

**REVENUE SOURCES  
FY 1983 - 1986**

**QUARTERLY UPDATE  
MARCH, 1984**

**ALASKA  
DEPARTMENT OF REVENUE**



# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

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April 3, 1984

To the Reader of the Revenue Sources FY 83-86 (March 1984) and  
Petroleum Production Revenue Forecast (March 1984)

The revenue forecast presented in these publications has been prepared by economists and research staff of the Department of Revenue in accordance with the highest professional standards. It has been reviewed and adopted by myself as the Department's best judgment of revenues to be received by the State of Alaska over the prescribed forecast period. The Department of Revenue has historically been and remains solely and exclusively responsible for the preparation of these quarterly forecasts. The experience of recent years involving frequent and significant revisions in estimated revenues is due to the inherent difficulty of predicting the movements in the price of crude oil--a commodity whose volatility over the last decade cannot be exaggerated. This volatility combined with the State of Alaska's almost complete dependence on oil revenues, which in recent years account for almost 85 percent of total revenues, can sometimes lead to dramatic and unavoidable changes in the forecast.

Sincerely,



Robert D. Heath  
Commissioner of Revenue

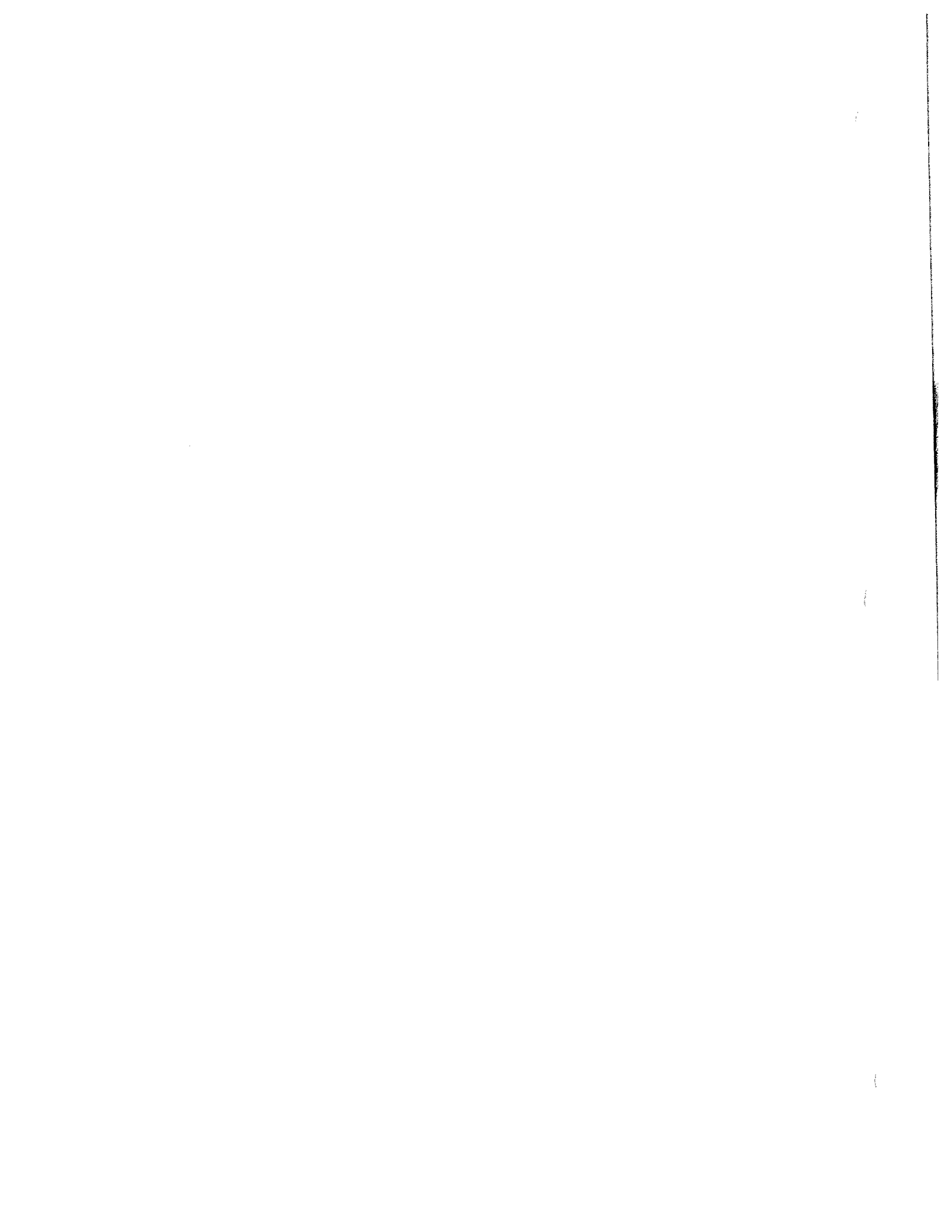
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# ALASKA'S REVENUE SOURCES

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# Introduction

In accordance with Alaska Statute 37.07.060(b)(4) the Revenue Source Book is compiled annually to assist the Governor in formulating a proposed comprehensive financial plan for presentation to the State Legislature. Since fiscal year (FY) 1975, responsibility for compiling and publishing this summary of state revenues has come under the Department of Revenue's jurisdiction. Within the publication are shown prior year actuals, revised current year estimates, and upcoming year projections.

The state receives three major classes of income: Unrestricted, Restricted, and Special Fund Revenues.

1. Unrestricted Revenues are paid into the General Fund and may be appropriated for any purpose. These receipts are listed in the Source Book by type; i.e. Taxes, Licenses and Permits, etc.
2. Restricted Revenues are those received for specific purposes, primarily from the federal government. Only budget category totals are given.
3. Special Fund Revenues are those received into statutorily established funds such as the International Airports Revenue Fund.

Anticipated state income is projected through the use of a number of data sources: 1) An econometric model developed by the Department of Revenue's Research Section to forecast unrestricted non-petroleum revenues, 2) A petroleum revenue forecasting model created by the Department's Petroleum Revenue Division, and 3) Estimates from individual state agencies.

The Department of Revenue thanks the various state agencies for their cooperation in computing anticipated revenues for publication in this document.

# Revenue Summary

In Thousands of Current Dollars

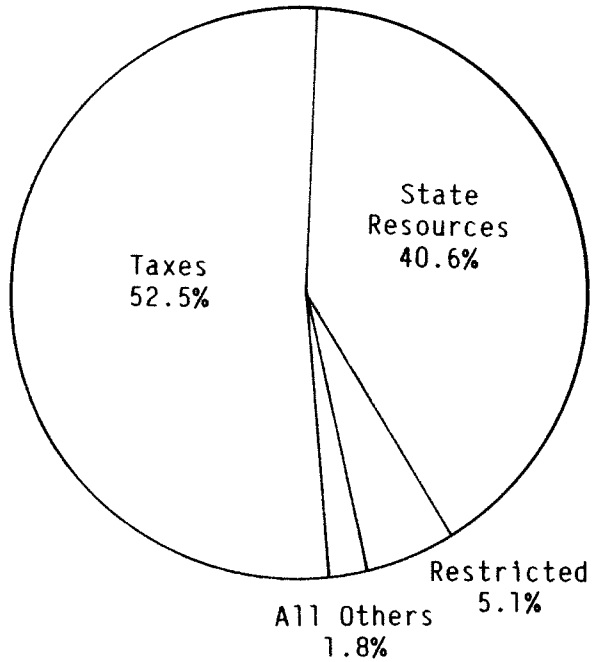
	FY 1983 Actual <u>March</u>	FY 1984 Estimate <u>March</u>	FY 1985 Estimate <u>March</u>	FY 1986 Estimate <u>March</u>
Total General Fund Unrestricted Revenues (p. 5)	<u>3,631,000</u>	<u>3,418,400</u>	<u>3,418,200</u>	<u>3,565,700</u>
Total General Fund Restricted Revenues (p. 10)	<u>193,400</u>	<u>222,900</u>	<u>243,500</u>	<u>249,400</u>
Total General Fund Revenues (p. 10)	<u>3,824,400</u>	<u>3,641,300</u>	<u>3,661,700</u>	<u>3,815,100</u>
Alaska Permanent Fund (p. 12)	<u>821,000</u>	<u>541,900</u>	<u>343,700</u>	<u>360,200</u>



