

State of Alaska
DEPARTMENT OF REVENUE
Income and Excise Audit Division



OPERATIONS ANNUAL REPORT
For the Fiscal Year Ended June 30, 1993

The Honorable Walter J. Hickel, Governor
Darrel J. Rexwinkel, Commissioner

Alaska Department of Revenue
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INTRODUCTION

This annual report gives an overview of the tax programs administered by the Operations component of the Income and Excise Audit Division and provides a summary of revenues, statistics and other information relevant to those programs for the fiscal year ended June 30, 1993.

Operations is responsible for collecting and processing Alaska's tax revenues and returns, except for oil and gas production and property tax, and for administering the state's unclaimed property program. Responsibilities include ensuring that tax laws are administered in accordance with statutory requirements. Operations is centralized in Juneau and carries out the following seven primary functions:

1. Cash Remittance Processing
2. Data Capture of Tax Return Information
3. Examination of Returns
4. Licensing
5. Enforcement Collections
6. Tax and License Fee Sharing
7. Unclaimed Property

The mission of Operations is to provide taxpayers with efficient and economical administration of Alaska tax laws and provide the Division's audit field offices with timely and effective support.

Operations Staff '93



Photo by Edie Bundy

(L to R) Myron Richardson, Renea Rovner, Rachel Marshall, Bruce Winniford, Lillian Patterson, Bette Cole, Anne Jones, Ampy Cruz, Janet Jefferson, Aida Santos, Paul Dick, Claudia Rosenau, Julie Wilson, Leonora Pajarillo, Jim Gruber, Nestor Catli, John Johnson, Edie Bundy
(Not Pictured) Eloise Herrick, Rhonda Holt, Raquel Helf, Beni White, Kathy Mally, Kay Fvette, Rita Marvin, Anne Jones, Sandie Yadao

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ORGANIZATION

Operations is comprised of four units and staffed by 27 full-time positions. Each unit is staffed with a supervisor who reports to a Revenue Audit Supervisor (Operations Manager). Two positions, an analyst programmer and an accounting technician, report directly to the Operations Manager.

- Tax Examining Corp & Fish/Excise
- Accts & collections
- Unclaimed property
- Tax & License sharing

Tax Examination Units

Operations' organization includes two tax examination units which are responsible for receiving, processing and examining all returns for tax types listed below.

Corporation Tax Unit

Tax Type	Statutory Reference	Filing Frequency
Corporation Income	AS 43.20	Annually

Fish and Excise Tax Unit

Tax Type	Statutory Reference	Filing Frequency
Fisheries Business	AS 43.75	Annually
Salmon Enhancement	AS 43.76	Monthly
Seafood Marketing	AS 16.51	Annually
Estate	AS 43.31	Death
Motor Fuel	AS 43.40	Monthly
Tobacco	AS 43.50	Monthly
Alcoholic Beverages	AS 43.60	Monthly
Mining License	AS 43.65	Annually
Regulatory Cost Charges (APUC)	AS 42.05.253 AS 42.06.285	Quarterly
Electric/Telephone Cooperative	AS 10.25.550 AS 10.25.555	Annually

Each unit is responsible for ensuring primary compliance that taxpayers fulfill their filing requirements and for assessing additional taxes, penalties and interest due when appropriate.

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The units received and processed the following number of returns during the fiscal year:

Tax Type	Returns
Total Corporation	13,101
Motor Fuel	2,044
Salmon Enhancement	694
Fisheries Business	588
Tobacco	436
Mining	388
Seafood Marketing	330
Regulatory Cost Charges	183
Alcoholic Beverages	135
Coin-Operated Device	434
Estate	42
Electric/Telephone Co-op	20
Total Fish and Excise	5,294
Total Both Units	18,395

The **Corporation Tax Unit** is staffed by a Tax Examiner III (supervisor), four tax examiners, and three clerical positions. In addition to the corporation returns, the unit receives partnership and other miscellaneous information returns. Since these returns are informational only, the Division does not track them through its computerized taxpayer file (masterfile) and accordingly statistics on these returns are not available.

The Unit examines returns based on priority criteria which include large dollar tax liabilities, refund claims and returns identified from exception listings (primarily accounts with masterfile balances differing from return information).

The Unit assists in updating the corporation tax return form to reflect changes in federal and Alaska tax laws and is responsible for mailing the return forms to corporate taxpayers on file with the division. The Unit maintains corporation tax return files, taxpayer correspondence and estimated payment documents with a retention schedule of three years. Returns and related documents older than three years are archived each year.

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The **Fish and Excise Tax Unit** is staffed by a Tax Examiner III (supervisor), four tax examiners, and one clerical position. Beside processing returns, the unit provides the following functions.

The Unit licenses fisheries businesses who process or export fisheries resources from the state. The Unit issued 540 licenses during the fiscal year. As part of the licensing function, the Unit accounts for cash prepayments and other forms of security submitted by businesses to secure their tax liabilities as required by AS 43.75.055.

Effective July 1, 1993 the Unit will assume responsibility for the fish processor and buyer bonding program which was previously administered by the Alaska Department of Labor. This program will be integrated into the fisheries licensing program and by doing so will increase efficiency in the overall administration of both programs. Integrating these two programs will eliminate delays in licensing, duplication of data, and confusion amongst processors by having one less state agency to correspond with.

The Fish and Excise Tax Unit is responsible for administering the following other miscellaneous licensing programs: motor fuel (qualified dealers), mining, alcoholic beverages and tobacco.

The Unit issues refunds to persons who purchased and paid tax on motor fuel but used the fuel for off-highway or exempt purposes. The Unit processed 636 claims for refunds during the fiscal year.

The Unit prepares an annual report for the Department of Commerce and Economic Development to report salmon enhancement tax data which is used for determining appropriations to regional aquaculture associations. The Unit also includes data in the report relating to the location where the salmon was purchased versus where caught.

The Unit semiannually prepares a wholesale canned salmon report required under AS 43.80.050. The report includes data for the periods April through September and October through March. The Unit distributes about 30 reports semiannually to legislators, processors and other agencies.

During FY 93, the Fish and Excise Tax Unit transferred the nonresident affidavits program as provided under AS 43.10.160 to the Division's Compliance Section since it is an integral part of identifying corporations with tax filing requirements in Alaska.

The Fish and Excise Tax Unit issued approximately 500 death certificates required under the estate tax program during the fiscal year. The certificates are required under AS 43.31.181.

The Unit was responsible for receiving and processing 434 coin-operated device tax returns in the fiscal year. As a part of this program, the Unit issued tax receipts to each taxpayer as required by AS 43.35.

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Accounting and Collections Unit

The Accounting and Collections Unit is staffed by an Accounting Supervisor I, two accounting technicians, two accounting clerks and two clerical positions. The Unit is responsible for receiving and processing tax payments, data entering tax information from all returns received by the Division, reconciling tax revenues, and maintaining the Division's tax masterfile system. The masterfile system is a computer file of all taxpayers on record with the Division with filing requirements for the tax types administered by the Division, and functions as the subsidiary ledger to the state accounting system. The Unit is responsible for transferring a portion of cigarette tax receipts to the School Fund on a monthly basis.

Masterfile tracks estimated payments, returns filed with the division, subsequent payments and other financial information related to individual accounts. Masterfile also tracks account information such as status and to whom the account is assigned.

An integral function of masterfile is cash remittance processing which includes validating and depositing all tax payments received by the division. The Unit data captures payments onto masterfile and reconciles cash activity to deposit summary information which is posted on the state accounting system. The Unit posts assessments for additional taxes and penalties onto masterfile. }>

The Unit generates management reports as a part of its reconciliation process and for identifying exception items. Special reports are generated for Department personnel upon request.

The Unit is responsible for issuing refunds and collecting delinquent tax liabilities. The collection function includes contacting taxpayers for payments and taking appropriate enforcement actions such as filing liens and levying assets of delinquent taxpayers.

As part of the collection function, the Unit tracks cases in bankruptcy status and maintains files for uncollectible accounts until the statute of limitation for collection expires, normally six years. As of June 30, 1993, the balance of accounts in collections was approximately \$1.5 million.

In conjunction with provisions of the Constitutional Budget Reserve Fund which took effect July 1, 1990, the Accounting and Collections Unit is also responsible for accounting for oil and gas settlement payments received by the state. The Unit receives a payment characteristic form for each settlement payment from respective oil and gas agencies. The form includes a breakdown of the various funds for which settlement payments are to be accounted. The Unit maintains a database of all settlement payments which accounts for the nature of each payment and an accounting of the funds. The Unit issues monthly reports summarizing detail activity and balances in each fund.

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ORGANIZATION

Unclaimed Property Unit

The Unclaimed Property Unit is staffed by an Unclaimed Property Administrator (supervisor) and one full-time accounting clerk. Temporary clerk typists and an accounting clerk are hired during peak seasons to assist the Unit with seasonal workloads. The Unit is responsible for administering the unclaimed property program as provided by AS 34.45. During the fiscal year, the Unit was located in the Department of Labor building in Juneau.

