30/2017

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$139,515	\$54,225	\$48,411	\$31,345	\$34,791

Description

Qualified Alaska Marine Highway System employees are allowed free passage when traveling to and from work including workers who have not obtained annual pass privileges through trip passes.

Legislative Intent, Public Purpose

This is a provision of collective Bargaining Agreement with Vessel Employees Unions.

Who Benefits and Number of Beneficiaries

On average 80 employees use this benefit per year.

Estimated Cost to Administer

Not Provided.

Interpretive Passes

Type: Pass
 Statutory/Other Authority: See various Memorandums of Agreement re: intergovernmental exchange of services
 Year Enacted: Not Provided
 Sunset/Repeal Date: Contract expired beginning FY 2014

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Expired.				

Description

Contractual agreements with Federal Government Agency (United States Forest Service) for interpretive services.

Legislative Intent, Public Purpose

The purpose is to provide added passenger enjoyment on selected AMHS vessels.

Who Benefits and Number of Beneficiaries

This program has expired.

Estimated Cost to Administer

Not Provided.

Department of Transportation Alaska Marine Highway System

Marine Transportation Advisory Board Member Passes

Type: Pass
 Statutory/Other Authority: AS 19.65.150 AMHS P&P #7-4
 Year Enacted: 2008
 Sunset/Repeal Date: No Sunset Clause

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Expired.				

Description

These are issued to current board members for official MTAB business travel - (Offsets to AMHS Budget).

Legislative Intent, Public Purpose

The purpose is to mitigate the cost of SOA-sponsored board members' better understanding of system.

Who Benefits and Number of Beneficiaries

This program has expired.

Estimated Cost to Administer

Not Provided.

National/Guard Militia Passes

Type: Pass
 Statutory/Other Authority: AS 19.65.035 AMHS P&P # 7-10
 Year Enacted: 2000
 Sunset/Repeal Date: No Sunset Clause

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$166	\$192	\$1,759	\$1,242	\$162

Description

These are issued to qualified members traveling to and from training exercises on a space available basis.

Legislative Intent, Public Purpose

The purpose is to assist the Alaska National Guard and Militia with transportation.

Who Benefits and Number of Beneficiaries

At least one person used this benefit.

Estimated Cost to Administer

Not Provided.

Department of Transportation *Alaska Marine Highway System*

Senior Citizen Discounted Tariffs

Type: Discount
Statutory/Other Authority: AMHS Policy and Procedure # 3-14
Year Enacted: Not Provided
Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$611,598	\$373,509	\$347,042	\$1,097,881	\$1,250,957

Description

Seniors aged 65 and older receive a 25% discount on the route based Adult passenger tariff, valid for Alaska ports only.

Legislative Intent, Public Purpose

The purpose is to reduce transportation costs.

Who Benefits and Number of Beneficiaries

39,573 in FY 2018 and 44,216 in FY 2019.

Estimated Cost to Administer

Not Provided.

Department of Transportation Alaska Marine Highway System

Trooper/USFS Enforcement Passes

Type: Pass
 Statutory/Other Authority: See Memorandums of Agreement re: intergovernmental exchange of services
 Year Enacted: Not Provided
 Sunset/Repeal Date: 9/30/2013; Reinstated for AK State Troopers only on 3/1/2016

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Expired.	\$10,345	\$48,411	\$8,327	\$9,450

Description

These are contractual agreements with State and Federal Government Agencies (State Troopers, United States Forest Service) for enforcement presence.

Legislative Intent, Public Purpose

The purpose is to provide added law enforcement presence on board AMHS vessels.

Who Benefits and Number of Beneficiaries

9 troopers used the program multiple times in FY 2018 and 12 troopers in FY 2019.

Estimated Cost to Administer

Not Provided.

Underage Discounted Tariffs

Type: Discount
 Statutory/Other Authority: Not Provided
 Year Enacted: Not Provided
 Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$1,371,757	Unknown.		\$926,043	\$892,243

Note: Due to a reservation system conversion, revenue impacts for FY 2016 and 2017 are currently unavailable. Figures may be reported in future publications.

Description

Children aged 5 & under travel free (passage only).

Legislative Intent, Public Purpose

The purpose is to benefit families with children while traveling for any purpose.

Who Benefits and Number of Beneficiaries

10,467 in FY 2018 and 9,640 in FY 2019.

Estimated Cost to Administer

Not Provided.

Department of Transportation Alaska Marine Highway System

United States Coast Guard Sea Marshall Passes

Type: Pass
 Statutory/Other Authority: AMHS Policy and Procedure # 7-4
 Year Enacted: Not Provided
 Sunset/Repeal Date: 4/1/2015

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$0	Expired.			

Description

These are issued to qualified members traveling to and from official Sea Marshall business - Pass #90040.

Legislative Intent, Public Purpose

The purpose is to mitigate the cost of Federal Government programs that provide services to Alaska.

Who Benefits and Number of Beneficiaries

This program has expired.

Estimated Cost to Administer

Not Provided.

Veteran Disability Pass

Type: Pass
 Statutory/Other Authority: AMHS Policy and Procedure # 7-9
 Year Enacted: Not Provided
 Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$10,919	\$6,172	\$4,253	\$23,984	\$ 29,520

Description

Qualified disabled veterans receive a 50% discount on the route specific adult passenger tariff - In state passage only.

Legislative Intent, Public Purpose

The purpose is to reduce transportation costs for qualified disabled American Veterans.

Who Benefits and Number of Beneficiaries

On average 50 individuals each year.

Estimated Cost to Administer

Not Provided.

Department of Transportation *Alaska Marine Highway System*

Youth Group Discounted Tariffs

Type: Discount
Statutory/Other Authority: AMHS Policy and Procedure # 3-18
Year Enacted: Not Provided
Sunset/Repeal Date: No Sunset Clause Identified

Revenue Impact				
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$699,006	\$669,062	\$571,986	\$513,080	\$551,560

Description

Organized Youth Groups receive a 50% discount on the route based adult passenger tariff - in State passage only.

Legislative Intent, Public Purpose

The purpose is to provide youth with the academic and social development that travel provides at a discounted cost.

Who Benefits and Number of Beneficiaries

15,154 in FY 2018 and 14,977 in FY 2019.

Estimated Cost to Administer

Not Provided.