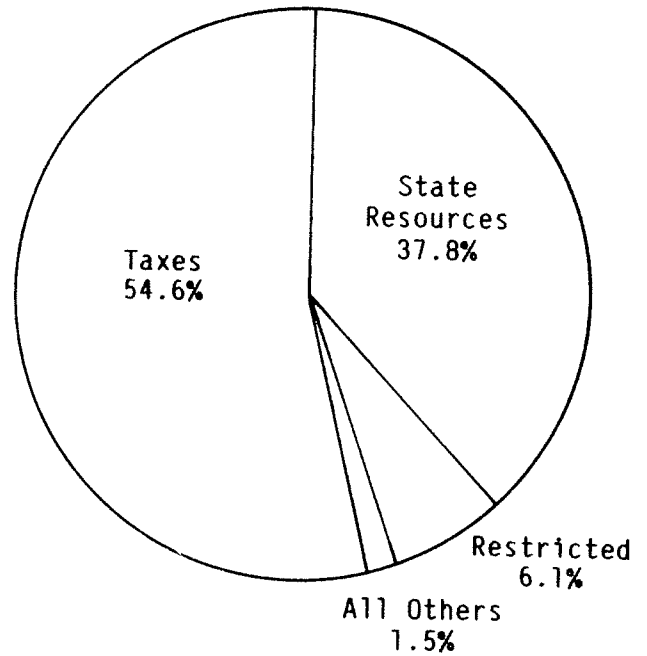
# General Fund Components

## Historical Comparison

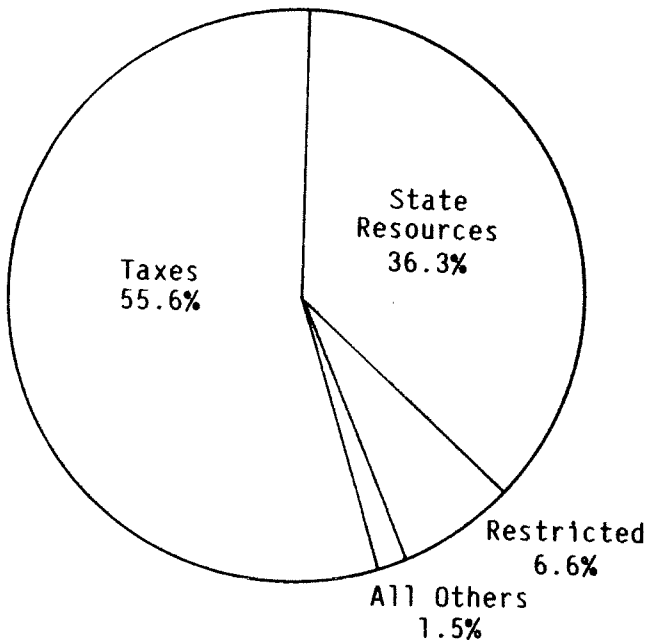
FY 83 ACTUAL



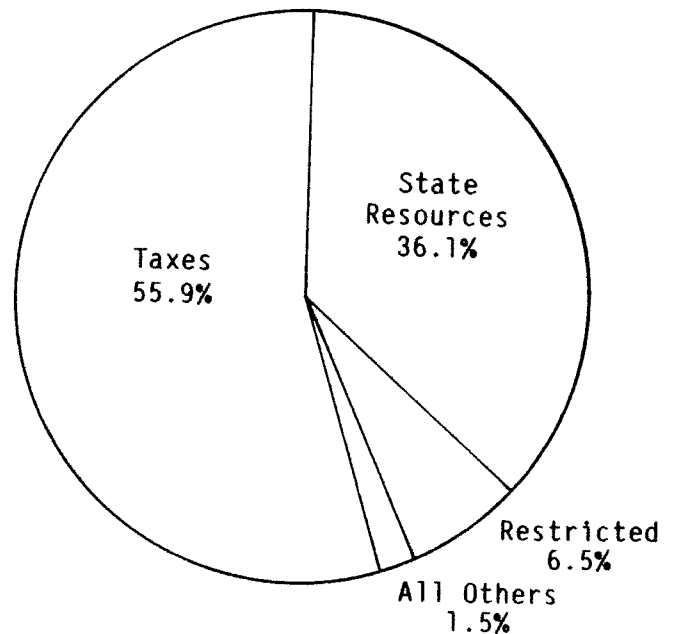
FY 84 PROJECTION



FY 85 PROJECTION



FY 86 PROJECTION



# General Fund Unrestricted Revenues

In Thousands of Current Dollars

	FY 1983 Actual March	FY 1984 Estimate March	FY 1985 Estimate March	FY 1986 Estimate March
<u>Taxes</u>				
<u>Income</u>				
Corporate-General (1)	30,300	35,000	38,000	40,000
Corporate-Petroleum (1)	236,000	290,000	325,000	370,000
<u>Gross Receipts</u>				
Alaska Business License (2)(3)	6,900	14,500	3,000	2,000
Fish-Canned Salmon	4,300	5,500	5,500	5,500
Fish-Shorebased	11,500	9,000	9,000	9,000
Fish-Floating	4,700	4,000	4,000	4,000
Seafood Marketing	900	900	900	900
Salmon Enhancement	2,600	2,500	2,500	2,500
Insurance Companies	13,800	17,000	20,000	22,000
Electric and Telephone Co-ops	1,400	1,500	1,500	1,600
Mining License Tax	200	200	300	300
<u>Severance</u>				
Oil & Gas Production(4)	1,493,000	1,373,100	1,351,000	1,392,400
Oil & Gas Conservation	700	700	700	700
<u>Property</u>				
Oil & Gas(5)	152,600	185,400	222,200	226,400
<u>Sale/Use</u>				
Alcoholic Beverages (6)	10,400	14,000	15,500	16,000
Fuel Taxes-Aviation (7)	8,700	7,000	6,000	6,300
Fuel Taxes-Highway (7)	23,700	22,000	24,000	25,000
Fuel taxes-Marine	4,300	4,100	4,300	4,500
Tobacco Products	2,000	2,000	2,000	2,000
<u>Other</u>				
Estate	700	600	600	600
<b>Total Taxes</b>	<b>2,008,700</b>	<b>1,989,000</b>	<b>2,036,000</b>	<b>2,131,700</b>
<u>Licenses &amp; Permits</u>				
<u>Business</u>	10,800	12,000	12,500	13,000
<u>Non-Business</u>	14,900	14,500	15,300	16,000
<b>Total Licenses &amp; Permits</b>	<b>25,700</b>	<b>26,500</b>	<b>27,800</b>	<b>29,000</b>
<u>Intergovernmental Receipts</u>				
<u>Federal Shared Revenues(8)(9)</u>	<u>33,300</u>	<u>16,500</u>	<u>16,500</u>	<u>17,000</u>
<u>State Resource Revenue</u>				
<u>Sale/Use</u>				
Bonus Sales(8)(10)(11)	36,200	1,700	-0-	0-
Investment Earnings(12)	375,800	300,000	240,000	230,000
Rents(8)(10)(11)	4,300	4,600	4,800	5,000
Royalties(4)(8)	1,078,400	1,007,400	1,017,800	1,067,200
Sale of State Property	6,300	7,400	8,000	8,600
Gravel, Timber, etc.(13)	4,000	4,000	4,000	10,000
<u>Facilities Related Charges</u>				
Airports	1,400	1,500	1,500	1,600
Ferry System-Southeast	26,400	29,300	30,800	33,600

Ferry System-Southwest	4,000	4,000	4,000	4,500
Other	5,500	6,000	6,000	6,000
<u>Service Related Charges</u>				
Court System	4,200	4,500	4,500	4,500
Other	<u>5,900</u>	<u>6,000</u>	<u>6,500</u>	<u>7,000</u>
Total State Resources Revenues	<u>1,552,400</u>	<u>1,376,400</u>	<u>1,327,900</u>	<u>1,378,000</u>
<u>Miscellaneous Revenues</u>	<u>10,900</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
<u>Total Unrestricted Revenues</u>	<u>3,631,000</u>	<u>3,418,400</u> (14)	<u>3,418,200</u>	<u>3,565,700</u>

(1) AS 43.21 was repealed pursuant to Ch. 116 SLA 1981 effective January 1982, and thereby all multistate corporations were subject to various apportionment methods specified in AS 43.20. Due to the number of inquiries requesting information, collections are separated between those oil/gas corporations filing under AS 43.20.072 and those corporations filing otherwise.

(2) The upward adjustment in FY 84 is due to recent finalized litigation in favor of the state on past years' gross receipts (i.e. prior to 1979). Other cases are pending and as such this number is subject to change.

(3) The downward revisions in FY 85 and FY 86 reflect recent court decisions disallowing states' taxing of banks' interest income on U.S. securities. These projections also reflect current law under AS 43.70.

(4) The January forecast for FY 84 assumed the 30 percent case; however, the FY 84 March estimates have been changed to reflect the mean or average case. If the 30 percent case had been utilized for FY 84, the aforementioned numbers would change to \$1,334.2 million for production taxes and to \$978.4 million for royalties. The forecasted numbers for FY 85 and FY 86 continue to assume the 30 percent case; however, if the mean case had been utilized for FY 85 and FY 86, the production taxes would change to \$1,448.5 million and \$1,509.4 million, respectively. The royalty figures would change to \$1,092.4 million and \$1,158.6 million, respectively.

(5) The figures reflect only the net amount to the state's General Fund.

(6) Estimates reflect the following increased liquor taxes per Ch. 46 SLA 1983 effective July 9, 1983: malt beverages (from \$0.25 to \$0.35 per gallon); wines (from \$0.60 to \$0.85 per gallon); and hard liquor (from \$4.00 to \$6.00 per gallon).

(7) In FY 83, large fuel purchases were made from a consortium, and application for refund of airline jet fuel tax was applied for when the fuel was used for foreign flights. These refunds were taken from the highway fuel tax account as prescribed in AS 43.40.010(h), thereby reducing net highway fuel taxes. Recent changes in statute allow for exemption from the tax at purchase (AS 43.40.010(k)(1)); therefore reducing taxable jet fuel purchases and increasing projected net highway fuel taxes over previous estimates.

(8) Net Permanent Fund contribution by Ch. 18 SLA 1980.

(9) The FY 83 figure reflects NPR-A lease sales of \$57.1 million held January 27, 1982, and \$9.7 million held May 26, 1982, with the total amount of the lease sale split equally between the state and federal government. The state's share (\$33.4 million) is further equally divided between the General Fund and the Permanent Fund. The FY 84 estimate does not include any revenues shared (50/50 basis) with the federal government from the NPR-A lease sale held July 20, 1983. Although high bids totaled \$16.7 million, leases have not been awarded until challenges of the sale by the State of Alaska and the City of Barrow/Alaska Legal Services are resolved.

(10) Reflects state lease sales of \$32.5 million held May 26, 1982 (Sale 36--Beaufort Sea), \$0.7 million held August 25, 1982 (Sale 37--Tanana and Copper River Basins and Sale 37A--Chakok River), \$26.7 million held September 28, 1982 (Sale 34--Prudhoe Bay Uplands), \$21.0 million held May 17, 1983 (Sale 39--Beaufort Sea), and \$3.2 million held September 28, 1983 (Sale 40--Upper Cook Inlet). Due to the timing of collections, some receipts from the May 1982 and May 1983 lease sales are shown as FY 83 revenue and FY 84 revenue, respectively. FY 83 and FY 84 figures represent the General Fund's 50 percent share with the remaining 50 percent deposited in the Permanent Fund.

