

**REVENUE SOURCES
FY 1980 - 1982**

**QUARTERLY UPDATE
MARCH, 1981**

**ALASKA
DEPARTMENT OF REVENUE**

Jay Hammond, Governor

ALASKA'S REVENUE SOURCES

Compiled by Research Section

Department of Revenue

Table of Contents

REVENUE SUMMARY	3
GENERAL FUND	
Unrestricted Revenues	4
Restricted Revenues	8
SPECIAL FUNDS	9
Alaska Permanent Fund	10

Revenue Summary

In Thousand of Current Dollars

	FY 1981 Revised Estimate		FY 1982 Estimate	
	January	March	January	March
Total General Fund Unrestricted Revenues (p.5)	<u>3,631,000</u>	<u>3,697,800</u>	<u>4,955,100</u>	<u>5,175,700</u>
Total General Fund Restricted Revenues (p. 8)	<u>274,700</u>	<u>274,700</u>	<u>306,500</u>	<u>306,500</u>
Total General Fund Revenues (p. 8)	<u>3,905,700</u>	<u>3,972,500</u>	<u>5,261,600</u>	<u>5,482,200</u>
Alaska Permanent Fund (p. 9)	<u>1,277,300</u>	<u>1,272,900</u>	<u>587,500</u>	<u>559,000</u>

General Fund Unrestricted Revenues

In Thousands of Current Dollars

	FY 1981		FY 1982	
	Revised Estimate	Estimate	Estimate	Estimate
	January	March	January	March
<u>Taxes</u>				
<u>Income</u>				
Corporate - General	35,000	35,000	36,000	36,000
Corporate - Petroleum	770,000	839,300	882,900	1,260,500
Fiduciary(1)	-0-	-0-	-0-	-0-
Individual(1)	-0-	-0-	-0-	-0-
<u>Gross Receipts</u>				
Alaska Business License	5,300	5,300	3,200	3,200
Fish - Canned Salmon	12,100	10,700	6,600	7,200
Fish - Shorebased	10,400	11,400	7,800	8,800
Fish - Floating	4,000	4,500	3,100	3,500
Salmon Enhancement(2)	-0-	-0-	1,500	1,500
Insurance Companies	11,300	11,300	12,500	12,500
Other	2,600	1,000	2,900	1,200
<u>Severance</u>				
Gravel, Timber, Etc.	1,300	1,300	3,000	3,000
Oil & Gas Production	1,178,200	1,169,900	1,747,100	1,640,300
Oil & Gas Conservation	600	600	600	600
<u>Property</u>				
Oil & Gas	170,000	181,000	170,000	195,000
Vehicle Registration	200	200	200	200
<u>Sale/Use</u>				
Alcoholic Beverages	7,900	8,000	8,200	8,200
Fuel Taxes - Aviation	4,100	4,100	4,300	4,300
Fuel Taxes - Highway	18,500	18,000	20,900	21,000
Fuel Taxes - Marine	3,400	3,400	3,600	3,600
Tobacco Products	1,700	1,700	1,800	1,800
<u>Other</u>				
Estate	200	200	200	200
School(3)	-0-	-0-	-0-	-0-
Total Taxes	2,236,800	2,306,900	2,916,400	3,212,600
<u>Licenses & Permits</u>				
<u>Business</u>	8,300	8,300	9,700	9,700
<u>Non-Business</u>	12,000	12,000	12,500	12,500
Total Licenses & Permits	20,300	20,300	22,200	22,200
<u>Intergovernmental Receipts</u>				
<u>Federal Shared Revenues(4)</u>	19,400(5)	19,400(5)	8,000	8,000
<u>State Resource Revenue</u>				
<u>Sale/Use</u>				
Bonus Sales(6)(7)	6,400(8)	6,400(8)	-0-	-0-

Investment Earnings	195,000	205,000	195,000	205,000
Rents (4)	2,500	2,500	4,000	4,000
Royalties (4)	1,098,700 ⁽⁹⁾	1,085,400 ⁽⁹⁾	1,757,100	1,671,500
Sale of State Property	9,300	9,300	5,600	5,600
<u>Facilities Related Charges</u>				
Airports	600	600	800	800
Ferry System - Southeast	21,600	21,600	24,400	24,400
Ferry System - Southwest	2,400	2,400	2,700	2,700
Other	4,300	4,300	4,700	4,700
<u>Service Related Charges</u>				
Court System	3,100	3,100	3,300	3,300
Other Service Related Charges	3,600	3,600	3,900	3,900
Total State Resources				
Revenues	<u>1,347,500</u>	<u>1,344,200</u>	<u>2,001,500</u>	<u>1,925,900</u>
<u>Miscellaneous Revenues</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>
<u>Total Unrestricted Revenues</u>	<u>3,631,000</u>	<u>3,697,800</u>	<u>4,955,100</u>	<u>5,175,700</u>