The unclaimed property program became effective in September 1986 and encompasses receiving and accounting for funds and certain assets of persons who cannot be located, and that are not claimed after a statutory period of time. Holders of unclaimed property are required to report and remit annually to the Unit any unclaimed funds or property in their possession.

The Unclaimed Property Unit attempts to locate persons every March by advertising in major Alaska newspapers and distributing listings around the state which report unclaimed properties being held by holders or the Unit. Upon verification of the rightful owner, properties are returned to the owner.

In FY 93, the Unit received 4,286 owner inquiries and processed 547 petitions for unclaimed property refunds totalling \$346,373. The Unit processed 2,826 holder reports and received \$1,820,444 in unclaimed property from holders. During peak season (following the March advertisement), the unit receives in excess of 200 phone calls per day.

Since the program's inception in 1986, the Division has transferred approximately \$7.1 million from the unclaimed property trust account to the General Fund.

The Unit maintains an inventory of safe deposit box contents submitted by holders after they have attempted to contact the owner of the contents. The contents are held in a secured vault in Juneau.

Additionally, the Unclaimed Property Unit is responsible for the ~~escheated property program~~ which involves receiving and accounting for funds which are subject to escheat to the state after the statutory period of seven years. The escheated tax program covers those funds received prior to inception of the unclaimed property program. All remaining funds held by the state will escheat to the state in September 1993.

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ORGANIZATION

Tax and License Sharing

One of Operations' functions is sharing certain tax receipts and license fees to communities statewide. This includes accounting for all revenues subject to sharing provisions in statutes and issuing warrants to respective communities during certain times of the year. The following tax and license types are subject to sharing:

Tax Type	Reference	Share Frequency
Fisheries Business	AS 43.75.130	Annually
Aviation Motor Fuel	AS 43.40.010	Semiannually
Coin-Operated Device	AS 43.35.050	Annually
Electric/Telephone Cooperative	AS 10.25.570	Annually
Liquor License Fees	AS 04.11.610	Semiannually

The Division issued approximately \$24 million to 120 eligible communities from taxes and fees collected during the fiscal year. The Division only shares taxes and fees collected. Interest and penalty amounts collected are not subject to sharing. Amounts shared to each community are compiled in an annual report under separate cover and is distributed to the public upon request.

During FY 93, the Division worked with the Department of Community and Regional Affairs (DCRA) to implement HB 456 (Ch. 195, SLA 1990) which provides for additional sharing to municipalities based on fisheries activities within them. Under this program, 50% of fisheries tax revenues not previously subject to sharing are shared through allocation with municipalities statewide. The shared amount is transmitted annually to DCRA who then allocates monies to municipalities based on a formula as specified in their regulations. The total amount of revenues not subject to sharing in FY 93 was \$1,351,014. Accordingly, the Department transmitted \$675,507 to DCRA.

The legislature passed the landing tax bill (Ch. 67, SLA 1993) during the 1993 legislative session. This bill contains tax sharing provisions which are the same as those for the fisheries business tax. The landing tax does not become effective until January 1, 1994 and the first tax returns will not be due until March 31, 1995.

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ACCOMPLISHMENTS

Subsidiary Databases

Operations' most notable accomplishment for FY 93 was the implementation of subsidiary databases for excise taxes. With the Division's masterfile system fully implemented in 1992, Operations began to focus our efforts on better accounting for subsidiary information compiled by the division. This subsidiary information includes summary activity for each of the excise tax types such as gallons of motor fuel and number of cigarettes sold during a specific month. The Division uses this information to generate reports required by various federal and state agencies. Additionally, reports are distributed to private research agencies.

Databases were implemented for the following tax types during the fiscal year: motor fuel, tobacco, alcoholic beverages, and salmon enhancement. Of these tax types, the most notable accomplishment was implementation of the motor fuel database because of the complexity of the tax type (four tax rates and six fuel types) and the need to generate two different monthly reports with different information sorts.

Implementation of these databases resulted in two major accomplishments for the Division. First, the Division was able to generate reports and data which reconciled to the masterfile and state accounting system (AKSAS). Second, the Division was able to provide comprehensive reports to more accurately reflect the monthly tax type activity such as gross motor fuel distributions before exemptions and refunds.

Reorganization

Operations reorganized during the fiscal year to utilize resources more efficiently in accomplishing its priorities and emphasis on compliance. Operations added a new position (Revenue Auditor III) to its organization to provide better oversight of the examination function and provide technical assistance. This position will work closely with the audit managers in FY 94 to identify cases with maximum audit gain potential by developing management reports and establishing criteria which flag cases for audit.

In accordance with the Division's direction toward placing increased emphasis on compliance, Operations reorganized its tax examiner resources to provide assistance to the Compliance Section. As a part of this reorganization, Operations adjusted its workloads and priorities to continue to meet critical deadlines and examination coverage of respective tax types.

To accommodate the seasonal increases in corporation tax return filings attributable to April and October filing due dates, the unit filled temporary clerical positions to assist in data capturing and processing returns received during those times. This proved to be successful in meeting the goal of providing timely data capture and service to examination and audit personnel. Additionally, temporary help has proved to be an efficient means of minimizing personnel costs.

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ACCOMPLISHMENTS

Regulatory Cost Charges Program

Operations successfully implemented the new regulatory cost charges (RCC) revenue collection program. The RCC program was legislated in the first special session of 1992 (Ch 2 FSSLAA 92) as a user fee to fund the budget of the Alaska Public Utilities Commission (APUC). As a part of the legislation, the Department of Revenue was charged with responsibility to collect the RCCs for APUC. The program became effective November 1, 1992.

The Division successfully integrated the RCC revenue accounting program into masterfile. As a result, Operations was able to efficiently account for RCC detail information, track account status and identify nonfilers. During the fiscal year, Operations fostered a successful working relationship with APUC staff to design forms, establish data requirements, and provide summary information reports on a periodic basis.

Computer Enhancements

In accordance with the Division's commitment of increasing efficiencies through computerization, Operations acquired hardware to equip all of its personnel with IBM-compatible PCs. This allowed Operations to install a Local Area Network (LAN) which resulted in more effective communication through common word processing and spreadsheet programs. Specifically, Operations formatted the Corporation Unit's tax adjustment report form on Lotus to increase efficiencies by downloading account information and programming formulas to reduce typing and possibility of mathematical errors.

Additionally, the Division acquired a CD ROM and subscribed to Commerce Clearing House's (CCH) CD tax service. As a part of the service, CCH provides updated CDs on a quarterly basis which guarantees that the Division has the most current information available. This has enhanced our tax research efforts because of easier access to information and assurance of up to date information.

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NEW LEGISLATION

Three bills and one executive order impacting Operations were passed by the 1993 legislature and signed by the Governor. The bills and executive order are summarized below.

HB 133 (Ch 44 SLA 93) - "Value" of Fisheries Resources Amended. This bill amends the definition of "value" under AS 43.75.290(11) which is used to compute fisheries business taxes. Under this bill, value was expanded to specifically include bonuses, tendering fees and delivery payments. This bill takes effect January 1, 1994.

HB 264 (Ch 67 SLA 93) - Fishery Resource Landing Tax. This bill enacts a new tax (landing tax) on trawlers and fishery businesses which bring or land processed fishery resources in Alaska. The landing tax is codified under a new chapter (Chapter 77) under Title 43.

The landing tax is 3.3% of the unprocessed value of the fishery resource based on a statewide average price as reported to the Alaska Department of Fish and Game. This bill provides that the .3% portion of the landing tax must be paid into a separate account for appropriation by the legislature to the Alaska Seafood Marketing Institute. The remaining 3% portion will be deposited in the General Fund, of which 50% is subject to revenue sharing with municipalities where the fishery resources were landed.

Taxpayers are required to file calendar year returns and pay landing taxes before April 1 of the following year. This bill takes effect January 1, 1994.

HB 275 (Ch 55 SLA 93) - Salmon Marketing Tax. This bill enacts a new tax (salmon marketing tax) on limited entry or interim-use permit holders that transfer salmon to a buyer in the state or export salmon outside of Alaska. The salmon marketing tax is codified under a new article (Article 2) under AS 43.76.

The salmon marketing tax is 1% of the value of salmon transferred to buyers or exported from the state. For salmon transferred to buyers, each buyer will collect the salmon marketing tax at the time of purchase and remit the tax to the Department of Revenue on a monthly basis. For salmon exported, permit holders will file returns and pay taxes directly to the department. The salmon marketing tax is accounted for separately in the General Fund and is subject to appropriation by the legislature to the Alaska Seafood Marketing Institute (ASMI) for domestic salmon marketing programs.

Monthly returns are due by the last day of the month following the month that the salmon was purchased or exported. This bill also included provisions for reorganization of ASMI which do not directly affect the Department of Revenue. This tax takes effect July 1, 1993.