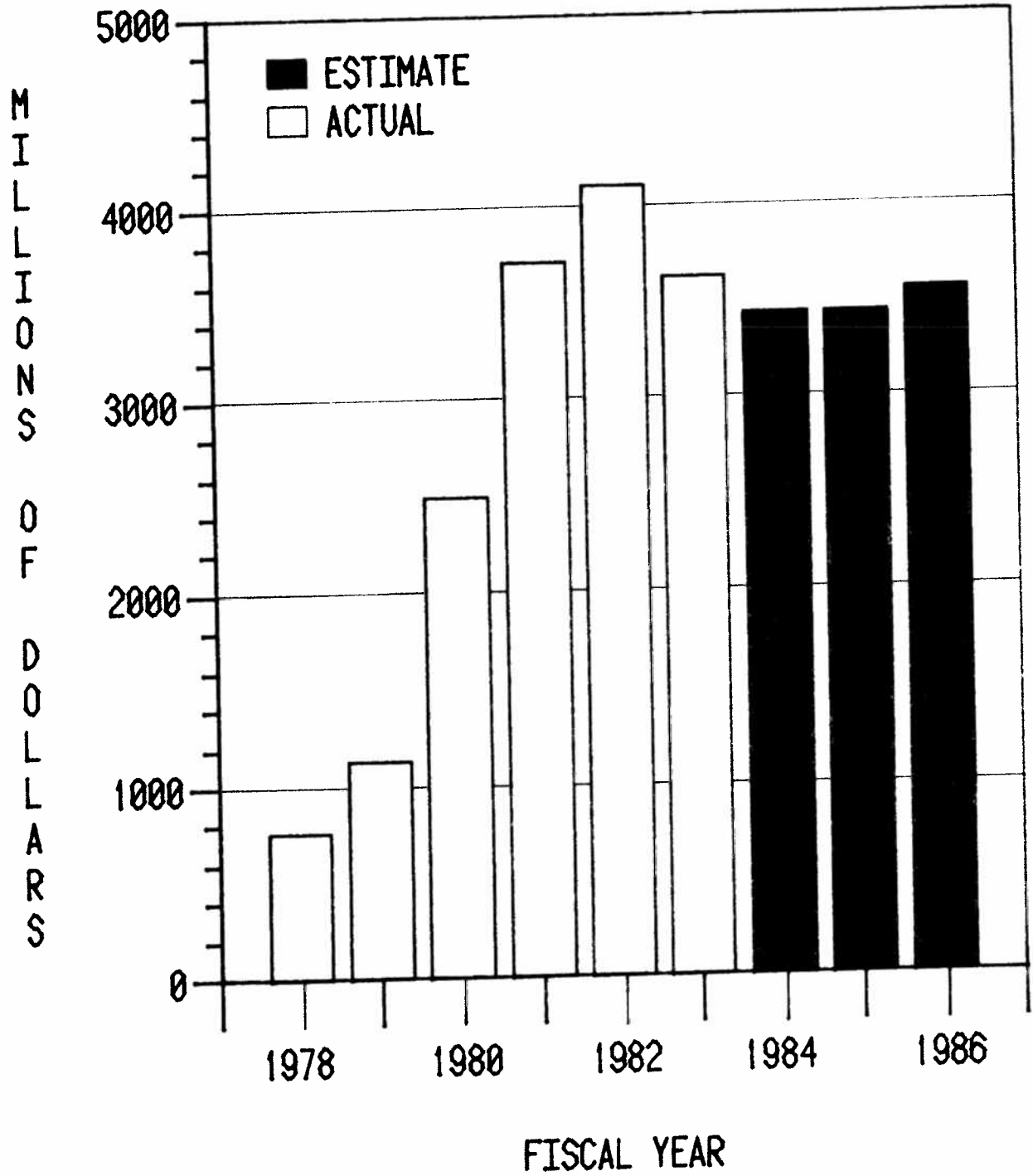
(11) The Department of Natural Resources projects the following state lease sales to be held in 1984, 1985, and 1986; FY 84 (Sale 43--Beaufort Sea); FY 85 (Sale 41--Bristol Bay Uplands, Sale 46--Holitna Basin, Sale 47--Kuparuk Uplands); and FY 86 (Sale 45--Hope Basin, Sale 48--Kuparuk Uplands, Sale 49--Cook Inlet). However, bonus bids are impossible to anticipate prior to sales and, therefore, no estimates are included.

(12) FY 83 includes that transition portion transferred (\$109,535,000) from the Permanent Fund to the General Fund per Ch. 81 SLA 1982. FY 84, FY 85, and FY 86 reflect only General Fund investment earnings since Permanent Fund earnings will be not only transferred to provide Permanent Fund dividends, but will be distributed between Permanent Fund principal and the undistributed income account per Ch. 81 and Ch. 102 SLA 1982.

(13) Estimates reflect increased construction of roads and drilling pads as projected by the Department of Natural Resources.

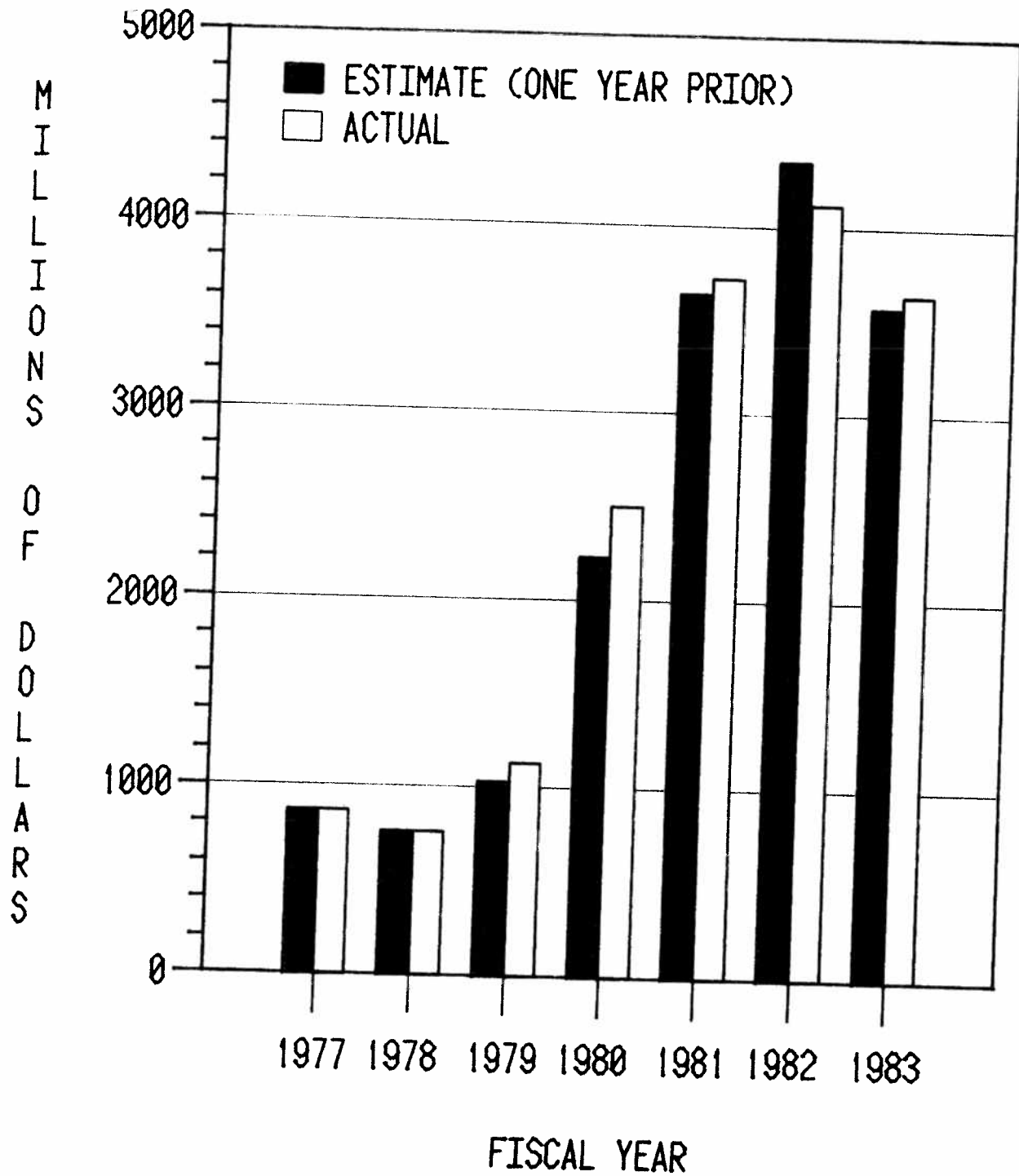
(14) The state, per AS 38.05.180, will be granting incentive credits against royalties, severance taxes, and rentals to the oil companies for drilling exploratory wells. The anticipated deduction for FY 84 is approximately \$12 million which has not been subtracted from the aforementioned FY 84 figure of \$3,418.4 million.

# Unrestricted Revenues



# Unrestricted Revenues

## Historical Comparison



# Revenue Breakdown

The total General Fund unrestricted revenues for FY 1983 were \$3,631.0 million with Fiscal Years 1984, 1985, and 1986 projected to be \$3,418.4 million, \$3,418.2 million, and \$3,565.7 million, respectively.

