

Indirect Expenditure Report



January 2023

Legislative Finance Division

www.legfin.akleg.gov

Introduction

HB 306 (Ch. 61, SLA 14) requires that the Department of Revenue (DOR) and Legislative Finance Division (LFD) prepare biennial reports to the legislature on indirect expenditures. AS 43.05.095 defines an indirect expenditure as an express provision of state law that results in foregone revenue for the state by providing:

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

This is the fifth round of reports; DOR's reports were released in 2014, 2016, 2018, 2020, and 2022 and Legislative Finance released reports in 2015, 2017, 2019, 2021 and 2023. The Legislative Finance Division's report builds on the DOR report and is due to the legislature on the first day of the 2023 legislative session. While DOR's report covers all agencies each biennium, AS 24.20.235 limits the Legislative Finance report to a few agencies each biennium.

The 2015 and 2021 Legislative Finance reports, covered the following departments:

1. Commerce, Community and Economic Development;
2. Fish and Game;
3. Health and Social Services;
4. Labor and Workforce Development; and
5. Revenue.

The 2023 Legislative Finance report covers the following departments, which were originally covered in the 2017 report:

6. Administration;
7. Alaska Court System (Judiciary);
8. Education and Early Development, including the Alaska Student Loan Corporation and Alaska Commission on Postsecondary Education;
9. Environmental Conservation;
10. Natural Resources; and
11. Transportation.

Legislative Finance's 2019 and 2025 reports are designated to cover all agencies not reviewed in other years. However, none of the remaining agencies (such as the University of Alaska and the Alaska Railroad) have participated in the Indirect Expenditure reporting process up to this point. Therefore, Legislative Finance's 2019 report exclusively highlighted five provisions set to expire.

There are two provisions set to expire between January 1, 2023 and June 30, 2025: the Department of Revenue Small Corporation Exemption, and the Education Tax Credit in Department of Revenue and

Department of Commerce, Community and Economic Development. This report provides a detailed analysis of these credits.

Summary of Recommendations Made	
Recommendation Type	Count
Continue	70
Reconsider	15
Terminate	1
No Recommendation	10
<i>Total</i>	96

LFD’s 2017 report covered just 77 provisions, so 19 additional indirect expenditures were identified by DOR and the affected agencies since that report. In 2017, we recommended that two provisions be terminated and 13 be reconsidered or modified. A notable difference between this report and the previous version is in the Department of Environmental Conservation, in which LFD changed six recommendations from the previous version from review or terminate to continue. These changes are due to a review done by the 2017 House DEC subcommittee, which investigated

these items and determined that the cost of a fee study would outweigh the revenue generated by the potential fees. Other than in DEC, LFD only changed a single recommendation, which is to recommend termination of a redundant DMV fee waiver.

Recommendation Highlights				
Index	Dept.	Applicable Program	Indirect Expenditure Name	Recommendation Summary
1.06	DOA	Division of Motor Vehicles	Motor Vehicle License Plates and Registration Fees for Municipal Governments and Charitable Organizations	Recommend reconsideration. The 90% discount rate was initially enacted in 1978. The legislature may wish to consider whether this remains the desired discount rate.
1.07	DOA	Motor Vehicle License Plates and Registration Fees for Pearl Harbor Survivors	Motor Vehicle License Plates and Registration Fees for Pearl Harbor Survivors	Recommend termination due to redundancy. Any beneficiaries are already eligible for waived registration fees under the senior citizen exemption (AS 28.10.411(f)).
2.01, 6.02	DCCED, DOR	Multiple	Education Tax Credit	Recommend reconsideration due to upcoming expiration on January 1, 2025. If the legislature chooses to extend the credit, the legislature may wish to modify the credit for tax types other than the corporate income tax, to prohibit taxpayers from taking both the state and federal credits for the same activity.
3.29	DEED	WWAMI Graduate Medical Education Program	Financial Support	Recommend the rate be re-evaluated. There may be merit in providing a stronger incentive to return to the state by increasing the amount of the loan that must be repaid by participants who do not return.
5.06	DNR	Oil and Gas	Royalty Relief for Cook Inlet Platforms	Recommend reconsideration. The legislature may wish to evaluate whether the discount remains in the economic interest of the state.
5.1	DNR	Oil and Gas	Royalty Relief for Cook Inlet Discoveries	Recommend reconsideration. This provision was established in 1996, and the legislature may wish to evaluate whether the rate and duration of the provision remain in the economic interest of the state.
6.01	DOR	Corporate Income Tax	Small Corporation Exemption	Recommend reconsideration due to upcoming expiration. In the future, sunset dates should be aligned to tax years, rather than fiscal years.