Executive Order 85 - Labor Fish Bonding Program Transfer. This executive order transfers the fish bonding program administered by the Department of Labor to the Department of Revenue effective July 1, 1993. The order transferred statutory provisions for the program under AS 16 (Department of Labor) to AS 44.25 (Department of Revenue).

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Table 1
Revenues by Tax Type

CORPORATION NET INCOME

Current Year	
Chapter 20 - Oil and Gas Corporations	\$117,648,826
Chapter 20 - Other Corporations	25,143,425
Payments from Resolution of Prior Years	
Chapter 20 - Net Income Tax	639,739,091
Chapter 21 - Separate Accounting	<u>89,723,154</u>
<i>Total Tax Receipts</i>	<u>\$872,254,496</u>

FISHERIES BUSINESS

Established	
Shore-Based	\$22,549,210
Floating	13,100,428
Cannery	5,138,902
Developing	
Shore-Based	200,628
Floating	31,052
1993 Prepayments	1,175,517
Penalties and Interest	341,128
Fisheries Business License Fees	<u>14,425</u>
Gross Tax Receipts	42,551,290
Less Credits	
Winn Brindle	(367,458)
Fisheries Business	(17,423)
Alaska Education	<u>(575)</u>
Net Tax Receipts	42,165,834
Less Fisheries Tax Shared	
Department of Revenue	(20,895,923)
Department of Community and Regional Affairs	<u>(675,507)</u>
<i>Amount Retained by State</i>	<u>\$20,594,404</u>

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Table 1
Revenues by Tax Type

MOTOR FUEL

Highway	\$38,703,424
Aviation	9,566,039
Marine	9,011,190
Penalties and Interest	55,397
Less Timely Filing Deductions ¹	<u>(65,037)</u>
Gross Motor Fuel Tax Receipts	57,271,013
Less Claims for Refund ²	<u>(16,528,105)</u>
Net Tax Receipts	40,742,908
Less Aviation Tax Shared	<u>(116,796)</u>
 <i>Amount Retained by State</i>	 <u>\$40,626,112</u>

¹ Lesser of 1% of Tax Liability or \$100

² Refer to Table 6 for detail by fuel type

TOBACCO

Cigarette	\$15,651,976
Wholesale Tobacco	1,224,103
Less 1% Commissions	<u>(165,271)</u>
Total Cigarette Tax Receipts	16,710,808
Less Transfer to School Fund	<u>(2,668,122)</u>
 <i>Amount Retained in General Fund</i>	 <u>\$14,042,686</u>

ALCOHOLIC BEVERAGES

<i>Total Tax Receipts</i>	<u>\$11,898,804</u>
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SALMON ENHANCEMENT

Aquacultural Region	
Cook Inlet	\$1,957,437
Southern Southeast	1,805,983
Northern Southeast	1,133,843
Kodiak	852,676
Prince William Sound	656,014
Chignik	<u>304,370</u>
Total Aquacultural Regions	6,710,323
Penalties and Interest	<u>35,512</u>
 <i>Total Tax Receipts</i>	 <u>\$6,745,835</u>

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Table 1
Revenues by Tax Type

SEAFOOD MARKETING ASSESSMENT

Seafood Marketing Assessments	\$3,535,259
Penalties and Interest	<u>27,988</u>
<i>Total Receipts</i>	<u>\$3,563,247</u>

APUC REGULATORY COST CHARGES

Electric Utilities	\$1,084,080
Telephone Utilities	503,888
Other Utilities	550,337
Pipeline Carriers	<u>241,077</u>
Total RCC Collections	2,379,382
Penalties and Interest	<u>959</u>
<i>Total Receipts</i>	<u>\$2,380,341</u>

ELECTRIC AND TELEPHONE COOPERATIVE

Total Tax Receipts	\$2,178,911
Less Cooperative Tax Shared	<u>(2,067,696)</u>
<i>Amount Retained by State</i>	<u>\$ 111,215</u>

ESTATE

<i>Total Tax Receipts</i>	<u>\$918,402</u>
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MINING LICENSE

<i>Total Tax Receipts</i>	<u>\$425,607</u>
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Table 1
Revenues by Tax Type

COIN-OPERATED DEVICE

Total Tax Receipts	\$108,194
Less Device Tax Shared	<u>(48,289)</u>
<i>Amount Retained by State</i>	<u>\$ 59,905</u>

INDIVIDUAL INCOME

Total Tax Receipts	<u>\$16,460</u>
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CIGARETTE LICENSE FEES

Total License Fees (Deposited Directly to School Fund)	<u>\$3,760</u>
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Total Tax Receipts - All Tax Types

Total Net Tax Receipts	\$ 973,641,274
Amounts Shared	23,804,211
Amount Transferred to School Fund	<u>2,668,122</u>
Total Tax Receipts Collected	<u>\$1,000,113,607</u>

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Table 2
Additional Assessments Issued by Tax Examiners

Tax Type	Tax	Penalty	Total	Number
Corporation (Non Oil and Gas)	\$2,093,525	\$ 705,203	\$2,798,728	1,099
Fisheries Business	341,359	227,227	568,586	115
Mining	111,547	5,161	116,708	11
Motor Fuel	44,419	68,783	113,202	124
Seafood Marketing	27,397	18,199	45,596	68
Tobacco	438	17,418	17,856	16
Salmon Enhancement	3,573	14,084	17,657	37
Estate	6,513	5,349	11,862	2
Coin-Operated Device	2,400	556	2,956	11
Individual	496	227	723	7
Alcoholic Beverages	0	198	198	2
Total	\$2,631,667	\$1,062,405	\$3,694,072	1,492

The amounts above summarize data for assessments generated by Operations through examination of returns. Audit assessments are not included in these amounts.

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Table 3
Collections from Assessments by Tax Examiners

Tax Type	Amount	Number of Accounts
Corporation	\$ 890,566	442
Fisheries Business	395,294	60
Motor Fuel	214,463	64
Seafood Marketing Assessments	72,081	33
Individual	19,437	12
Salmon Enhancement	12,850	14
Tobacco	7,907	8
Mining	6,247	12
Estate	4,234	4
Coin-Operated Device	3,057	7
Alcoholic Beverages	202	2
Total Collections	\$1,626,338	658

The amounts above summarize data for enforced collections of taxes, penalties and interest resulting from assessments made by tax examiners. Enforced collections begin after taxpayers have been notified of an assessment.

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Table 4
Taxpayer Refund Claims Issued

Tax Type	Amount	Number
Corporation (Non Oil and Gas)	\$16,037,601	1,348
Corporation (Oil and Gas)	11,480,160	21
Motor Fuel (Consumer Refunds) ¹	6,216,283	636
Fisheries Business	370,475	116
Estate	97,849	10
Salmon Enhancement	43,429	13
Motor Fuel (Taxpayer Refunds)	17,459	18
Seafood Marketing	13,691	9
Tobacco	9,354	2
Individual	8,499	1
Regulatory Cost Charges	1,204	3
Electric/Telephone Co-op	900	1
Alcoholic Beverage	264	1
Mining	200	2
Total	\$34,297,368	2,181

The amounts above summarize data for refunds claimed by taxpayers on their returns. Refunds typically resulted from taxpayers whose estimated payments exceeded their year-end tax liability or who file amended returns.

¹ Consumers may claim a refund of motor fuel tax paid on fuel used for exempt and off-highway purposes.

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Table 5
Statistics

Corporation Net Income Tax

<i>Tax Returns Filed by Type</i>	
Return Type	Returns Filed
Original (Non Oil and Gas)	6,840
Sub-S Corporations	3,388
Inactive	648
Amended (Non Oil and Gas)	624
NOL Carrybacks	544
Exempt	448
Homeowner Association	316
IRS Audit Adjustment Report	120
Foreign	55
Original (Oil and Gas)	33
Amended (Oil and Gas)	25
Miscellaneous	60
Total	13,101

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Table 5
Statistics

Fisheries Tax

<i>Fisheries Business Licenses Issued</i>	
Floating	258
Shore-based	218
Exporters	64
Total Licenses Issued	540

<i>Security Posted for Fisheries Business Licenses</i>	
Lienable Real Property	\$75,391,196
Fisheries Business Bond	5,490,900
Letters of Credit	2,208,424
Cash Prepayments	1,296,910
Certificates of Deposit	817,239
Total Security Posted	\$85,204,669

<i>Civil Penalties Assessed</i>	
1st Violation (\$5,000)	6
2nd Violation (\$10,000)	1
<i>AS 43.75.011(b) authorizes the Department to assess civil penalties for processing without a license.</i>	

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Table 5
Statistics

Motor Fuel Tax

	<i>Taxable Gallons Distributed in Alaska</i>						
	Highway		Aviation			Marine	
	<i>Gasoline</i>	<i>Diesel</i>	<i>Gasoline</i>	<i>Jet Fuel</i>	<i>Gasoline</i>	<i>Diesel</i>	
Total Gallons Sold	245,045,071	717,721,554	18,614,798	744,157,849	10,824,735	180,713,779	
Less Exemptions ¹	-14,529,363	-464,322,299	-465,075	-387,915,859	-123,704	-8,888,973	
Less Refunds ²	-1,214,840	-23,137,007	-76,775	-127,805,650	-1,076	-1,457,698	
Fuel Reclassifications ³	-13,947	2,697,155	3,291	0	10,657	-2,697,155	
Total Taxable Gallons	229,286,921	232,959,403	18,076,239	228,436,340	10,710,612	167,669,953	

¹ Amounts claimed and deducted on taxpayer returns. Certain fuel sales as specified under AS 43.40.100 are exempt from motor fuel tax. The four largest categories of exempt sales include fuel sold for heating, exported as cargo, used on foreign flights and sold to governmental entities.
² Refunds of full tax claimed by resellers for fuel which was sold for exempt purposes. Refunds were claimed primarily for heating fuel and foreign flight sales.
³ Amount of gallons for which the final usage differed from the original classification under which it was purchased. For example, a taxpayer purchased highway fuel but used it in his boat (marine fuel).