The following table depicts a breakdown of General Fund unrestricted revenues in terms of petroleum versus non-petroleum revenues based on the March estimates:

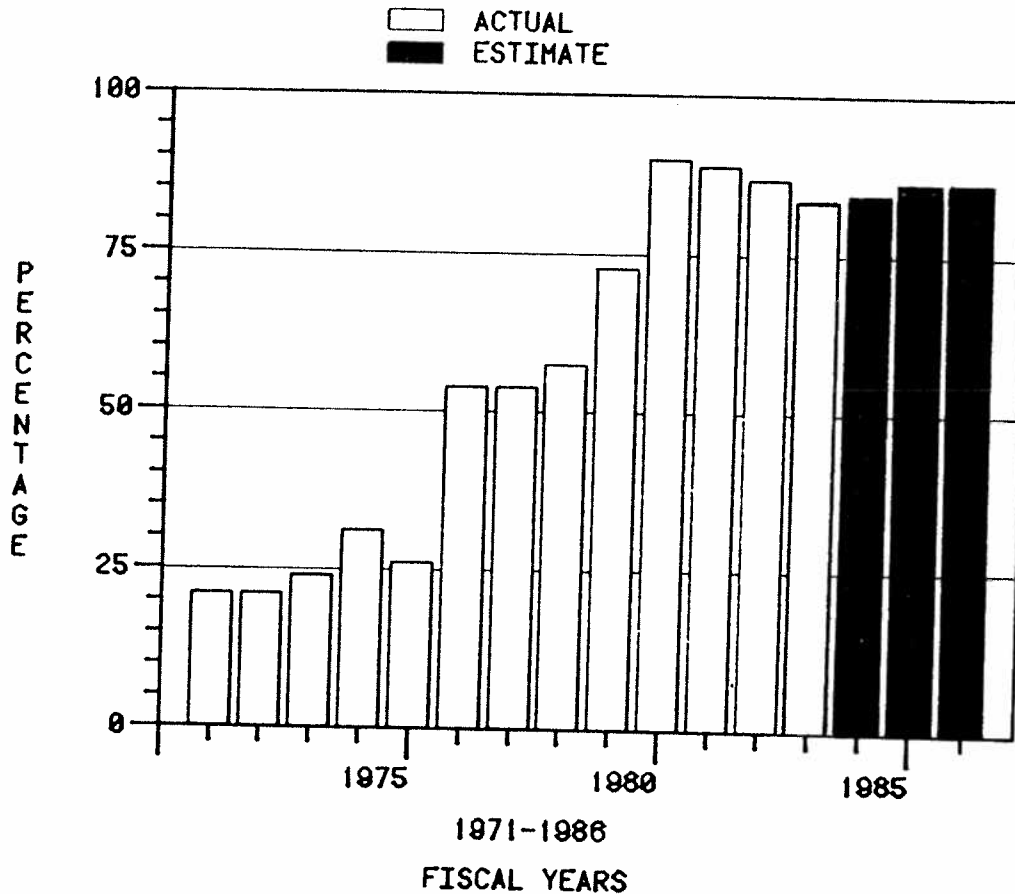
## Petroleum vs. Non-Petroleum Revenues

(In Millions of Current Dollars)

	<u>Petroleum Revenues</u>			
	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
Corporate Petroleum	236.0	290.0	325.0	370.0
Severance Tax	1,493.7	1,373.8	1,351.7	1,393.1
Royalties	1,078.4	1,007.4	1,017.8	1,067.2
Property Tax	152.6	185.4	222.2	226.4
Bonus Sale	36.2	1.7	-0-	0
Rents	2.5	2.9	2.9	3.0
Intergovernmental Receipts	27.2	10.0	10.0	10.5
	<u>3,026.6</u>	<u>2,871.2</u>	<u>2,929.6</u>	<u>3,070.2</u>
	<u>Non-Petroleum Revenues</u>			
	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
Taxes	126.4	139.8	137.1	142.2
Licenses & Permits	25.7	26.5	27.8	29.0
Intergovernmental Receipts	6.1	6.5	6.5	6.5
State Resources Revenues	435.3	364.4	307.2	307.8
Miscellaneous Revenues	10.9	10.0	10.0	10.0
	<u>604.4</u>	<u>547.2</u>	<u>488.6</u>	<u>495.5</u>
Total	<u>3,631.0</u>	<u>3,418.4</u>	<u>3,418.2</u>	<u>3,565.7</u>

# Petroleum Revenues

Historical Comparison of General Fund  
Unrestricted Petroleum Revenues as Percentages  
of General Fund Unrestricted Revenues  
(in Millions of Current Dollars)



<u>Fiscal Year</u>	<u>Total General Fund Unrestricted Revenues</u>	<u>Total General Fund Unrestricted Petroleum Revenues</u>	<u>Percent</u>
1971	220.4	47.0	21
1972	219.2	48.4	22
1973	208.2	50.3	24
1974	254.9	80.2	31
1975	333.4	90.4	27
1976	709.8	391.5	55
1977	874.3	477.6	55
1978	764.9	441.5	58
1979	1,133.0	821.6	73
1980	2,501.2	2,256.5	90
1981	3,718.2	3,304.3	89
1982	4,108.4	3,574.8	87
1983	3,631.0	3,026.6	83
1984**	3,418.4	2,871.2	84
1985**	3,418.2	2,929.6	86
1986**	3,565.7	3,070.2	86

\*\* Estimate

# Restricted Revenues

In Thousands of Current Dollars

	FY 1983 Actual <u>March</u>	FY 1984 Estimate <u>March</u>	FY 1985 Estimate <u>March</u>	FY 1986 Estimate <u>March</u>
<u>Federal Grants-in-Aid</u>				
I. Education	33,800	40,800	46,000	46,400
II. Social Services	80,700	99,100	107,000	108,800
III. Health	11,900	3,400	4,000	3,800
IV. Natural Resources	15,000	14,600	14,700	15,200
V. Public Protection	5,300	5,400	6,000	6,600
VI. Administration of Justice	400	100	100	100
VII. Development	6,500	2,700	2,700	2,900
VIII. Transportation	11,000	30,000	30,000	32,000
IX. General Government	<u>2,100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Total Federal Grants-in-Aid	<u>166,700</u>	<u>196,200</u>	<u>210,600</u>	<u>215,900</u>
<u>Other Grants-in-Aid</u>				
I. Education	1,000	500	600	700
II. Social Services	200	5,200	5,600	5,000
III. Health	200	300	300	300
IV. Natural Resources	1,000	300	200	300
V. Public Protection	2,300	2,300	2,000	2,000
VI. Administration of Justice	100	100	100	200
VII. Development	3,100	4,600	10,000	10,200
VIII. Transportation	900	1,100	1,700	1,700
IX. General Government	<u>2,200</u>	<u>2,300</u>	<u>2,400</u>	<u>2,500</u>
Total Other Grants-in-Aid	<u>11,000</u>	<u>16,700</u>	<u>22,900</u>	<u>23,500</u>
Miscellaneous Restricted Revenue-All Categories	<u>15,700</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total Restricted Revenue <sup>1/</sup>	<u>193,400</u>	<u>222,900</u>	<u>243,500</u>	<u>249,400</u>
Total Unrestricted Revenue	<u>3,631,000</u>	<u>3,418,400</u>	<u>3,418,200</u>	<u>3,565,700</u>
Total General Fund Revenue	<u>3,824,400</u>	<u>3,641,300</u>	<u>3,661,700</u>	<u>3,815,100</u>

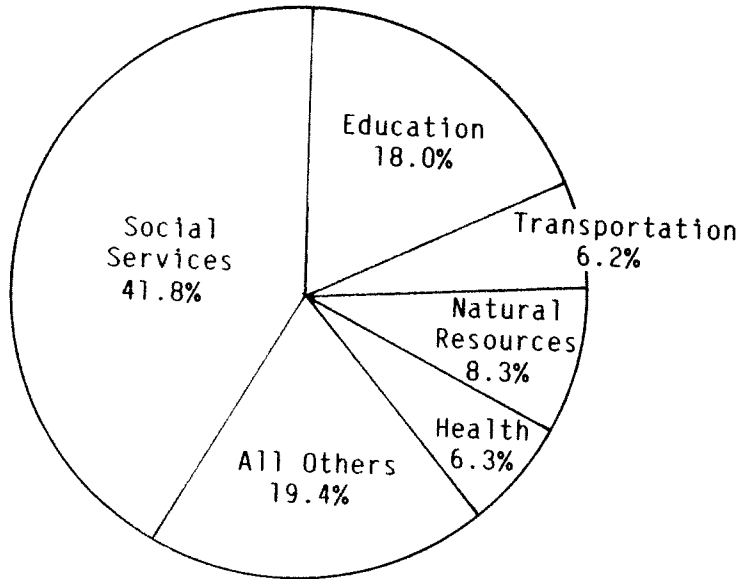
<sup>1/</sup> Restricted Revenue figures may not agree with those shown in the Governor's budget due to categorical differences between the budget and accounting system.