- 1) Ch. 1 SSSLA 1980, repeals the Alaska Net Income Tax for individuals and fiduciaries and provides for individuals to continue receiving tax credits for political contributions and household and dependent care service, retroactive to January 1, 1980. Ch. 2 SSSLA 1980, provides refunds of 1979 individual income taxes.
- 2) Ch. 154 SLA 1980, effective July 2, 1980, levies either a 2 percent or 3 percent Salmon Enhancement Tax to be determined by qualified regional aquaculture associations.
- 3) Repealed by Ch. 64 SLA 1980, retroactive to January 1, 1980. Some insignificant amounts of revenue are expected to be collected in FY 1981 due to employers still collecting in calendar year 1980.
- 4) Net of 25 percent Permanent Fund contribution.
- 5) Anticipated revenue (\$9.8 Million) due to State's winning Court decision may not be collected because of appeal to the Supreme Court.
- 6) The Department of Natural Resources projects additional lease sales to be held in 1981 and 1982. However, bonus bids are impossible to anticipate prior to sales and therefore no estimates are included in this report.
- 7) Net of 50 percent Permanent Fund contribution by Ch. 18 SLA 1980.
- 8) Reflects lease sale of \$12,771,301.22 held September 16, 1980.
- 9) The FY 1981 royalty value reflects the retroactive payment due the State, by the North Slope producers, for the recently negotiated settlement regarding field costs previously deducted from the royalty wellhead value.

Revenue Breakdown

The total General Fund unrestricted revenues for Fiscal Years 1981 and 1982 are projected to be \$3,697.8 million and \$5,175.7 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)

Petroleum Revenues

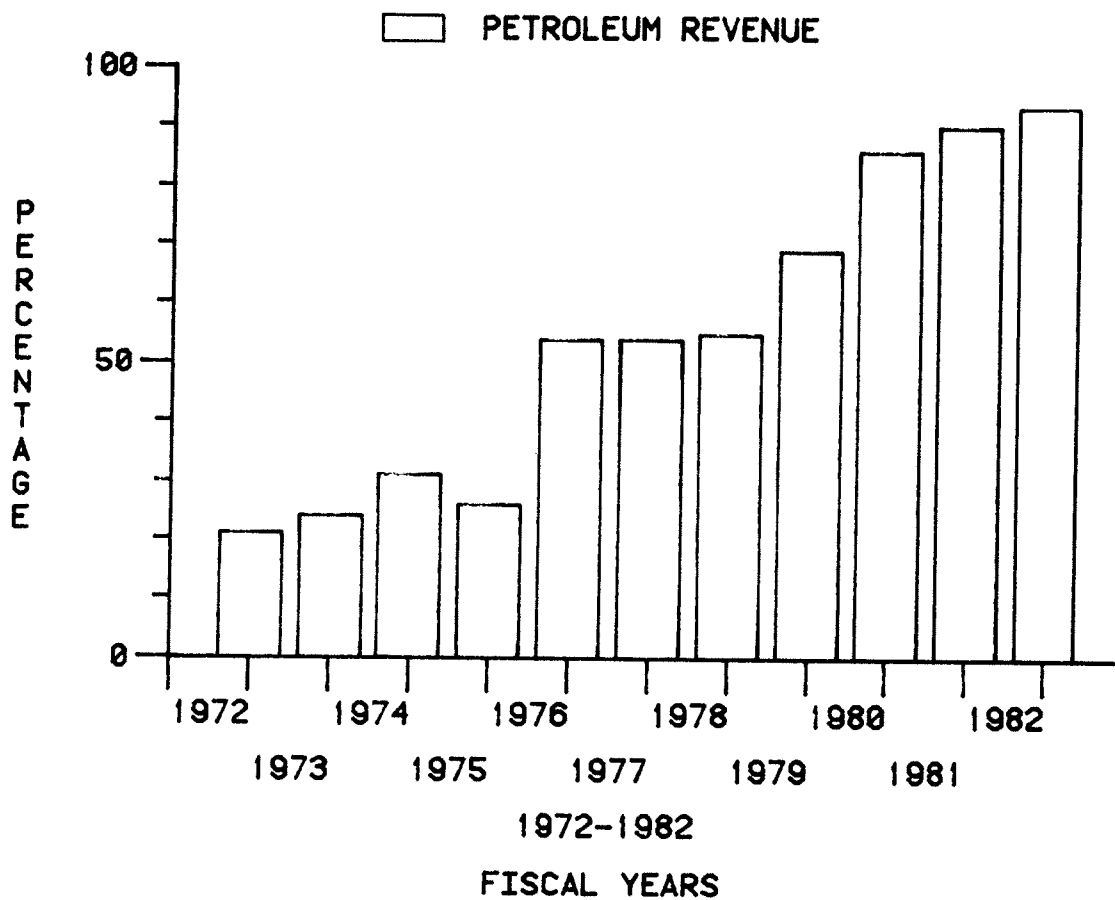
	<u>FY 81</u>	<u>FY 82</u>
Corporate Petroleum	839.3	1,260.5
Severance Tax	1,170.5	1,640.9
Royalties	1,085.4	1,671.5
Property Tax	181.0	195.0
Bonus Sale	<u>6.4</u>	<u>0.0</u>
	<u>3,282.6</u>	<u>4,767.9</u>