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Department of Administration

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Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Fee Waiver for Government Agencies

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Fee of \$10 waived for government agencies requesting driver and vehicle records from DMV.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

Unknown

(4) Year Enacted

Unknown

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Unknown

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$5,610

FY 2018 - \$5,050

FY 2019 - \$4,520

FY 2020 - \$19,620

FY 2021 - \$19,370

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY20 1,962, FY21 1,937

(11) Additional Comments / Departmental Directives

Increase appears to be related to covid upstaffing and high turnover.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$10,834

(2) Estimate of Annual Monetary Benefit to Recipients

\$100

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Continue as part of normal service provided by DMV to other government entities.

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration Fees for Amateur Radio Users

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.181(i), AS 28.10.421

(4) Year Enacted

1978

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$4,400

FY 2018 - \$3,450

FY 2019 - \$3,570

FY 2020 - \$5,701

FY 2021 - \$9,194

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY18 115, FY19 119, FY20 96, FY21 139

(11) Additional Comments / Departmental Directives

Increase in radio operators in 2021.

Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$5,263

(2) Estimate of Annual Monetary Benefit to Recipients

\$100

(3) Legislative Intent Met?

Yes

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration
Fees for Amateur Radio Users

Legislative Finance Analysis per AS 24.20.235**(4) Should it be continued, modified or terminated?**

Continue exemption, which is based on the potential public service provided by a vehicle equipped with a radio.

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration Fees for Persons with Disabilities

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

Waives registration fees for persons with disabilities.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.181, AS 28.10.421

(4) Year Enacted

2002

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$264,790

FY 2018 - \$187,700

FY 2019 - \$185,800

FY 2020 - \$163,242

FY 2021 - \$152,395

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY18 1,877, FY19 1,858, FY20 3,750, FY21 3,275

(11) Additional Comments / Departmental Directives
Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$190,785

(2) Estimate of Annual Monetary Benefit to Recipients

\$100

(3) Legislative Intent Met?

Yes

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration
Fees for Persons with Disabilities

Legislative Finance Analysis per AS 24.20.235**(4) Should it be continued, modified or terminated?**

Continue exemption in order to avoid the proliferation of "limited accessibility" plates.

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration Fees for Veterans with Disabilities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives registration fees for veterans with disabilities.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.181, AS 28.10.421

(4) Year Enacted

2002

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$223,800

FY 2018 - \$188,200

FY 2019 - \$204,600

FY 2020 - \$91,442

FY 2021 - \$179,013

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY18 1,882, FY19 2,046, FY20 4,215, FY21 3,899

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$177,411

(2) Estimate of Annual Monetary Benefit to Recipients

\$100

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent.

Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Motor Vehicle License Plates and Registration
Fees for Gold Star Family

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.181(l), AS 28.10.421

(4) Year Enacted

2007

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$4,100

FY 2018 - \$3,800

FY 2019 - \$4,600

FY 2020 - \$3,500

FY 2021 - \$3,200

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY18 38, FY19 46, FY20 35, FY21 32

(11) Additional Comments / Departmental Directives

FY20 & FY21 based on biennially issued plates. \$50/plate.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$3,840

(2) Estimate of Annual Monetary Benefit to Recipients

\$100

(3) Legislative Intent Met?

Yes

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration
Fees for Gold Star Family

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation based on meeting legislative intent.

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

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

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.181(a), AS 28.10.181(e), AS 28.10.421(d)

(4) Year Enacted

1978

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$532,125

FY 2018 - \$663,900

FY 2019 - \$710,500

FY 2020 - \$566,854

FY 2021 - \$643,760

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY18 6,639, FY19 7,105, FY20 6,830, FY21 7,524

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$623,428

(2) Estimate of Annual Monetary Benefit to Recipients

\$90

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

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

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend reconsideration. The 90% discount rate was initially enacted in 1978. The legislature may wish to consider whether this remains the desired discount rate.

Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Motor Vehicle License Plates and Registration
Fees for Pearl Harbor Survivors

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives registration fees for Pearl Harbor survivors.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.181(l), AS 28.10.421

(4) Year Enacted

1988

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY20 0, FY21 0

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

\$0

(3) Legislative Intent Met?

Yes

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration Fees for Pearl Harbor Survivors

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend termination due to redundancy. Any beneficiaries are already eligible for waived registration fees under the senior citizen exemption (AS 28.10.411(f)).