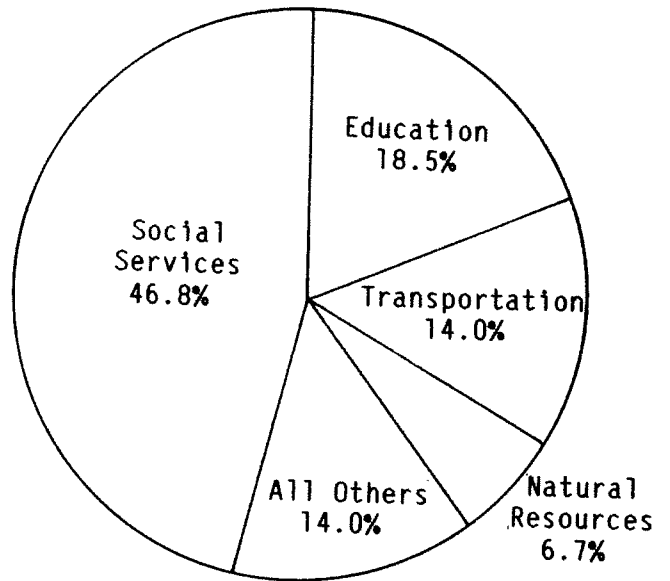
# Restricted Revenues

## Historical Comparison

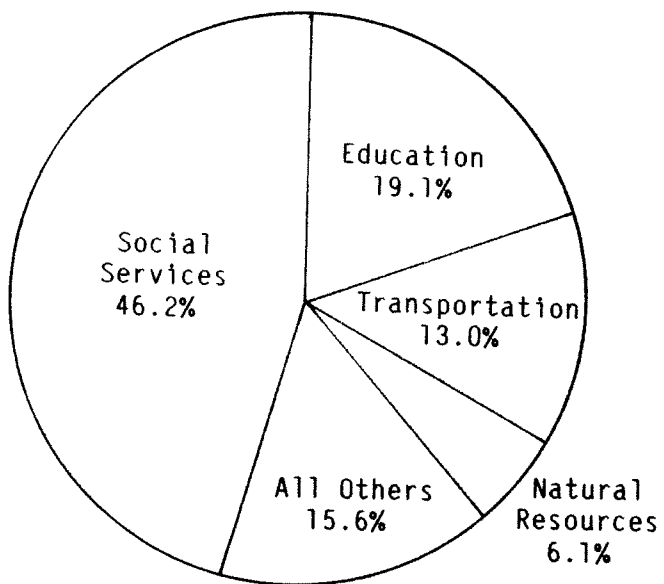
FY 83 ACTUAL



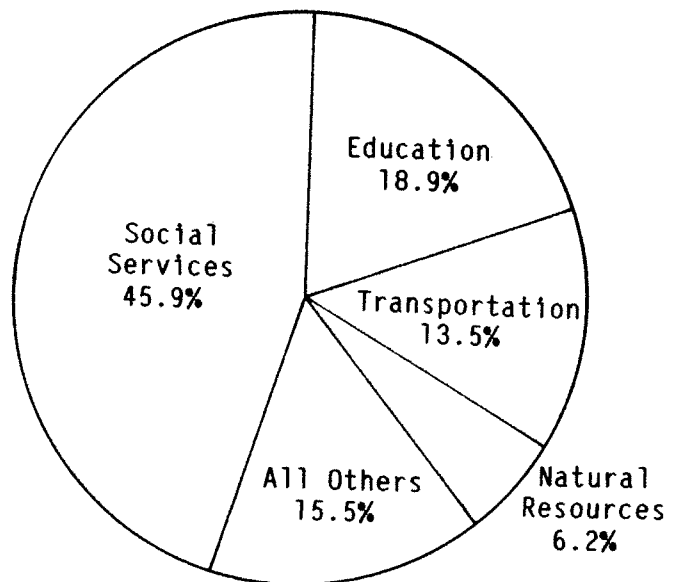
FY 84 PROJECTION



FY 85 PROJECTION



FY 86 PROJECTION



# Special Funds

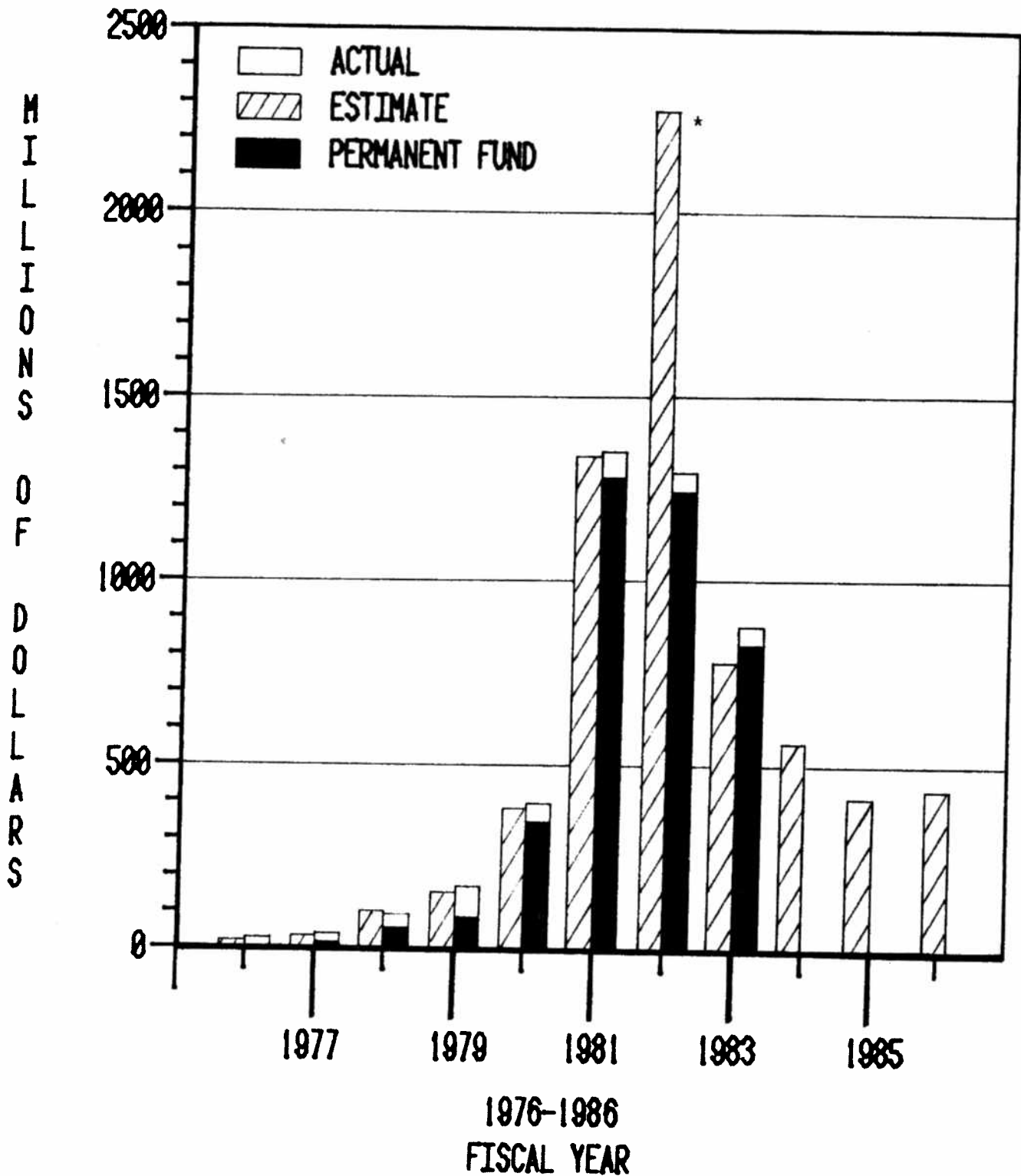
In Thousands of Current Dollars

	FY 1983 Actual March	FY 1984 Estimate March	FY 1985 Estimate March	FY 1986 Estimate March
<u>Enterprise Funds</u>				
Agriculture Loan Fund	1,200	1,400	1,600	1,800
Alternative Technology and Energy Loan Fund	400	600	600	1,000
Bulk Fuel Loan Fund	-0-	0	0	0-
Child Care Facility Loan Fund	-0-	0-	100	100
Commercial Fish Loan Fund	2,100	3,400	4,300	5,200
Fisheries Enhancement Loan Fund	-0-	0	0	0-
Fisheries Product Loan Fund	-0-	0	0-	0-
Historical District Loan Fund	-0-	0-	0-	0
International Airport Revenue Fund	31,600	30,200	29,900	29,900
Medical Malpractice Loan Fund	-0-	0	0	0
Mining Loan Fund	700	1,900	2,200	2,800
Residential Energy Conservation Loan Fund	200	300	400	500
Scholarship Loan Fund	700	1,300	1,800	2,500
Small Business Loan Fund	4,700	3,400	3,200	2,900
Tourism Loan Fund	300	300	300	300
World War II Veterans Loan Fund	1,000	1,300	1,000	1,000
<b>Total Enterprise Funds</b>	<u>42,900</u>	<u>44,100</u>	<u>45,400</u>	<u>48,000</u>
<u>Special Revenue Funds</u>				
Alaska Permanent Fund (1)	821,000	541,900	343,700	360,200
Fish and Game Fund	6,400	6,500	7,600	7,700
Marine Coastal Damage Fund	-0-	0-	0-	0-
School Fund	3,300	3,300	3,300	3,300
Training & Building Fund	700	800	800	800
<b>Total Special Revenue Funds</b>	<u>831,400</u>	<u>552,500</u>	<u>355,400</u>	<u>372,000</u>
<b>Total Special Funds</b>	<u>874,300</u>	<u>596,600</u>	<u>400,800</u>	<u>420,000</u>

(1) The FY 83 figure and FY 84 figure include \$400 million and \$200 million, respectively, of the \$1.8 billion appropriated to the Alaska Permanent Fund per Ch. 61 SLA 1981 and Ch. 101 SLA 1982.

# Special Funds

Historical Comparison



\* The FY 82 estimate originally included the \$1.8 billion appropriation (Ch. 61 SLA 1981) to the Permanent Fund in its entirety.

# Alaska Permanent Fund

In Thousands of Current Dollars

## Permanent Fund Principal

<u>FY</u>	<u>Mineral Revenues</u>	<u>Appropriations</u>	<u>Inflation Proofing</u>	<u>Total Contributions</u>	<u>Balance (1)</u>
1977	4,000	-0	0	4,000	4,000
1978	50,500	-0	0	50,500	54,500
1979	83,900	-0	0	83,900	138,400
1980	344,800 (2)	-0-	0-	344,800	483,200
1981	385,100	900,000	-0-	1,285,300	1,768,500
1982	400,500	800,000	-0-	1,200,500	2,969,000
1983	421,000	400,000	231,200	1,052,200	4,021,200
1984	173,700 (3)	200,000	-0	373,700	4,394,900 (3)

## Earnings Distribution

<u>FY</u>	<u>General Fund</u>	<u>Dividend Account</u>	<u>Inflation Proofing</u>	<u>Undistributed Income Account</u>	<u>Total Earnings</u>
1977	-0-	-0-	0-	0-	0
1978	1,300	-0-	0	0	1,300
1979	6,500	-0-	0	0-	6,500
1980	11,800	11,800	-0-	0	23,700
1981	27,500	27,500	-0-	31,200	86,200
1982	71,100	71,100	-0-	174,700	317,000
1983	109,500 (4)	107,900 (5)	231,200	22,500 (6)	471,100

(1) Includes transfer of net investment gains/losses to principal.