	<i>Gallons Converted to Off-highway Use</i>		
	<i>Gasoline</i>	<i>Diesel</i>	<i>Total</i>
Total Off-highway Gallons ¹	1,812,637	179,452,163	181,264,800

¹ Gallons used off-highway are subject to a refund of 6¢ per gallon under AS 43.40.030. Since these gallons are subject to some tax (net 2¢ per gallon), they are included in the table above.

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Table 5
Statistics

Alcoholic Beverages Tax

<i>Taxable Gallons Sold</i>	
Beer	13,263,354
Wine	1,288,650
Liquor	1,099,956
Total Gallons Sold	15,651,960

Tobacco Tax

Taxable Cigarettes Sold	1,079,446,621
Total Wholesale Price of Tobacco Sold	\$4,896,412

Estate Tax

Number of Estate Tax Certificates Issued	500
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Licensing

<i>Licenses Issued</i>	
License Type	Number Issued
Fisheries Business	540
Mining	433
Cigarette	174
Motor Fuel Dealer	147
Alcohol Bond Warehouse	13

Alaska Department of Revenue
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Table 5
Statistics

Unclaimed Property

Unclaimed Property Trust Account

Beginning Balance		\$1,264,405
Less Prior Year Adjustment ¹		<u>(47,899)</u>
Net Balance		1,216,506
 Deposits		 1,820,444
Less Total Transfers and Refunds:		
Transfer to General Fund	1,657,100	
Refunds Issued	<u>346,373</u>	
Total Transfers and Refunds		<u>(2,003,473)</u>
 Ending Balance		 <u>\$1,033,477</u>

¹*Amount of escheated property refunds issued during fiscal year 1992. All financial activity for the escheated property program is accounted for in the unclaimed property trust account.*

Unclaimed Property Activity

Category	Number
Owner Inquiries	4,286
Reports Processed	2,826
Refunds Issued by Holders	816
Refunds Issued by Department of Revenue	547

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Table 6
Motor Fuel Refund Detail

This table breaks out by transportation mode the total dollar amount of motor fuel refunds reflected in Table 1. AS 43.40.030 provides for full refunds of tax paid on motor fuel used for exempt purposes and partial refunds of 6 cents per gallon on motor fuel used for off-highway purposes. Off-highway refunds for FY 93 totalled \$10,876,000. The bulk of aviation fuel refunds resulted from fuel used on foreign flights which is tax exempt.

	Highway	Marine	Aviation	Total
Gross Tax Receipts ¹	\$38,701,987	\$9,010,219	\$9,558,807	\$57,271,013
Claims For Refunds	(13,150,263)	(179,630)	(3,198,212)	(16,528,105)
Net Tax Receipts	\$25,551,724	\$8,830,589	\$6,360,595	\$40,742,908

¹ Net of timely filing deductions and penalty and interest collections

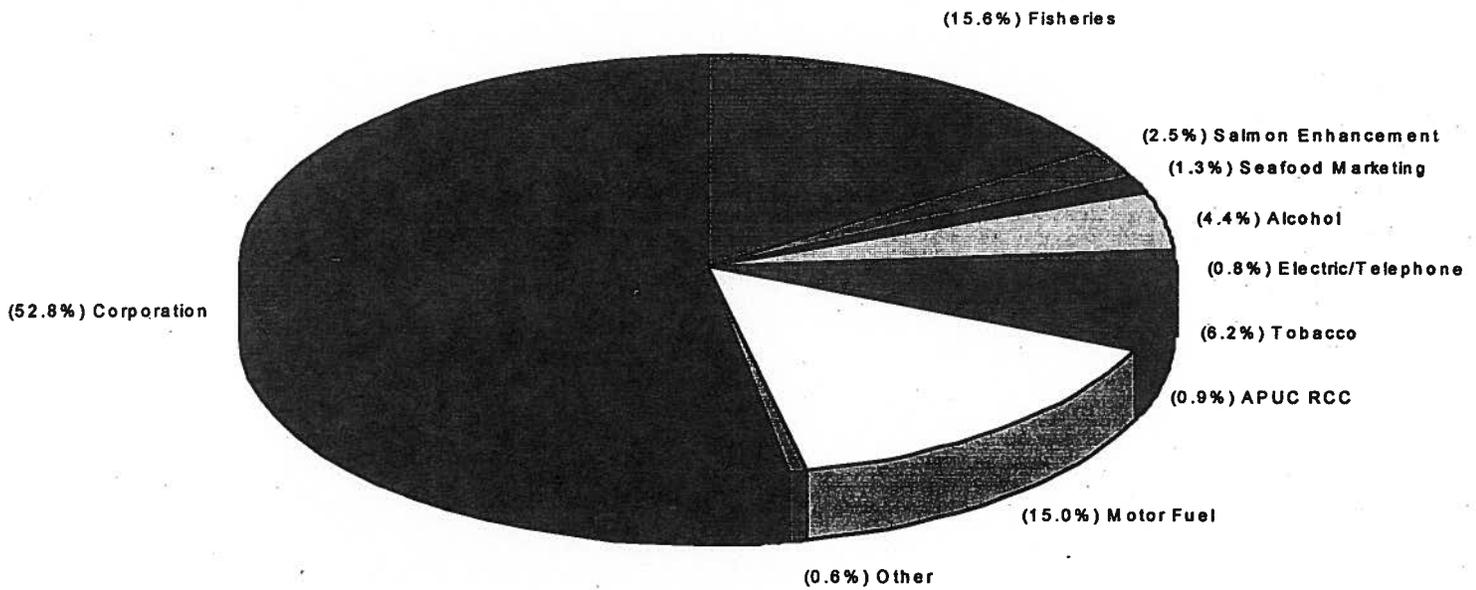
Alaska Department of Revenue
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Table 7
Salmon Enhancement Tax Detail

Aquaculture Region	Where Bought		Where Caught		Tax
	Pounds	Value	Pounds	Value	
Cook Inlet	72,856,623	\$ 97,825,388	72,833,895	\$ 98,726,898	\$1,957,437
Southern Southeast	122,619,903	60,071,355	104,670,237	53,985,703	1,805,983
Northern Southeast	52,153,536	37,549,572	69,192,232	42,203,543	1,133,843
Kodiak	43,750,311	42,675,357	43,750,311	42,675,357	852,676
Prince William Sound	37,115,037	32,809,841	37,136,495	31,900,673	656,014
Chignik	18,269,216	15,218,527	18,269,216	15,218,527	304,370
Total	346,764,626	\$286,150,040	345,852,386	\$284,710,701	\$6,710,323

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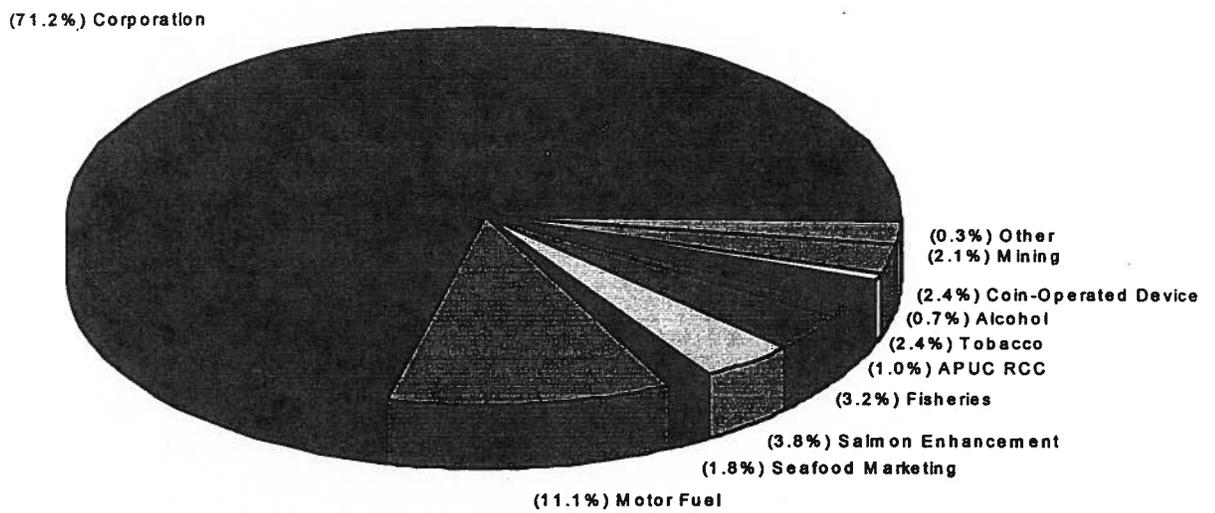
Table 8
Tax Receipts Collected