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration Fees for Prisoners of War

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives registration fees for Prisoners of War.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.181(I), AS 28.10.421

(4) Year Enacted

1984

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY20 0, FY21 0

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

\$0

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Continue exemption. While unused in recent years, it meets legislative intent and has no administrative cost.

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration Fees for Purple Heart Recipients

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives registration fees for Purple Heart recipients.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.181(q), AS 28.10.421

(4) Year Enacted

1989

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$33,300

FY 2018 - \$26,400

FY 2019 - \$25,400

FY 2020 - \$3,282

FY 2021 - \$2,181

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY18 264, FY19 254, FY20 263, FY21 284

(11) Additional Comments / Departmental Directives

Difference of full price verses free or discounted Methodology note: Revenue impacts for FY 2020 and FY 2021 are based on actual issued license plates. Revenue impacts prior to FY 2020 are based on maximum possible impact if all Purple Heart recipients received the license plates.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$18,113

(2) Estimate of Annual Monetary Benefit to Recipients

\$100

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration Fees for Purple Heart Recipients

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent.

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration Fees for Senior Citizens

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.411 (f)

(4) Year Enacted

1978

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$449,100

FY 2018 - \$1,412,960

FY 2019 - \$1,241,800

FY 2020 - \$1,258,200

FY 2021 - \$1,226,300

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY18 141,296, FY19 12,418, FY20 12,582, FY21 12,263

(11) Additional Comments / Departmental Directives
Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$1,117,672

(2) Estimate of Annual Monetary Benefit to Recipients

\$100

(3) Legislative Intent Met?

Yes

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration
Fees for Senior Citizens

Legislative Finance Analysis per AS 24.20.235**(4) Should it be continued, modified or terminated?**

Continue exemption -- but recommend review of minimum age for consistency across DMV-related statutes.

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration Fees for State Owned Vehicles

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

Waives registration fees for state owned vehicles.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.421(d)(4)

(4) Year Enacted

Unknown

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Unknown. Determined by Legislature

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$27,500

FY 2018 - \$24,500

FY 2019 - \$32,500

FY 2020 - \$20,992

FY 2021 - \$5,185

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY18 245, FY19 325, FY20 264, FY21 183

(11) Additional Comments / Departmental Directives
Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$22,135

(2) Estimate of Annual Monetary Benefit to Recipients

\$100

(3) Legislative Intent Met?

Yes

Administration

1.11

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor Vehicle License Plates and Registration
Fees for State Owned Vehicles

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Continue exemption.

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

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

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.155

(4) Year Enacted

2015

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Unknown. Determined by Legislature.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$4,664,100

FY 2018 - \$5,180,550

FY 2019 - \$4,777,350

FY 2020 - \$3,674,250

FY 2021 - \$3,965,925

Note: Revenue loss will not be realized until the two-year registration period comes due on the vehicles that are permanently registered. The program began on January 1, 2015. Revenue loss will start being calculated on January 30, 2017.

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY18 69,074, FY19 63,698, FY20 12,582, FY21 12,263

(11) Additional Comments / Departmental Directives

This program began on January 1, 2014. The full registration fee and a \$25 fee are collected at the time of permanent registration, and then no future registration fees are collected. The first revenue losses did not start until January 2016 due to the two-year registration period. Methodology note: The number of recipients reflects the number of permanent registrations issued during the relevant year, the total number of permanent registrations would be higher in any given year.

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

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

Legislative Finance Analysis per AS 24.20.235**(1) Estimate of Annual Revenue Foregone by the State (cont.)**

\$4,452,435

(2) Estimate of Annual Monetary Benefit to Recipients

\$191

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent. Any Organized Borough or Municipality can opt in to allowing the exemption. Boroughs or Municipalities that do not want permanent registration, such as those levying a motor vehicle registration tax, do not have to allow the exemption.

Administration

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

State Identification Cards for Senior Citizens

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 18.65.310(g)

(4) Year Enacted

1973 or 1976

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$198,630

FY 2018 - \$191,655

FY 2019 - \$204,480

FY 2020 - \$177,690

FY 2021 - \$130,800

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

FY18 12,777, FY19 13,632, FY20 11,846, FY21 8,720

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$180,651

(2) Estimate of Annual Monetary Benefit to Recipients

\$15

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Continue exemption -- but recommend review of minimum age for consistency across DMV-related statutes.