(2) Includes \$114.5 million as 25 percent of bonuses and rentals for the undisputed state portion of the Beaufort Sea Lease Sale. Litigation over the legality of that sale is still pending.

(3) Represents cumulative balance as of December 31, 1983.

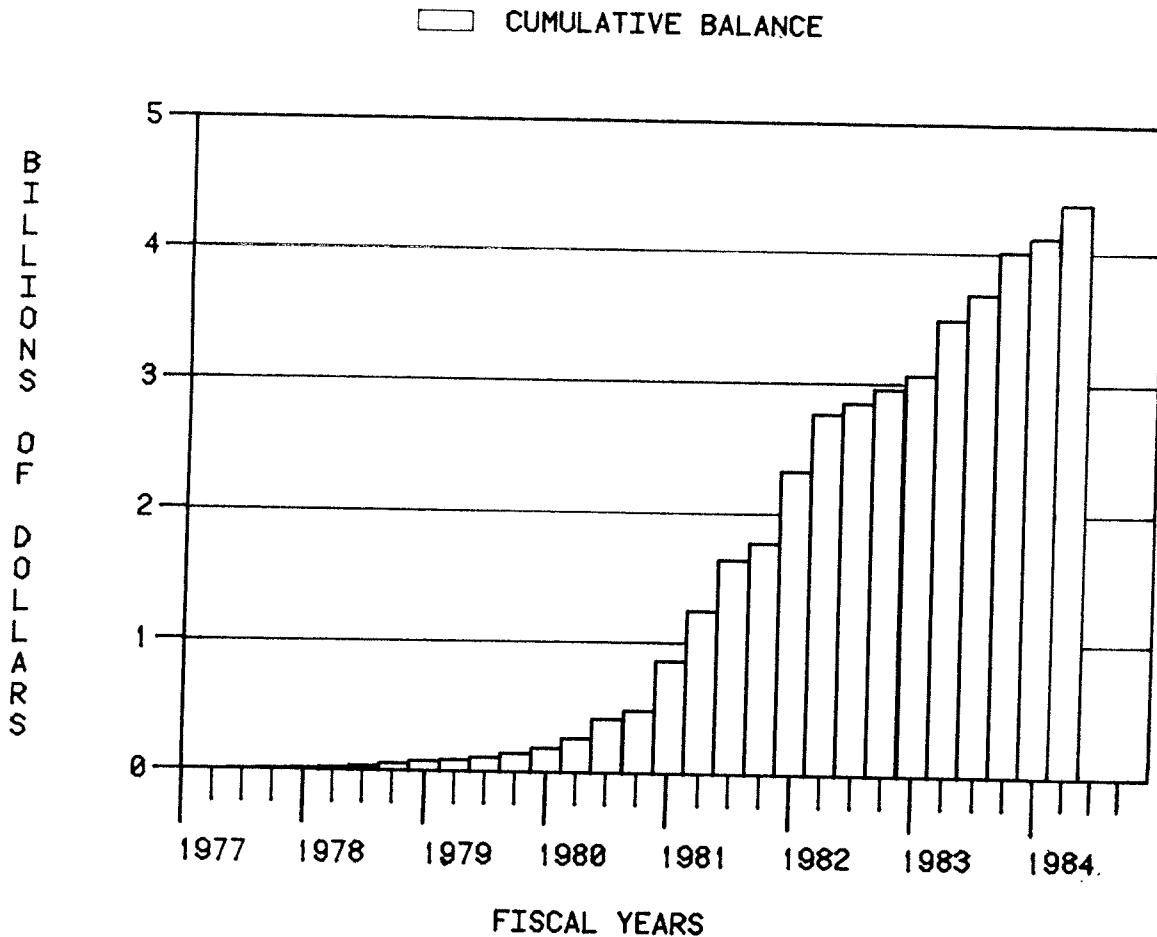
(4) Ch. 81, SLA 1982 provided transitional procedures whereby an amount equal to the distributable income for 1983 would be transferred from the Undistributed Income Account to the General Fund. This would then be the final General Fund contribution which is not destined for the dividend program.

(5) Ch. 107, SLA 1983 appropriated \$179,020,000 from the Undistributed Income Account for payment of Permanent Fund dividends and FY 84 operating expenses (\$3,084,000) of the Permanent Fund program. In FY 82 approximately \$71.1 million was transferred to the Dividend Account. The remaining balance of the appropriation, composed of dividend payments and operating expenses, was transferred to the Dividend Account in FY 83.

(6) Balance of the Undistributed Income Account, as of June 30, 1983, totaled \$353.8 million which also included the transition rule adjustment of \$87.5 million plus \$37.9 million which accrued in FY 82 but was not received until FY 83.

# Alaska Permanent Fund

## Historical Comparison of Cumulative Balance



### Alaska Permanent Fund

The Alaska Permanent Fund was established by a constitutional amendment effective February 21, 1977. The amendment stated that contributions to the fund must consist of at least 25 percent of mineral lease rentals, royalties, royalty sale proceeds, Federal mineral revenue sharing payments and bonuses received by the State. Enacted legislation (Ch. 18 SLA 1980) has modified this contribution rate to the Permanent Fund from 25 percent to 50 percent. As a result, any future revenues transferable from Beaufort Sea production and any future lease sale bonuses will be subject to the 50 percent rate. During FY 1981, a special appropriation (Ch. 35 SLA 1980) appropriated \$900 million from the General Fund to the Permanent Fund. Similarly, an additional \$1.8 billion was appropriated (Ch. 61 SLA 1981) for FY 1982 with payments beginning July 1, 1981; however, this appropriation was legislatively amended (Ch. 101 SLA 1982) thus permitting deposit of only \$800 million in FY 82 and an additional deposit of \$400 million in FY 83. An additional \$100 million of this appropriation was deposited in the Permanent Fund during August, 1983, as well as, another \$100 million during December, 1983, leaving a balance due of \$400 million.

# Revenue Sources

## Income Taxes

### CORPORATE

The tax is imposed on the entire taxable income of every corporation derived from sources within Alaska, and apportioned under graduated rates and varying conditions as specified in AS 43.20.

#### Due Date

September 30 of each year, including prepayments of estimated tax in four quarterly installments

#### Allocation

General Fund/  
shared with political sub-  
divisions

(Administered by the Department of Revenue.)

## Gross Receipts Taxes

### BUSINESS LICENSE

License fee for each business is \$25.00. In addition, national and state banks, trust companies, and savings and loan associations are taxed 7% of net income. (AS 43.70)

#### Due Date

Before the 15th day of the third month following the end of the tax year

#### Allocation

General Fund

(Administered by the Department of Revenue.)

### COMMERCIAL FISH

Includes tax receipts for raw fish, shore-based and floating fisheries businesses. (AS 43.75)

-Raw fish tax for canned salmon is 4.5% of value

-Shore-based fisheries businesses are taxed at the rate of 3% of value, except a 1% tax is levied when developing commercial fish species are processed.

-Floating fisheries businesses are taxed at 5% of value, except a 3% tax is levied when developing commercial fish species are processed.

Due Date

Allocation

Various dates

General Fund/Shared with political subdivisions

(Administered by the Department of Revenue.)

SALMON ENHANCEMENT

Limited entry permit holders within qualified regional aquaculture associations are levied a tax rate of either 2% or 3% of value of salmon. (AS 43.76)

Due Date

Allocation

By last day of month for prior month

General Fund

(Administered by the Department of Revenue.)

SEAFOOD MARKETING

An assessment is levied upon eligible seafood processors at a rate of 0.2% of value of seafood products purchased in Alaska. (AS 16.51)

Due Date

Allocation

April 1 for the prior calendar year.

General Fund

(Administered by the Department of Revenue.)

INSURANCE PREMIUM

The following rates are on gross premiums less certain deductibles as permitted by AS 21.09.210 and 21.66.110.

Life Companies	3%
P&C Companies	3%
Domestic Companies	1 1/2%
Net Hospital Service	6%
Title Companies	1%
Surplus	3%
Direct/Unauthorized	3%

Due Date

Allocation

April 1 for preceding year

General Fund

(Administered by the Department of Commerce and Economic Development.)

## Severance Taxes

### OIL PRODUCTION

Tax is levied upon the producer of oil from each lease or property less any part exempt from taxation. It is based on either the percentage-of-value amount or the cents-per-barrel amount, whichever is greater, multiplied by an economic limit factor. (AS 43.55)

1. The percentage-of-value amount remains 12.25% of the value of production for a property coming into commercial production after June 30, 1981, for its first five years of production. Thereafter and for all other existing oil production, including Prudhoe Bay, the percentage-of-value amount is 15% of the value of production.
2. Cents-per-barrel amount equals \$0.60 per barrel of crude oil and \$0.80 per barrel for all other taxable oil.

<u>Due Date</u>	<u>Allocation</u>
Monthly - 20th day of month for prior month	General Fund

### GAS PRODUCTION

The tax is levied on all gas produced from each lease or property, less any part exempt from taxation. The base tax rate for gas is \$0.64 per thousand cubic feet of taxable gas or 10% of the gross value of taxable production calculated at the point of production, whichever is greater, multiplied by an economic limit factor. (AS 43.55)

<u>Due Date</u>	<u>Allocation</u>
Monthly - 20th day of month for prior month	General Fund

(Administered by the Department of Revenue.)

## Property Taxes

### OIL AND GAS

The oil and gas property tax is levied at 20 mills on the full and true value of taxable property used in oil and gas exploration and production. (AS 43.56)

<u>Due Date</u>	<u>Allocation</u>
June 30	General Fund

(Administered by the Department of Revenue.)



## Sales/Use Taxes

### FUEL

Tax is levied on aviation fuel, highway fuel, and marine fuel at the following rates. (AS 43.40)

Aviation fuel: 4¢ per gallon on aviation gas and 2 1/2¢ per gallon on aviation jet fuel.