<i>FY 93 Tax Receipts</i>	
<i>(In Millions of Dollars)</i>	
Corporation	\$142.8
Fisheries	42.2
Motor Fuel	40.7
Tobacco	16.7
Alcohol	11.9
Salmon Enhancement	6.7
Seafood Marketing	3.6
APUC RCC	2.4
Electric/Telephone	2.2
Other	1.5
Total	<u>\$270.7</u>

Alaska Department of Revenue
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Table 9
Return Filing Volume



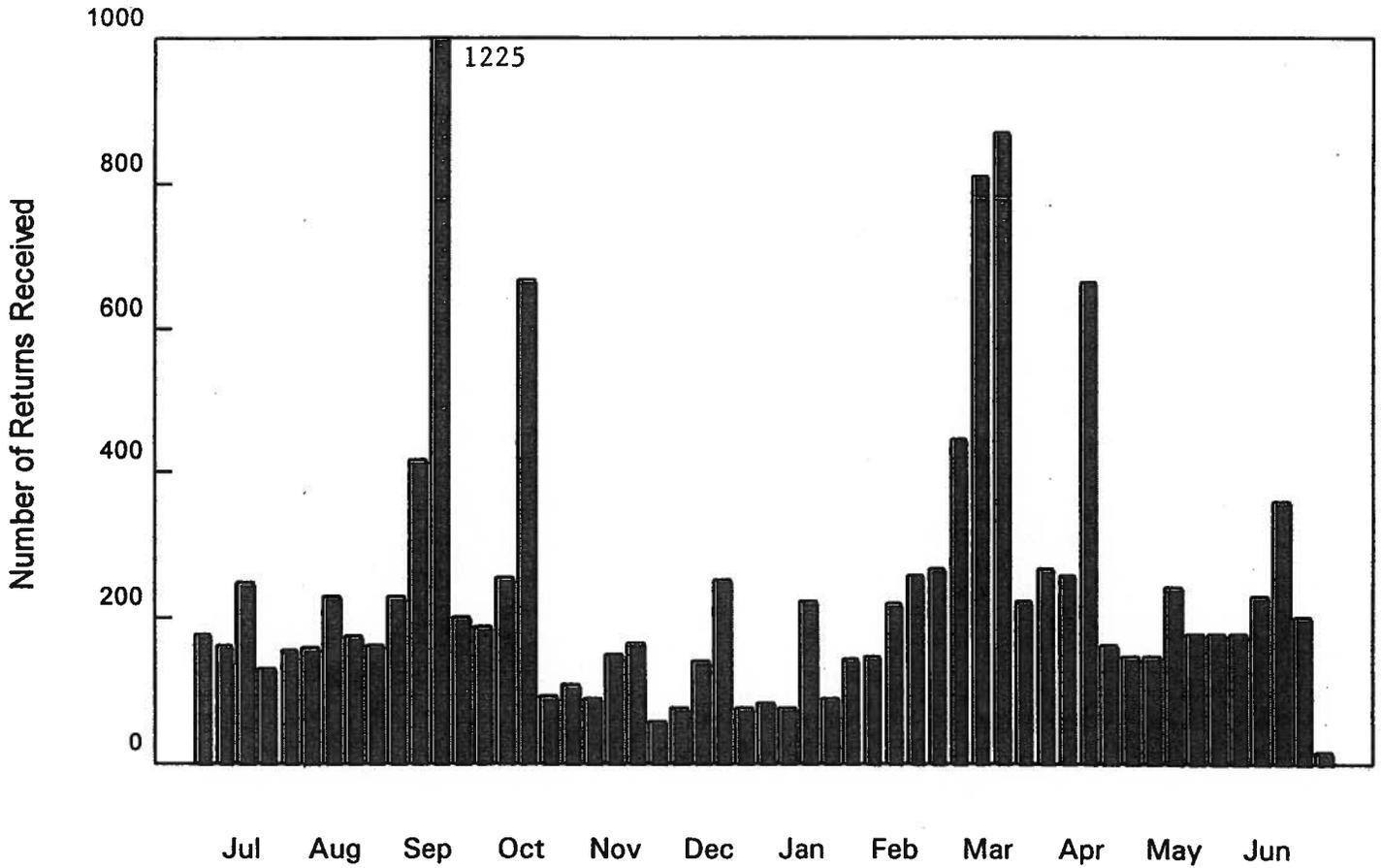
Returns Filed in FY 93

(Number of Returns)

Corporation	13,101
Motor Fuel	2,044
Salmon Enhancement	694
Fisheries	588
Tobacco	436
Coin-operated Device	434
Mining	388
Seafood Marketing	330
APUC RCC	183
Alcohol	135
Other	62
Total	<u>18,395</u>

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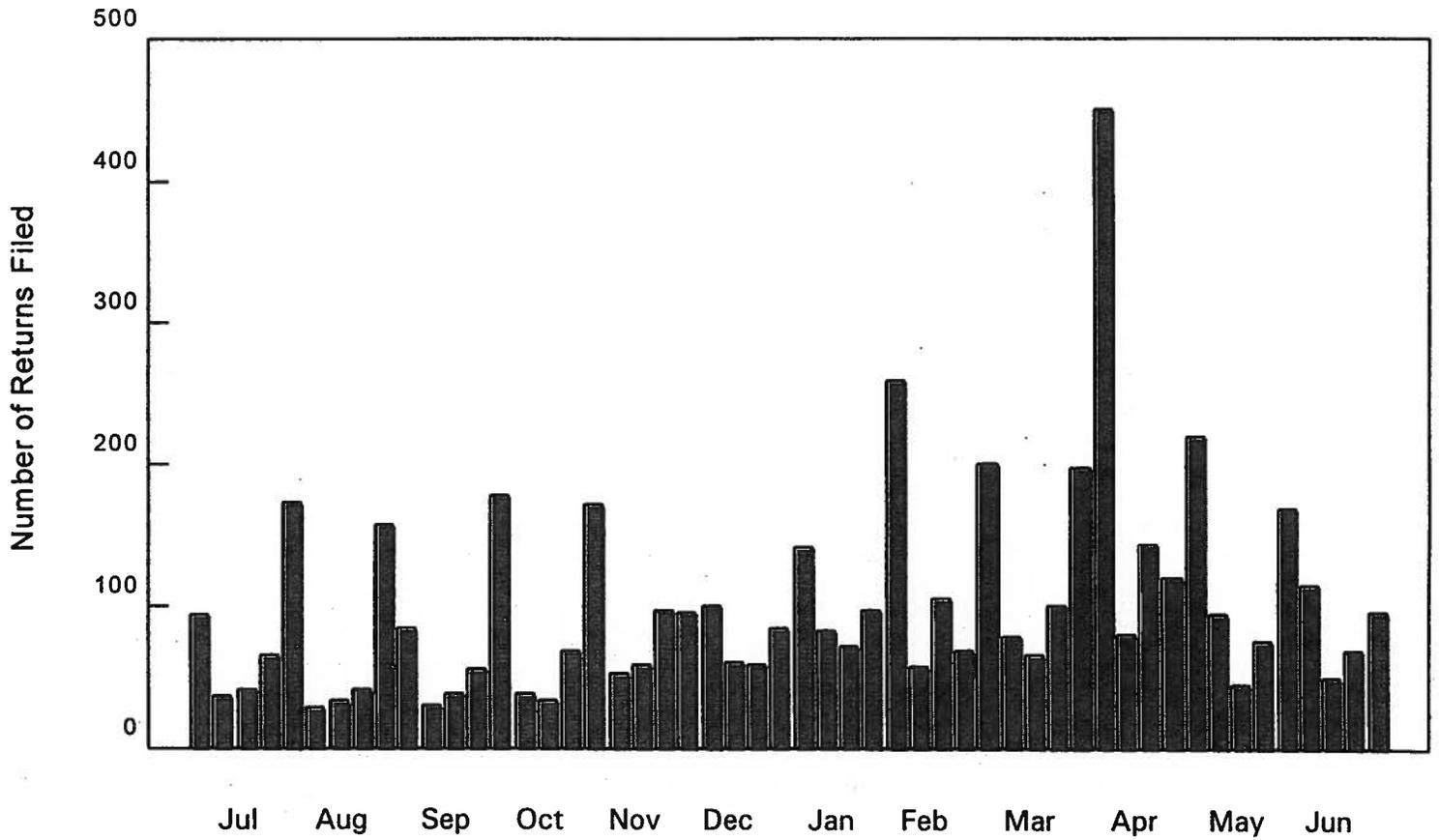
Table 10
Corporation Return Filing Activity