Non-Petroleum Revenues

	<u>FY 81</u>	<u>FY 82</u>
Taxes	116.1	116.2
Licenses & Permits	20.3	22.2
Intergovernmental Receipts	19.4	8.0
State Resources Revenues	252.4	254.4
Miscellaneous Revenues	<u>7.0</u>	<u>7.0</u>
	<u>415.2</u>	<u>407.8</u>
Total General Fund Unrestricted Revenues	<u>3,697.8</u>	<u>5,175.7</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>
1972	219.2	47.1	21
1973	208.1	49.3	24
1974	255.1	79.3	31
1975	333.3	87.6	26
1976	709.7	386.1	54
1977	874.1	472.5	54
1978	787.4	430.3	55
1979	1,178.5	819.0	69
1980	2,632.6	2,253.5	86
1981*	3,697.8	3,282.6	89
1982*	5,175.7	4,767.9	92

* Estimate

Restricted Revenues

In Thousands of Current Dollars

		FY 1981		FY 1982	
		Revised Estimate		Estimate	
		<u>January</u>	<u>March</u>	<u>January</u>	<u>March</u>
<u>Federal Grants-in-Aid</u>					
I.	Education	38,300	38,300	38,700	38,700
II.	Social Services	112,400	112,400	129,400	129,400
III.	Health	3,500	3,500	3,000	3,000
IV.	Natural Resources	12,400	12,400	13,800	13,800
V.	Public Protection	5,500	5,500	5,900	5,900
VI.	Administration of Justice	2,300	2,300	1,300	1,300
VII.	Development	3,800	3,800	3,800	3,800
VIII.	Transportation	77,000	77,000	80,700	80,700
IX.	General Government	<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>
Total Federal Grants-in-Aid		<u>255,600</u>	<u>255,600</u>	<u>277,000</u>	<u>277,000</u>
 <u>Other Grants-in-Aid</u>					
I.	Education	400	400	500	500
II.	Social Services	1,800	1,800	2,000	2,000
III.	Health	-0-	-0-	-0-	-0-
IV.	Natural Resources	3,000	3,000	8,900	8,900
V.	Public Protection	1,200	1,200	1,300	1,300
VI.	Administration of Justice	100	100	100	100
VII.	Development	700	700	800	800
VIII.	Transportation	1,400	1,400	1,600	1,600
IX.	General Government	<u>2,700</u>	<u>2,700</u>	<u>3,900</u>	<u>3,900</u>
Total Other Grants-in-Aid		<u>11,300</u>	<u>11,300</u>	<u>19,100</u>	<u>19,100</u>
Miscellaneous Restricted Revenue					
All Categories		<u>7,800</u>	<u>7,800</u>	<u>10,400</u>	<u>10,400</u>
Total Restricted Revenue (1)		<u>274,700</u>	<u>274,700</u>	<u>306,500</u>	<u>306,500</u>
Total Unrestricted Revenue		<u>3,631,000</u>	<u>3,697,800</u>	<u>4,955,100</u>	<u>5,175,700</u>
Total General Fund Revenue (2)		<u>3,905,700</u>	<u>3,972,500</u>	<u>5,261,600</u>	<u>5,482,200</u>

(1) Restricted Revenue figure may not agree with those shown in the Governor's budget due to categorical differences between the budget and accounting system.

(2) Actual and estimated revenues are reported herein on a cash basis and therefore may not agree with those given in the State's Annual Report which used a modified accrual basis.