Highway fuel: Gasoline and diesel fuel is taxed at the rate of 8¢ per gallon. "Off-highway" users may claim a refund of 6¢ per gallon on motor fuel within one year of purchase if the 8¢ tax was paid.

Marine fuel: Rate is 5¢ per gallon for fuel used in engines for the propulsion of boats and watercraft.

#### Due Date

By last day of month for prior month

#### Allocation

General Fund

(Administered by the Department of Revenue.)

### ALCOHOLIC BEVERAGE

Tax rates are based on alcoholic content: Malt beverages (1% or more alcohol) \$0.35 per gallon; wine (21% or less alcohol) \$0.85 per gallon; hard liquor (more than 21% alcohol) \$5.60 per gallon. (AS 43.60)

#### Due Date

By last day of month for prior month

#### Allocation

General Fund

(Administered by the Department of Revenue.)

### CIGARETTE

A tax of 4 mills is levied on each cigarette imported or acquired in the state. Additional license fees follow. (AS 43.50)

Manufacturers	\$5
Vending Machine Operator	\$25
Direct-Buying Retailer	\$25
Buyer	\$25
Distributor	\$50

Due Date

By last day of month for  
prior month

Allocation

1 1/2 mills of total tax  
collected goes to General  
Fund; 2 1/2 mills of tax  
collected and license fees  
go to School Fund.

(Administered by the Department of Revenue.)

## Licenses and Permits

### BUSINESS

Includes receipts from alcoholic beverage licenses, commercial fishing licenses, professional and occupational licenses, and various regulatory permits. (Various statutes)

Due Date

Various

Allocation

General Fund/Revenues from  
alcoholic beverage licenses  
shared with political sub-  
divisions.

(Administered by several departments.)

### NON-BUSINESS

Includes receipts from hunting, trapping and sports fishing licenses, motor vehicle instruction permits, title transfers, registration fees, and driver licenses. (Various statutes)

Due Date

Various

Allocation

General Fund/Special Fund

(Fish and Game licenses administered by the Department of Revenue)

(Motor vehicle licenses administered by the Department of Public Safety)

## Intergovernmental Receipts

### FEDERAL SHARED REVENUE

Includes receipts from the federal government on timber sales and mineral rents and royalties. The state's share is a percentage of the proceeds derived from these federal lands. (AS 41.15 and Pub. L. 85-505, § 3)

#### Due Date

Federal cut-off dates are March 30 and September 30. Share received 4-6 weeks after cut-off date.

#### Allocation

General Fund  
25% to Permanent Fund  
50% to Permanent Fund (Royalties and Bonuses received on leases issued after December 1, 1979 and February 15, 1980 per Ch 18 SLA 1980)

(Administered by the Department of Natural Resources.)

## State Resources Revenue

### INVESTMENT EARNINGS

Includes interest at varying rates from the state's investment portfolio, and interest on bank deposits. (AS 37.10)

#### Due Date

Various dates

#### Allocation

General Fund

(Administered by the Department of Revenue.)

### ROYALTIES

Includes royalties from hard minerals, oil and gas. (AS 38.05)

#### Due Date

Monthly

#### Allocation

General Fund  
25% to Permanent Fund  
50% to Permanent Fund (Royalties received on leases issued after December 1, 1979 and February 15, 1980, per Ch 18 SLA 1980)

(Administered by the Department of Natural Resources.)

FACILITIES RELATED CHARGES

These include receipts from airports, the ferry system, food services, hospital fees, and other state facilities charges. (Various statutes)

<u>Due Date</u>	<u>Allocation</u>
Various dates	General Fund

(Administered by several departments.)

SERVICE RELATED CHARGES

Includes receipts from statutory inspection fees, the court system, and other state service charges. (Various statutes)

<u>Due Date</u>	<u>Allocation</u>
Various dates	General Fund

(Administered by several departments.)

Table 1  
Historical Petroleum Revenues  
(Millions of Dollars)

FY	Corporate Petroleum		Oil/Gas Severance Tax		Reserve Tax	Fed. Min. Rents & Royalties (1)		Bonus Sales	Rents (1)	Royalties (1)	Total Petroleum Revenues	Total G.F. Unrestricted Revenues	% of Total G.F. Unrestricted Revenues
	Non Petroleum	Petroleum	Tax	Tax		Royalties (1)	Rents (1)						
59	1.4												
60	1.7					5.8		4.0	.1		9.9	25.4	12
61	1.4					2.4		1.6	.2		4.2	48.0	21
62	1.8					4.5		20.3	1.0		26.0	40.5	10
63	2.2		.2			8.6		17.9	1.0		27.8	68.9	38
64	1.8		.3			8.7		4.7	1.2		14.9	71.6	39
65	1.9		.3			8.3		5.9	1.9	.1	16.5	67.0	22
66	4.1		.3			7.7		10.8	2.5	.3	21.6	83.0	20
67	3.5		.5			7.7		8.6	2.8	1.9	21.5	86.5	25
68	3.8		1.2			7.5		21.8	2.9	9.5	43.0	86.6	25
69	4.2	.1	5.6			7.8		.8	3.3	16.9	34.5	112.7	38
70	4.9	.4	7.9			8.2		900.0	3.1	19.3	938.9	112.4	31
71	5.2	.9	10.5			8.6		.2	2.9	23.9	47.0	1067.3	88
72	5.3	1.2	11.4			7.9		.3	3.0	24.6	48.4	220.4	21
73	5.9	.9	12.0			6.7		3.8	3.4	23.5	50.3	219.2	22
74	7.0	1.2	14.8			7.1		24.8	3.6	28.7	80.2	208.2	24
75	14.8	2.5	26.6	6.6		9.8		1.0	3.9	40.0	90.4	254.9	31
76	26.2	4.9	28.0	83.4	223.1	5.1			3.7	43.3	391.5	333.4	27
77	30.8	5.0	23.8	139.1	270.6	2.0*			2.8*	34.3*	477.6	709.8	55
78	25.1	8.4	107.7	173.0		1.0*			1.8*	149.6*	441.5	874.3	55
79	24.8	232.6	173.8	163.4		1.0*			1.6*	249.2*	821.6	764.9	58
80	17.9	547.5	506.5	168.9		1.2*			1.8*	688.2*	2256.5	1133.0	73
81	34.8	860.1	1170.2	143.0		1.2*			3.7*	1118.5*	3304.3	2501.2	90
82	34.8	668.9	1581.7	142.7		17.1*			2.1*	1157.3*	3574.8	3718.2	89
83	30.3	236.0	1493.7	152.6		27.2*			2.5*	1078.4*	3026.6	4108.4	87
84**	35.0	290.0	1373.8	185.4		10.0*			2.9*	1007.4*	2871.2	3631.0	83
85**	38.0	325.0	1351.7	222.2		10.0*			2.9*	1017.8*	2929.6	3418.4	84
86**	40.0	370.0	1393.1	226.4		10.5*			3.0*	1067.2*	3070.2	3418.2	86
												3565.7	86

\* Net of Permanent Fund contribution.

\*\* Estimate (March 1984)

(1) These categories are primarily composed of oil/gas revenues; however, includes some additional revenues from other minerals (mostly coal).

Source: Department of Revenue, Revenue Sources FY 1959-FY 1983. Revised March 1984.

Table 2  
STATE OF ALASKA - UNRESTRICTED REVENUES  
TAX PORTION

	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Corporate General	6.1	6.5	6.8	8.2	17.3	31.1	35.8	33.5	24.8	17.9	34.8	34.8	30.3
Corporate - Petroleum	--	--	--	--	--	--	--	--	232.6	547.5	860.1	668.9	236.0
Fiduciary	--	--	--	--	.1	.1	.1	.1	.1	.1	--	--	--
Individual	<u>35.5</u>	<u>39.1</u>	<u>43.4</u>	<u>49.2</u>	<u>86.9</u>	<u>146.2</u>	<u>210.4</u>	<u>145.7</u>	<u>117.2</u>	<u>100.5</u>	<u>894.9</u>	<u>703.7</u>	<u>266.3</u>
TOTAL INCOME	41.6	45.6	50.2	57.4	104.3	177.4	246.3	179.3	374.7	666.0	894.9	703.7	266.3
Alaska Business License	5.6	6.1	6.7	7.5	11.2	19.1	23.2	21.7	28.2	4.2	5.4	5.5	6.9
Fish - Canned Salmon	3.5	2.7	1.7	1.4	1.6	1.8	3.8	5.5	6.7	4.3	5.9	8.6	4.3
Fish - Shore Based	.3	.3	.5	.9	.8	.8	1.9	2.3	3.3	7.6	11.0	8.7	11.5
Fish - Floating	.2	.2	.3	.5	.3	.5	.5	.5	1.9	2.7	3.8	5.5	4.7
Salmon Enhancement	--	--	--	--	--	--	--	--	--	--	--	2.4	2.6
Seafood Marketing	--	--	--	--	--	--	--	--	--	--	--	--	.9
Insurance Companies	3.0	3.5	3.7	3.8	4.4	6.1	8.1	10.0	10.8	10.4	10.6	12.5	13.8
Other	.4	.5	.6	.6	.7	1.0	1.3	1.6	1.9	2.1	1.2	1.4	1.6
TOTAL GROSS RECEIPTS	13.0	13.3	13.5	14.7	19.0	29.3	38.8	41.6	52.8	31.3	37.9	44.6	46.3
Gravel, Timber, Etc.	--	--	--	.3	.8	1.8	1.0	.8	1.7	1.6	2.7	--	--
Oil & Gas Production	10.5	11.4	12.0	14.8	26.6	27.9	23.7	107.6	173.6	506.2	1,169.9	1,581.1	1,493.0
Oil & Gas Conservation	--	--	--	--	--	.1	.1	.1	.2	.3	.3	.6	.7
TOTAL SEVERANCE	10.5	11.4	12.0	15.1	27.4	29.8	24.8	108.5	175.5	508.1	1,172.9	1,581.7	1,493.7
Oil & Gas	--	--	--	--	6.6	83.4	139.1	173.0	163.4	168.9	143.0	142.7	152.6
Oil & Gas Reserves	--	--	--	--	--	223.1	270.6	--	--	--	--	--	--
Vehicle Registration	--	--	--	--	--	--	--	.2	.2	.1	.2	--	--
TOTAL PROPERTY	--	--	--	--	6.6	306.5	409.7	173.2	163.6	169.0	143.2	142.7	152.6
Alcoholic Beverages	4.9	4.8	5.2	5.7	6.6	7.8	8.0	7.6	7.4	7.4	8.3	9.0	10.4
Fuel Taxes - Aviation	1.6	1.5	1.3	1.6	2.8	3.0	2.5	3.3	3.4	4.0	4.1	6.3	8.7
Fuel Taxes - Highway	8.6	8.9	10.1	11.0	14.0	20.2	16.7	17.9	16.3	18.9	15.6	20.3	23.7
Fuel Taxes - Marine	.8	1.0	1.1	1.2	1.1	1.2	1.3	2.1	2.6	3.2	3.5	3.7	4.3
Tobacco Products	1.1	1.2	1.2	1.3	1.5	1.7	1.8	1.7	1.7	1.6	1.7	1.9	2.0
TOTAL SALE/USE	17.0	17.4	18.9	20.8	26.0	33.9	30.3	32.6	31.4	35.1	33.2	41.2	49.1
Estate	--	--	--	.1	.1	.2	.2	.2	.1	.2	.5	.3	.7
School	1.4	1.5	1.6	1.6	2.2	2.6	2.6	2.4	2.5	2.6	--	--	--
TOTAL OTHER	1.5*	1.6*	1.6	1.7	2.3	2.8	2.8	2.6	2.6	2.8	.5	.3	.7
TOTAL TAXES	83.6	89.3	96.2	109.7	185.6	579.7	752.7	537.8	800.6	1,412.3	2,282.6	2,514.2	2,008.7