Total Returns Filed: 13,101

Alaska Department of Revenue
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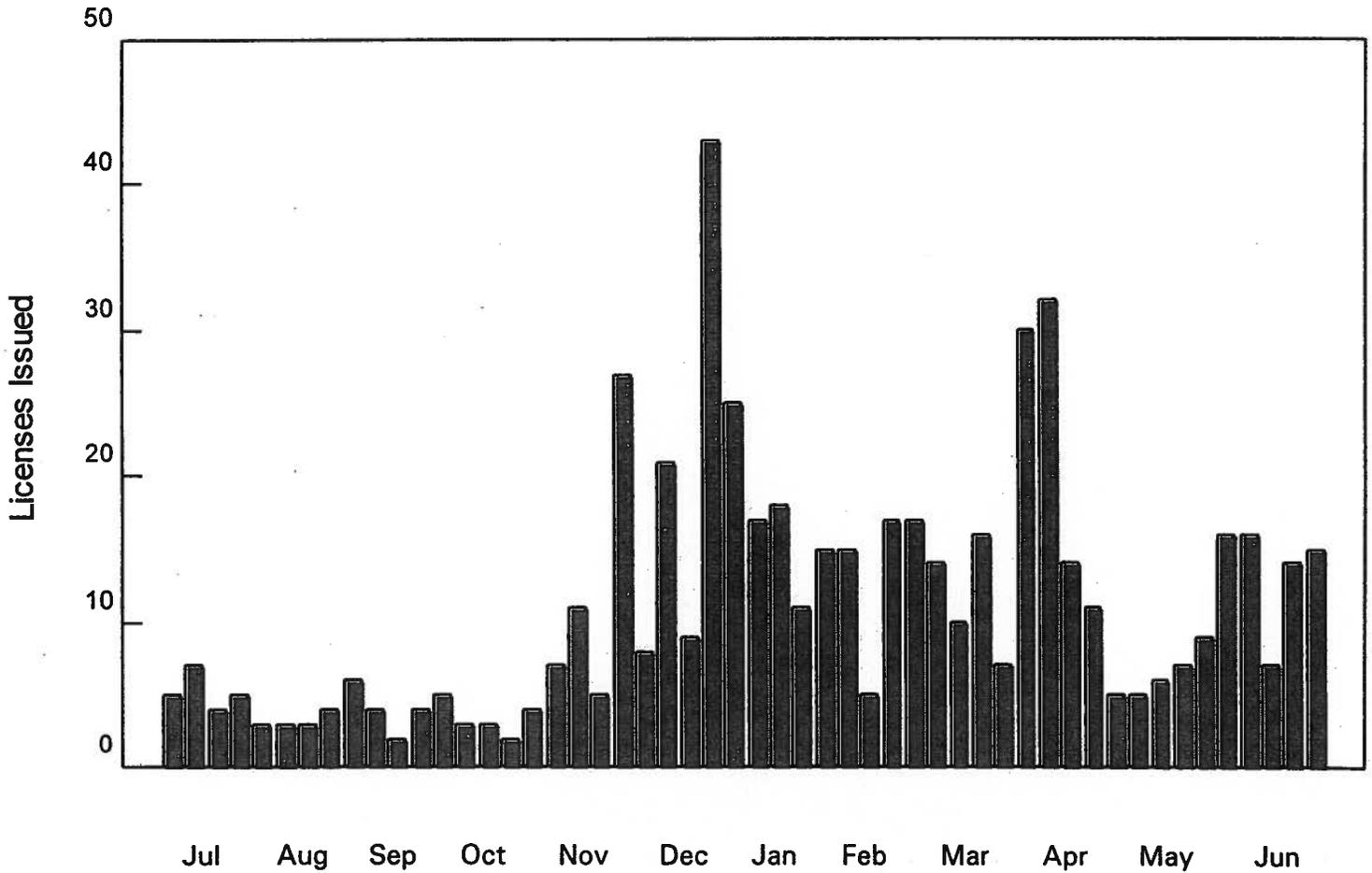
Table 11
Fish and Excise Return Filing Activity



Total Returns Filed: 5,294

Alaska Department of Revenue
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Table 12
Fisheries Business License Activity



Total Licenses Issued: 540

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Table 13
Historical Overview of Taxes

Tax Type	Legal Reference	First Enacted	Original Tax	Current Tax Structure	Last Tax Change	Current Tax Rate	Latest Change	Change
Corporation Tax on corporate net income	AS 43.20	1949	10% of federal income tax (for individuals and corporations)	Applies only to corporations	1982	1% to 9.4% of net income	1991	Water's edge method of income calculation adopted
Motor Fuel Tax on fuel sold in or brought into Alaska	AS 43.40	1945	1¢ per gallon on all fuels	Highway	1970	8¢ per gallon	1990	Certificate of use requirement for heating fuel eliminated
				Marine	1977	5¢ per gallon		
				Aviation Gas	1968	4¢ per gallon		
				Jet Fuel	1968	2.5¢ per gallon		
Fisheries Tax on fisheries resources processed in or exported from Alaska	AS 43.75	1913	7¢ per case of canned salmon Other - dollar amount based on revenues	Floating ¹	1979	5% of value	1993	Definition of "value" amended to be more inclusive
				Cannery ¹	1979	4.5% of value		
				Shore-based ¹	1979	3% of value		
				Floating ²	1979	3% of value		
				Shore-based ²	1979	1% of value		
Tobacco Tax on cigarettes and tobacco sold in Alaska	AS 43.50	1955	2.5 mills/cigarette (5¢ per pack)	Cigarettes	1989	14.5 mills/cigarette (29¢ per pack)	1992	Provisions to revoke or suspend licenses adopted
				Tobacco	1988	25% of price		
Alcohol Tax on alcoholic beverages sold in Alaska	AS 43.60	1937	Liquor 50¢/gallon	Liquor	1983	\$5.60 per gallon	1983	Increased alcohol taxes
			Wine 15¢/gallon	Wine	1983	\$.85 per gallon		
			Beer 5¢/gallon	Beer	1983	\$.35 per gallon		

¹ Established Species ² Developing Species

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Table 13
Historical Overview of Taxes

Tax Type	Legal Reference	First Enacted	Original Tax	Current Tax Structure	Last Tax Change	Current Tax Rate	Latest Change	Change
Salmon Enhancement Tax on value of salmon paid by fishers to fund salmon enhancement programs	AS 43.76	1980	Voluntary tax of either 1%; 2% or 3% of value as elected by fishers in a region	South Southeast	1980	3% of value	1991	Chignik elected 2% tax
				North Southeast	1980	2% of value		
				Cook Inlet	1985	2% of value		
				Pr. William Sound	1989	2% of value		
				Kodiak	1991	2% of value		
Mining Tax on net income of mining activities	AS 43.65	1913	.5% on net income > \$5,000	Tax on net income of mining activities	1955	Tax on Net Income: No tax if ≤ \$40,000 3% if > \$40,000 ≤ \$50,000 5% if > \$50,000 ≤ \$100,000 7% if > \$100,000	1991	Increased education credit from \$100,000 to \$150,000
Estate Tax on estate transfers	AS 43.31	1919	(Inheritance Tax) Based on value on property transferred	Tax on transfer of estates	1970	State tax credit on federal return	1991	Provided for compound interest on tax per AS 43.05.225
Coin-Operated Device Tax on coin-operated devices	AS 43.35	1941	12% of gross receipts on all machines	Class 1 Device	1960	\$48 per device	1960	Decreased length of residency for distributors from 3 to 1 year
				Class 2 Device	1960	\$120 per device		
				Class 3 Device	1960	\$240 per device		
Seafood Marketing Assessment on value of fisheries paid by processors	AS 16.51	1981	Voluntary assessment of either .1%; .2% or .3% of value as elected by processors	Assessment on value of fisheries purchased of \$50,000	1981	.3% of value	1993	Landing Tax legislation included .3% of value tax

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Table 13
Historical Overview of Taxes