Department of Commerce, Community and Economic Development

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Commerce, Community and Economic Development

2.01

Applicable Program

Insurance: All Programs

Indirect Expenditure Name

Education Tax Credit

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Education tax credit for donations to allowable educational entities. See also education tax credit in the DOR Section.

(2) Type

Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 21.96.070

(4) Year Enacted

1994, last amended 2018

(5) Sunset or Repeal Date

Repeal effective 1/1/2025.

(6) Legislative Intent

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

(7) Fund Code

1156 Receipt Supported Services

(8) Estimated Revenue Impact

FY 2017 - \$975

FY 2018 - \$0

FY 2019 - \$500

FY 2020 - \$5,000

FY 2021 - \$0

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

(9) Cost to Administer

N/A

(10) Number of Beneficiaries / Who Benefits

FY18 1, FY19 1

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$1,295

(2) Estimate of Annual Monetary Benefit to Recipients

Varies. One company received a \$150,000 benefit in FY16.

Commerce, Community and Economic Development

Applicable Program

Insurance: All Programs

Indirect Expenditure Name

Education Tax Credit

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend reconsideration due to upcoming expiration. Refer to 6.02 DOR Education Credit for a detailed analysis.

Department of Education

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Education

Applicable Program

Alaska Student Loan Program

Indirect Expenditure Name

Credit: Education Loan Forgiveness -- Alaska Student Loan Program

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 14.43.120(j)

(4) Year Enacted

1971

(5) Sunset or Repeal Date

Repealed 1987

(6) Legislative Intent

Provide incentive for college students to return to or remain in Alaska. Encourage Alaska residents to complete postsecondary education and reside in Alaska thereafter.

(7) Fund Code

3329/3341 ASLC Loan Funds

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

Automated; minimal manual intervention.

(10) Number of Beneficiaries / Who Benefits

FY20 0, FY21 0

(11) Additional Comments / Departmental Directives

Although the education loan forgiveness program was repealed in 1987 and the credit has been \$0 for several years, there are existing ASL loans that may still become eligible for forgiveness under former AS 14.43.120(j).

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

N/A

Education

Applicable Program

Alaska Student Loan Program

Indirect Expenditure Name

Credit: Education Loan Forgiveness -- Alaska Student Loan Program

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

N/A - program was terminated in 1987. Remaining loans still may become eligible for forgiveness, but any potential costs would be due to legacy impacts.

Education

Applicable Program
Institutional Authorization

Indirect Expenditure Name
Exemption from Authorization

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Out-of-state postsecondary institutions offering distance education to Alaska students are exempt from authorization. Fee for exemption is \$100. \$17,200 assumes 25% 688 total; current SARA schools would apply for exemption.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 14.48.030

(4) Year Enacted

1976

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1004 Unrestricted General Fund Receipts

(8) Estimated Revenue Impact

FY 2017 - \$74,500

FY 2018 - \$13,150

FY 2019 - \$13,150

FY 2020 - \$17,200

FY 2021 - \$17,200

Note: Foregone revenue is the fee SARA member institutions would pay to be exempted in Alaska.

(9) Cost to Administer

Estimated at \$25,200 annually, based on percent of staff processing time.

(10) Number of Beneficiaries / Who Benefits

8,260 Alaska students enrolled in out-of-state distance education provider schools approved under the State Authorization Reciprocity Agreement (SARA).

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$27,040

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

Education

Applicable Program

Institutional Authorization

Indirect Expenditure Name

Exemption from Authorization

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent.

Education

Applicable Program

Multiple Education Loan Programs

Indirect Expenditure Name

Interest Deduction

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

The Alaska Student Loan Corporation (ASLC) authorizes a discount of some percent value to be provided to borrowers who meet specific criteria.

(2) Type

Deduction

(3) Authorizing Statute, Regulation or Other Authority

AS 14.42.200-.210

(4) Year Enacted

2001

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Provide lowest possible costs of education loans to Alaska students. Lower education loan costs to borrowers.

(7) Fund Code

3329/3341 ASLC Loan Funds

(8) Estimated Revenue Impact

FY 2017 - \$693,139

FY 2018 - \$543,613

FY 2019 - \$409,673

FY 2020 - \$299,634

FY 2021 - \$233,426

(9) Cost to Administer

Automated; minimal manual intervention.