\* Includes disaster relief

STATE OF ALASKA - UNRESTRICTED REVENUES  
X PORTION

(\$ millions)	FY 71	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
<u>LICENSES &amp; PERMITS</u>													
Business	2.7	2.8	3.2	4.1	4.2	5.1	5.5	6.8	7.5	8.1	9.1	10.8	10.8
Non-Business	6.0	6.3	6.6	6.8	9.4	11.3	10.6	12.3	12.3	10.7	12.2	13.0	14.9
TOTAL	8.7	9.1	9.8	10.9	13.6	16.4	16.1	19.1	19.8	18.8	21.3	23.8	25.7
<u>INTERGOVERNMENTAL RECEIPTS</u>													
Federal Shared Revenues	9.7	9.0	7.7	8.0	10.6	6.4	2.5	3.6	4.1	4.8	8.5	21.7	33.3
<u>STATE RESOURCE REVENUE</u>													
<u>SALE/USE</u>													
Bonus Sales	.2	.3	3.8	24.8	1.0	--	--	--	--	342.4	7.6	5.0	36.2
Investment Earnings	78.4	67.3	43.2	41.1	38.5	31.7	34.8	44.2	59.2	119.9	227.8	324.7	375.8
Rents	3.2	3.3	3.7	4.0	4.3	4.1	3.4	2.3	2.1	3.0	5.4	3.5	4.3
Royalties	23.9	24.6	23.5	28.7	40.0	43.3	34.3	149.6	249.2	688.2	1,118.5	1,157.3	1,078.4
Sale of State Property	1.0	1.4	1.7	1.4	12.2	1.9	1.8	1.9	8.4	5.7	4.8	5.2	6.3
Gravel, Timber, etc.	--	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL	106.7	96.9	75.9	100.0	96.0	81.0	74.3	198.0	318.9	1,159.2	1,364.1	1,496.9	1,505.0
<u>FACILITIES RELATED CHARGES</u>													
Airports	.6	.5	.7	.6	.5	.6	.7	.8	.9	.8	1.1	1.6	1.4
Ferry System--SE	6.5	8.1	10.1	9.6	12.0	13.9	15.4	14.0	17.1	18.7	21.0	25.2	26.4
Ferry System--SW	.6	.9	.9	1.0	1.2	1.3	1.5	1.6	1.8	2.4	3.4	4.0	4.0
Other	1.9	2.2	3.8	4.3	2.1	2.2	2.7	4.0	3.1	4.1	3.7	3.6	5.5
TOTAL	9.6	11.7	15.5	15.5	15.8	18.0	20.3	20.4	22.9	26.0	29.2	34.4	37.3
<u>SERVICES RELATED CHARGES</u>													
Court System	1.2	1.7	1.6	1.9	3.0	3.7	3.6	2.8	2.8	2.8	2.9	3.5	4.2
Other	.2	.3	.3	.4	1.4	.7	.9	1.7	2.3	2.0	4.1	6.1	5.9
TOTAL	1.4	2.0	1.9	2.3	4.4	4.4	4.5	4.5	5.1	4.8	7.0	9.6	10.1
TOTAL RESOURCE	117.7	110.6	93.3	117.8	116.2	103.4	99.1	222.9	346.9	1,190.0	1,400.3	1,540.9	1,552.4
Miscellaneous Revenue	.7	1.2	1.2	8.5	7.4	3.9	3.9	3.9	7.2	6.7	5.5	7.8	10.9
Total Unrestricted	136.8	129.9	112.0	145.2	147.8	130.1	121.6	249.5	378.0	1,220.3	1,435.6	1,594.2	1,622.3
Non-Tax Revenue	--	--	--	--	--	--	--	--	--	--	--	--	--
Less: Native Claims Payments	--	--	--	--	--	--	--	22.4	45.6	131.4	--	--	--
TOTAL NET UNRESTRICTED NON-TAX REVENUE	136.8	129.9	112.0	145.2	147.8	130.1	121.6	227.1	332.4	1,088.9	1,435.6	1,594.2	1,622.3
Total Unrestricted Tax Revenue	83.6	89.3	96.2	109.7	185.6	579.7	752.7	537.8	800.6	1,412.3	2,282.6	2,514.2	2,008.7
TOTAL UNRESTRICTED REVENUE	220.4	219.2	208.2	254.9	333.4	709.8	874.3	764.9	1,133.0	2,501.2	3,718.2	4,108.4	3,631.0

Table 3  
STATE OF ALASKA - RESTRICTED REVENUES  
AND TOTAL GENERAL FUND REVENUES

(\$ millions)	FY 71	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
<u>Federal Grants-In-Aid</u>													
I. Education	24.7	27.7	34.7	NA	39.4	35.6	26.7	27.3	27.8	30.7	33.0	25.7	33.8
II. Social Services	16.3	28.4	27.6	NA	36.0	45.4	48.9	57.7	57.8	60.0	68.7	60.4	80.7
III. Health	1.5	4.5	2.6	NA	8.3	5.0	3.0	15.6	15.4	21.4	26.5	27.1	11.9
IV. Natural Resources	1.4	5.6	2.7	NA	2.9	3.7	5.4	7.9	10.1	6.5	8.3	12.4	15.0
V. Public Protection	1.8	1.4	1.3	NA	2.9	4.5	2.8	4.4	5.3	4.8	5.2	4.2	5.3
VI. Admin. of Justice	.4	1.3	1.4	NA	2.2	2.5	2.9	2.7	3.1	2.6	1.9	1.3	.4
VII. Development	.4	.3	.3	NA	.6	.4	2.3	.9	1.7	2.4	5.7	2.9	6.5
VIII. Transportation	64.6	55.1	65.7	NA	79.5	123.3	119.1	121.6	84.6	69.5	39.9	22.5	11.0
IX. General Government	.1	.4	.2	NA	.6	.3	.4	.5	.6	.4	2.2	2.0	2.1
Total	111.2	124.7	136.5	NA	172.4	220.7	211.5	238.6	206.4	198.3	191.4	158.5	166.7
<u>Other Grants-In-Aid</u>													
I. Education	--	.1	.1	NA	.3	.4	.8	.3	.5	1.6	.8	.9	1.0
II. Social Services	.4	.7	.9	NA	1.3	1.9	1.4	1.2	1.0	.3	.1	.2	.2
III. Health	.1	.1	.1	NA	.1	--	.1	1.4	.2	.2	.1	.1	.2
IV. Natural Resources	.1	.1	.1	NA	1.5	1.9	2.1	1.4	1.2	.6	2.4	1.4	1.0
V. Public Protection	--	--	--	NA	--	.1	.2	1.4	1.6	1.7	1.8	1.8	2.3
VI. Admin. of Justice	--	.1	.2	NA	.3	.3	.2	.3	.3	.1	.1	.1	.1
VII. Development	.1	.1	.1	NA	.2	1.4	.5	.4	.5	1.3	.8	1.1	3.1
VIII. Transportation	1.3	.4	.4	NA	11.5	2.5	1.8	1.0	1.1	1.0	1.6	2.5	.9
IX. General Government	--	1.1	1.0	NA	.1	1.6	.4	.9	1.1	2.8	1.8	2.2	2.2
Total	2.0	2.7	2.9	NA	15.3	10.1	7.5	8.3	7.5	9.6	9.5	10.3	11.0
Misc. Restricted Revenue	-0-	-0-	-0-	NA	-0-	4.5	3.1	.9	3.2	5.7	8.1	7.0	15.7
Total Restricted Revenue	113.2	127.4	139.4	NA	187.7	235.3	222.1	247.8	217.1	213.6	209.0	175.8	193.4
Total Unrest. Revenue	220.4	219.2	208.2	254.9	333.4	709.8	874.3	764.9	1133.0	2501.2	3718.2	4108.4	3631.0
Total Gen. Fund Revenue	333.6	346.6	347.6	NA	521.1	945.1	1096.4	1012.7	1350.1	2714.8	3927.2	4284.2	3824.4
NA Not Available													

Source: Department of Revenue, Revenue Sources FY 1971 - FY 1983. Revised December 1983.