Tax Type	Legal Reference	First Enacted	Original Tax	Current Tax Structure	Last Tax Change	Current Tax Rate	Latest Change	Change
Electric and Telephone Cooperative Tax on electric and telephone services provided by cooperatives	AS 10.25.550 Telephone	1959	1% gross revenues if operating < 5 years	% of gross revenues	N/A	1% gross revenues if operating < 5 years	1980	Broke out electric for taxing based on KWH
	AS 10.25.555 Electric		2% gross revenues if operating ≥ 5 years	Mills per Kwh	1980	2% gross revenues if operating ≥ 5 years		
APUC RCC ¹ Cost charge on utilities and pipeline activities	AS 42.05.253 Utilities	1992	Electricity \$.000626/Kwh	Rate per Kwh	1993	\$.000386 per Kwh	1993	Rates decreased
	AS 42.06.285 Pipelines	1992	Other Utilities .653% Revenues .653% Revenues	Rate x Revenues	1993	.4% Revenues		
Individual Income Tax on income based on federal AGI	AS 43.20	1949	10% of Federal income tax paid	Repealed	1980	N/A	1980	Tax repealed retroactive to 1979
School Dollar amount per person tax	AS 43.45	1919	\$5 tax upon each male person	Repealed	1980	N/A	1980	Tax repealed retroactive to 1980
Business License (Gross Receipts) Tax on % of gross business receipts	AS 43.70	1949	\$25 license fee plus .5% , \$20,000 plus .25% , \$100,000	Repealed	1978	N/A	1978	Tax repealed effective 1/1/79

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Table 14
Tax Rates

Alaska Corporation Income Tax Rates

<p>1% of the 1st \$10,000 of Alaska Taxable Income, Plus 2% of the 2nd \$10,000 of Alaska Taxable Income, Plus 3% of the 3rd \$10,000 of Alaska Taxable Income, Plus 4% of the 4th \$10,000 of Alaska Taxable Income, Plus 5% of the 5th \$10,000 of Alaska Taxable Income, Plus 6% of the 6th \$10,000 of Alaska Taxable Income, Plus 7% of the 7th \$10,000 of Alaska Taxable Income, Plus 8% of the 8th \$10,000 of Alaska Taxable Income, Plus 9% of the 9th \$10,000 of Alaska Taxable Income, Plus 9.4% of Alaska Taxable Income Over \$90,000</p>

Alaska Corporation Income Tax Table

ATI* at Least	But Less Than	Then Tax Is	Plus	Excess Over
-0-	\$10,000	-0-	1%	-0-
\$10,000	\$20,000	\$100	2%	\$10,000
\$20,000	\$30,000	\$300	3%	\$20,000
\$30,000	\$40,000	\$600	4%	\$30,000
\$40,000	\$50,000	\$1,000	5%	\$40,000
\$50,000	\$60,000	\$1,500	6%	\$50,000
\$60,000	\$70,000	\$2,100	7%	\$60,000
\$70,000	\$80,000	\$2,800	8%	\$70,000
\$80,000	\$90,000	\$3,600	9%	\$80,000
\$90,000	\$4,500	9.4%	\$90,000

*Alaska Taxable Income

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Table 14
Tax Rates

Fisheries Business Tax

Processor	Established	Developing
Floating	5%	3%
Shore-based	3%	1%
Cannery	4.5%	N/A

Salmon Enhancement Tax

Aquaculture Region	Tax Rate
Southern Southeast	3%
Northern Southeast	3%
Prince William Sound	2%
Cook Inlet	2%
Kodiak	2%
Chignik	2%

Alaska Seafood Marketing Assessment

.3% (Only for Processors Who Purchased Over \$50,000)

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Table 14
Tax Rates

Motor Fuel

Fuel Type	Tax Rate Per Gallon
Highway	8¢
Marine	5¢
Aviation Gas	4¢
Aviation (Jet) Fuel	2.5¢

Alcoholic Beverages

Alcohol Type	Tax Rate Per Gallon
Liquor	\$5.60
Wine	\$.85
Beer	\$.35

Tobacco

Cigarette	14.5 Mills/Cigarette (29¢/Pack)
Wholesale Tobacco	25% of Wholesale Price
2.5 of the 14.5 mills or 17.24% of cigarette tax revenues are dedicated to School Fund under AS 43.50.140.	

Mining License

MNI* at Least	Less Than	Tax Is	Plus	Over
-0-	\$40,000	-0-
\$40,000	\$50,000	-0-	3%	\$40,000
\$50,000	\$100,000	\$1,500	5%	\$50,000
\$100,000	\$4,000	7%	\$100,000
* Mining Net Income Note: New mining operations are exempt from the mining license tax for 3½ years after production begins (not applicable for sand and gravel).				

Alaska Department of Revenue
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Table 15
State and Federal Highway Gasoline Tax Rates
As of October 1, 1993

State	Tax Rate (¢ per gallon)	Last Change	State	Tax Rate (¢ per gallon)	Last Change
Alabama	16.0	6/1/92	Montana	20.0	7/1/87
Alaska	8.0	5/28/70	Nebraska	24.6	7/1/92
Arizona	18.0	7/1/90	Nevada	22.25	10/1/91
Arkansas	18.5	4/1/91	New Hampshire	18.0	6/16/91
California	17.0	1/1/92	New Jersey	10.5	7/1/88
Colorado	22.0	1/1/91	New Mexico	16.0	7/10/90
Connecticut	29.0	7/1/93	New York	8.0	1/1/92
Delaware	19.0	1/1/91	North Carolina	22.3	7/1/92
District of Columbia	20.0	10/1/92	North Dakota	17.0	7/1/89
Florida	4.0	1/1/92	Ohio	22.0	7/1/93
Georgia	7.5	7/1/71	Oklahoma	17.0	7/1/89
Hawaii	16.0	7/1/91	Oregon	24.0	1/1/92
Idaho	22.0	4/1/91	Pennsylvania	12.0	9/1/91
Illinois	19.0	1/1/90	Rhode Island	26.0	4/1/91
Indiana	15.0	4/1/88	South Carolina	16.0	1/1/89
Iowa	20.0	1/1/89	South Dakota	18.0	4/1/88
Kansas	18.0	7/1/92	Tennessee	21.0	4/1/89
Kentucky	15.0	4/9/90	Texas	20.0	10/1/91
Louisiana	20.0	1/1/90	Utah	19.0	4/1/87
Maine	19.0	7/1/93	Vermont	15.0	7/1/89
Maryland	23.5	5/1/92	Virginia	17.7	7/1/89
Massachusetts	21.0	1/1/91	Washington	23.0	4/1/91
Michigan	15.0	1/1/84	West Virginia	15.5	4/1/89
Minnesota	20.0	5/1/88	Wisconsin	22.2	4/1/91
Mississippi	18.0	7/1/90	Wyoming	9.0	7/1/89
Missouri	13.0	4/1/90			

Federal Rate	18.4	10/1/93	All States Average	17.8	N/A
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Table 16
State and Federal Cigarette Tax Rates
As of January 1, 1993

<i>State</i>	<i>Tax Rate (\$ per pack)</i>	<i>Rank</i>	<i>State</i>	<i>Tax Rate (\$ per pack)</i>	<i>Rank</i>
Alabama	16.5	40	Montana	19.26	35
Alaska	29.0	19	Nebraska	27.0	22
Arizona	18.0	36	Nevada	35.0	13
Arkansas	22.0	31	New Hampshire	25.0	24
California	35.0	13	New Jersey	40.0	6
Colorado	20.0	32	New Mexico	15.0	42
Connecticut	45.0	4	New York	39.0	7
Delaware	24.0	26	North Carolina	5.0	48
District of Columbia	50.0	2	North Dakota	29.0	19
Florida	33.9	16	Ohio	24.0	26
Georgia	12.0	45	Oklahoma	23.0	29
Hawaii	40% Price	N/A	Oregon	28.0	21
Idaho	18.0	36	Pennsylvania	31.0	17
Illinois	30.0	18	Rhode Island	37.0	9
Indiana	15.5	41	South Carolina	7.0	47
Iowa	36.0	11	South Dakota	23.0	29
Kansas	24.0	26	Tennessee	13.0	43
Kentucky	3.0	49	Texas	41.0	5
Louisiana	20.0	32	Utah	26.5	23
Maine	37.0	9	Vermont	20.0	32
Maryland	36.0	11	Virginia	2.5	50
Massachusetts	51.0	1	Washington	34.0	15
Michigan	25.0	24	West Virginia	17.0	39
Minnesota	48.0	3	Wisconsin	38.0	8
Mississippi	18.0	36	Wyoming	12.0	45
Missouri	13.0	43			
Federal Rate	24.0	N/A	All States Average	25.8	N/A

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Table 17
State Excise Tax Rates on Other Tobacco Products
As of January 1, 1993