Special Funds

In Thousands of Current Dollars

<u>Enterprise Funds</u>	FY 1981 Revised Estimate		FY 1982 Estimate	
	January	March	January	March
Agriculture Loan Fund	800	800	1,100	1,100
Alternative Technology and Energy Loan Fund	-0-	-0-	100	100
Bulk Fuel Loan Fund	-0-	-0-	100	100
Child Care Facility Loan Fund	-0-	-0-	-0-	-0-
Commercial Fish Loan Fund	1,400	1,400	2,500	2,500
Fisheries Enhancement Loan Fund	-0-	-0-	-0-	-0-
Historical District Loan Fund	-0-	-0-	-0-	-0-
International Airport Revenue Fund	29,600	29,600	30,100	30,100
Medical Malpractice Loan Fund	200	200	200	200
Mining Loan Fund	-0-	-0-	-0-	-0-
Residential Energy Conservation Loan Fund	100	100	100	100
Scholarship Loan Fund	500	500	500	500
Small Business Loan Fund	2,100	2,100	3,600	3,600
Tourism Loan Fund	500	500	700	700
World War II Veterans Loan Fund	<u>2,000</u>	<u>2,000</u>	<u>1,800</u>	<u>1,800</u>
 Total Enterprise Funds	 <u>37,200</u>	 <u>37,200</u>	 <u>40,800</u>	 <u>40,800</u>
 <u>Special Revenue Funds</u>				
Alaska Permanent Fund (1)(2)(3)	1,277,300	1,272,900	587,500	559,000
Federal Revenue Sharing Fund(4)	3,800	3,800	-0-	3,800
Fish and Game Fund	10,900	10,900	11,500	11,500
Marine Coastal Damage Fund	-0-	-0-	-0-	-0-
School Fund	2,900	2,900	3,000	3,000
Training & Building Fund	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
 Total Special Revenue Fund	 <u>1,295,400</u>	 <u>1,291,000</u>	 <u>602,500</u>	 <u>577,800</u>
 Total Special Funds	 <u>1,332,600</u>	 <u>1,328,200</u>	 <u>643,300</u>	 <u>618,600</u>

- 1) Includes \$900,000,000 appropriated to the Alaska Permanent Fund in FY 1981.
- 2) Anticipated revenues (\$3.2 million) for FY 1981 due to State's winning Court decision may not be collected because of appeal to the Supreme Court.
- 3) The FY 1981 Permanent Fund contribution reflects the retroactive payment due the State, by the North Slope producers, for the recently negotiated settlement regarding field costs previously deducted from the royalty wellhead value.
- 4) Federal funding expired September 30, 1980. Reauthorization was pending for FY 1982 at the time of publication.