State	Tax Rate	State	Tax Rate
Alabama	.6 - 4.4¢/ounce	Montana	13.38% Wholesale Price
Alaska	25% Wholesale Price	Nebraska	15% Wholesale Price
Arizona	.5 - 2.0¢/ounce	Nevada	30% Wholesale Price
Arkansas	23% Manufactures Price	New Hampshire	21.5% Wholesale Price
California	26.82% Wholesale Price	New Jersey	24% Wholesale Price
Colorado	20% Manufactures Price	New Mexico	25% Product Value
Connecticut	20% Wholesale Price	New York	15% Wholesale Price
Delaware	15% Wholesale Price	North Carolina	2% Manufactures Price
District of Columbia	N/A	North Dakota	22% Wholesale Price
Florida	25% Wholesale Price	Ohio	17% Wholesale Price
Georgia	13% Wholesale Price	Oklahoma	30% - 40% Factory Price
Hawaii	40% Wholesale Price	Oregon	35% Wholesale Price
Idaho	35% Wholesale Price	Pennsylvania	N/A
Illinois	N/A	Rhode Island	20% Wholesale Price
Indiana	15% Wholesale Price	South Carolina	5% - 36% Manufactures
Iowa	22% Wholesale Price	South Dakota	N/A
Kansas	10% Manufactures Price	Tennessee	6% Wholesale Price
Kentucky	N/A	Texas	35.2% Manufactures Price
Louisiana	33% Manufactures Price	Utah	35% Manufactures Price
Maine	62% Wholesale Price	Vermont	20% Manufactures Price
Maryland	N/A	Virginia	N/A
Massachusetts	25% Wholesale Price	Washington	64.9% Wholesale Price
Michigan	N/A	West Virginia	N/A
Minnesota	35% Wholesale Price	Wisconsin	20% Wholesale Price
Mississippi	15% Manufactures Price	Wyoming	N/A
Missouri	N/A		

Other Tobacco Products refer to chewing tobacco and snuff
N/A Not Applicable

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Table 18
State and Federal Excise Tax Rates on Distilled Spirits
As of January 1, 1993

State	Tax Rate (\$ per gallon)	Rank	State	Tax Rate (\$ per gallon)	Rank
Alabama	Footnote (1)	N/A	Montana	Footnote (1)	N/A
Alaska	5.60	4	Nebraska	3.00	19
Arizona	3.00	19	Nevada	2.05	28
Arkansas	2.50	25	New Hampshire	Footnote (1)	N/A
California	3.30	16	New Jersey	4.40	9
Colorado	2.28	27	New Mexico	3.94	12
Connecticut	4.50	8	New York	6.44	2
Delaware	5.46	6	North Carolina	Footnote (1)	N/A
District of Columbia	1.50	33	North Dakota	2.50	25
Florida	6.50	1	Ohio	Footnote (1)	N/A
Georgia	3.79	14	Oklahoma	5.56	5
Hawaii	5.75	3	Oregon	Footnote (1)	N/A
Idaho	Footnote (1)	N/A	Pennsylvania	Footnote (1)	N/A
Illinois	2.00	30	Rhode Island	3.75	15
Indiana	2.68	21	South Carolina	2.72	20
Iowa	Footnote (1)	N/A	South Dakota	3.93	13
Kansas	2.50	25	Tennessee	4.00	11
Kentucky	1.92	31	Texas	2.40	26
Louisiana	2.50	25	Utah	Footnote (1)	N/A
Maine	Footnote (1)	N/A	Vermont	Footnote (1)	N/A
Maryland	1.50	33	Virginia	Footnote (1)	N/A
Massachusetts	4.05	10	Washington	Footnote (1)	N/A
Michigan	Footnote (1)	N/A	West Virginia	Footnote (1)	N/A
Minnesota	5.03	7	Wisconsin	3.25	17
Mississippi	Footnote (1)	N/A	Wyoming	Footnote (1)	N/A
Missouri	2.00	30			
Federal Rate	13.50	N/A	All States Average	3.25	N/A

(1) State government controls sales of distilled spirits. Revenues are generated from various taxes, fees and net liquor profits.

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Table 19
State and Federal Excise Tax Rates on Wine
As of January 1, 1993

<i>State</i>	<i>Tax Rate (\$ per gallon)</i>	<i>Rank</i>	<i>State</i>	<i>Tax Rate (\$ per gallon)</i>	<i>Rank</i>
Alabama	1.70	3	Montana	1.06	8
Alaska	.85	15	Nebraska	.75	19
Arizona	.84	16	Nevada	.40	35
Arkansas	.75	19	New Hampshire	Footnote (1)	N/A
California	.20	45	New Jersey	.70	21
Colorado	.43	33	New Mexico	.95	10
Connecticut	.60	25	New York	.19	46
Delaware	.90	13	North Carolina	.79	17
District of Columbia	.30	41	North Dakota	.50	30
Florida	2.25	1	Ohio	.32	38
Georgia	1.51	5	Oklahoma	.72	20
Hawaii	1.30	6	Oregon	.67	22
Idaho	.45	32	Pennsylvania	Footnote (1)	N/A
Illinois	.23	43	Rhode Island	.60	25
Indiana	.47	31	South Carolina	.90	13
Iowa	1.75	2	South Dakota	.93	11
Kansas	.30	41	Tennessee	1.10	7
Kentucky	.50	30	Texas	.20	45
Louisiana	.11	47	Utah	Footnote (1)	N/A
Maine	.60	25	Vermont	.55	27
Maryland	.40	35	Virginia	1.51	5
Massachusetts	.55	27	Washington	.87	14
Michigan	.51	28	West Virginia	1.00	9
Minnesota	.30	41	Wisconsin	.25	42
Mississippi	.35	37	Wyoming	Footnote (1)	N/A
Missouri	.36	36			
Federal Rate	1.07	N/A	All States Average	.73	N/A

(1) State government controls sales of distilled spirits. Revenues are generated from various taxes, fees and net liquor profits.

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Table 20
State and Federal Excise Tax Rates on Beer
As of January 1, 1993

<i>State</i>	<i>Tax Rate (\$ per gallon)</i>	<i>Rank</i>	<i>State</i>	<i>Tax Rate (\$ per gallon)</i>	<i>Rank</i>
Alabama	.53	3	Montana	.14	36
Alaska	.35	12	Nebraska	.23	18
Arizona	.16	32	Nevada	.09	43
Arkansas	.23	18	New Hampshire	.35	12
California	.20	21	New Jersey	.16	32
Colorado	.08	47	New Mexico	.18	28
Connecticut	.19	24	New York	.21	19
Delaware	.16	32	North Carolina	.48	6
District of Columbia	.09	43	North Dakota	.16	32
Florida	.48	6	Ohio	.18	28
Georgia	.48	6	Oklahoma	.40	8
Hawaii	.89	1	Oregon	.08	47
Idaho	.15	35	Pennsylvania	.08	47
Illinois	.07	48	Rhode Island	.10	40
Indiana	.12	38	South Carolina	.77	2
Iowa	.19	24	South Dakota	.27	15
Kansas	.18	25	Tennessee	.13	37
Kentucky	.08	47	Texas	.19	24
Louisiana	.32	13	Utah	.35	12
Maine	.35	12	Vermont	.27	15
Maryland	.09	43	Virginia	.26	16
Massachusetts	.11	39	Washington	.15	35
Michigan	.20	21	West Virginia	.18	28
Minnesota	.15	35	Wisconsin	.06	50
Mississippi	.43	7	Wyoming	.02	51
Missouri	.06	50			

Federal Rate	.58	N/A	All States Average	.18	N/A
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Table 21
State and Federal Corporation Income Tax Rates
As of January 1, 1993

<i>State</i>	<i>Tax Rate</i>	<i>Number of Brackets</i>	<i>State</i>	<i>Tax Rate</i>	<i>Number of Brackets</i>
Alabama	5%	1	Montana	6.75%	1
Alaska	1.0% - 9.4%	10	Nebraska	5.58% - 7.81%	2
Arizona	9.3%	1	Nevada	No Tax	N/A
Arkansas	1.0% - 6.5%	6	New Hampshire	8.0%	1
California	9.3%	1	New Jersey	9.0%	1
Colorado	5.0% - 5.1%	2	New Mexico	4.8% - 7.6%	3
Connecticut	11.5%	1	New York	9.0%	1
Delaware	8.7%	1	North Carolina	7.75%	1
District of Columbia	10.0%	1	North Dakota	3.0% - 10.5%	6
Florida	5.5%	1	Ohio	5.1% - 8.9%	2
Georgia	6.0%	1	Oklahoma	6.0%	1
Hawaii	4.4% - 6.4%	3	Oregon	6.6%	1
Idaho	8.0%	1	Pennsylvania	12.25%	1
Illinois	7.3%	1	Rhode Island	9.0%	1
Indiana	7.9%	1	South Carolina	5.0%	1
Iowa	6.0% - 12.0%	4	South Dakota	No Tax	N/A
Kansas	4.5%	1	Tennessee	6.0%	1
Kentucky	4.0% - 8.25%	5	Texas	Footnote (2)	N/A
Louisiana	4.0% - 8.0%	5	Utah	5.0%	1
Maine	3.5% - 8.93%	4	Vermont	5.5% - 8.25%	4
Maryland	7.0%	1	Virginia	6.0%	1
Massachusetts	9.5%	1	Washington	No Tax	N/A
Michigan	Footnote (1)	N/A	West Virginia	9.0%	1
Minnesota	9.8%	1	Wisconsin	7.9%	1
Mississippi	3.0% - 5.0%	3	Wyoming	No Tax	N/A
Missouri	6.25%	3	Federal Rate	15.0% - 34.0%	5

(1) Not based on income

(2) Tax based on capital and surplus