Alaska Permanent Fund Contributions

Inception to Date

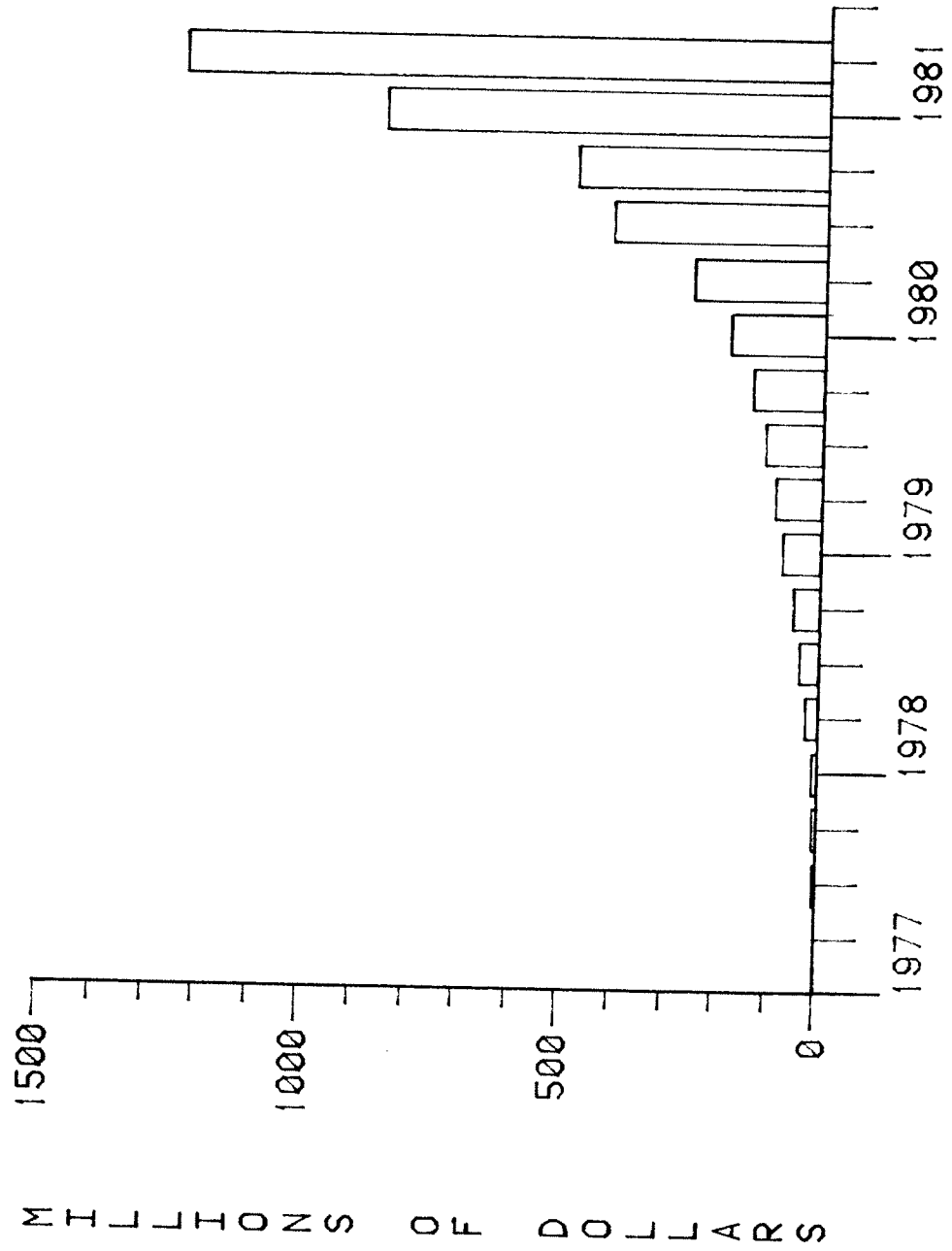
	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>
July		794,995.01	7,502,051.26	10,692,715.90	73,815,667.41
August		2,521,153.06	5,919,366.32	17,708,447.48	118,431,979.94
September		4,021,045.20	5,844,160.01	17,327,178.30	181,873,959.53
October		4,831,261.69	5,895,954.01	16,537,475.13	80,318,945.90
November		4,979,386.81	5,983,431.49	17,457,131.59	81,058,413.83
December		4,217,990.44	6,157,251.64	38,079,084.53	227,586,680.94
January		4,215,503.35	6,464,609.73	113,926,615.55	130,570,546.51
February		4,145,894.12	6,785,168.90	21,060,774.83	133,457,322.86
March	1,530,416.42	3,648,367.18	6,292,339.61	20,607,758.22	
April	815,439.57	5,088,252.18	7,953,713.53	23,040,206.02	
May	788,450.99	5,603,327.04	9,065,491.87	21,783,285.17	
June	822,403.54	6,376,079.60	10,043,535.99	26,565,267.13	
Total	<u>3,956,710.52</u>	<u>50,443,255.68</u>	<u>83,907,074.36</u>	<u>344,785,939.85</u>	<u>1/1,027,113,516.92</u>
Cumulative Fund Balance as of February 28, 1981					
<u>Interest Earnings Transferred to General Fund</u>					
First Quarter (July-Sept.)		12,370.79	605,651.99	1,938,034.46	9,234,109.73
Second Quarter (Oct.-Dec.)		148,250.03	1,282,489.03	3,428,220.15	
Third Quarter (Jan.-Mar.)		115,436.96	962,645.91	6,682,092.76	
Fourth Quarter (Apr.-June)	27,019.00	624,376.03	2,852,138.75	2,393,102.77	2/
Total	<u>27,019.00</u>	<u>900,433.81</u>	<u>5,702,925.68</u>	<u>14,441,450.14</u>	<u>9,234,109.73</u>
Total Amount of Income Transferred to General Fund as of December 31, 1980					
<u>30,305,938.36</u>					

1/ Includes \$114,546,830.13 as 25 percent of bonuses and lease rentals for the undisputed State portion of the Beaufort Sea lease sale. Litigation over the legality of that sale is still pending.

2/ Other \$9,234,109.73 was transferred during September 1980 for the balance due the General Fund in 1980 from the Permanent Fund as provided for by 1

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. Recently 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. Furthermore, on May 21, 1980, a special appropriation (Ch. 35 SLA 1980) was signed appropriating \$900 million from the General Fund to the Permanent Fund with payments beginning July 1, 1980.