(10) Number of Beneficiaries / Who Benefits

FY21 approximately 7,920 borrowers with outstanding loans could be eligible for a benefit in any given year.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$435,897

(2) Estimate of Annual Monetary Benefit to Recipients

\$29

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. ASLC offers a 0.25% interest rate reduction for automatic payment. Loans awarded prior

Education

Applicable Program

Multiple Education Loan Programs

Indirect Expenditure Name

Interest Deduction

Legislative Finance Analysis per AS 24.20.235**(4) Should it be Continued, Modified or Terminated? (cont.)**

to July 1, 2018 are also eligible for an Alaska Presence benefit, which provides eligible legacy borrowers with an annual credit equal to 1% of their outstanding loan principal balance. These benefits are subject to annual approval by ASLC.

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Discount for Closing Time Admission

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

Half-price discount on admission fee near closing time.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.57.010(c), 4 AAC 58.010(c)

(4) Year Enacted

2010

(5) Sunset or Repeal Date

None

(6) Legislative Intent

In the public interest.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$1,117

FY 2018 - \$1,188

FY 2019 - \$1,278

FY 2020 - \$1,015

FY 2021 - \$473

Note: The cost of admission increased in FY17.

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Half-price discounts. FY17 101, FY18 303, FY19 257, FY20 183, FY21 105

(11) Additional Comments / Departmental Directives

FY21 was main pandemic year which affected museum visitation and facility rentals.

Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$1,014

(2) Estimate of Annual Monetary Benefit to Recipients

\$5

(3) Legislative Intent Met?

Yes

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Discount for Closing Time Admission

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation - this is a reasonable discount for the department to maintain.

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Discount for Special Events

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Discount for special events - adults, youth, families.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.57.010(c), 4 AAC 58.010(c)

(4) Year Enacted

1987

(5) Sunset or Repeal Date

None

(6) Legislative Intent

In the public interest.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$42,380

FY 2018 - \$50,309

FY 2019 - \$48,234

FY 2020 - \$17,313

FY 2021 - \$2,415

Note: The cost of admission increased in FY17.

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Visitors with discounts. FY17 5,186, FY18 6,820, FY19 6,319, FY20 2,513, FY21 247

(11) Additional Comments / Departmental Directives

FY21 was main pandemic year which affected museum visitation and facility rentals.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$32,130

(2) Estimate of Annual Monetary Benefit to Recipients

\$9

(3) Legislative Intent Met?

Yes

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Discount for Special Events

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation - this is a reasonable discount for the department to maintain.

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Free Admission for Military

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

Blue Star Military discount provides free admission to active military and their immediate families.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.57.010(c), National Program

(4) Year Enacted

2010

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Federal program to benefit those serving our country in the military.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$7,452

FY 2018 - \$5,749

FY 2019 - \$6,609

FY 2020 - \$5,728

FY 2021 - \$672

Note: The cost of admission increased in FY17.

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Military discounts. FY17 715, FY18 637, FY19 702, FY20 510, FY21 48

(11) Additional Comments / Departmental Directives

FY21 was main pandemic year which affected museum visitation and facility rentals.

Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$5,242

(2) Estimate of Annual Monetary Benefit to Recipients

\$9

(3) Legislative Intent Met?

Yes

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Free Admission for Military

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation - this is a reasonable discount for the department to maintain.

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Free Admission for Students

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Entry Fee waived for those 18 years or younger.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.57.010(c), 4 AAC 58.010(a)

(4) Year Enacted

1987

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Student Discount.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$68,391

FY 2018 - \$41,682

FY 2019 - \$54,910

FY 2020 - \$45,840

FY 2021 - \$12,382

Note: The cost of admission increased in FY17.

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Student discounts. FY17 7,009, FY18 7,089. FY19 9,265, FY20 6,284, FY21 1,419

(11) Additional Comments / Departmental Directives

FY21 was main pandemic year which affected museum visitation and facility rentals.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$44,641

(2) Estimate of Annual Monetary Benefit to Recipients

\$9

(3) Legislative Intent Met?

Yes

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Free Admission for Students

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation - this is a reasonable discount for the department to maintain.

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Senior Citizen Discount

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

Senior Discount is \$1.00 off the entry fee for those 65 years or older.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.57.010(c), 4 AAC 58.010(a)

(4) Year Enacted

2012

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Senior Citizen Discount.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$61,933

FY 2018 - \$11,312

FY 2019 - \$12,374

FY 2020 - \$7,657

FY 2021 - \$1,166

Note: The cost of admission increased in FY17.

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Senior discounts. FY17 12,455, FY18 11,944, FY19 12,918, FY20 7,657, FY21 1,166

(11) Additional Comments / Departmental Directives

FY21 was main pandemic year which affected museum visitation and facility rentals.

Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$18,888

(2) Estimate of Annual Monetary Benefit to Recipients

\$1

(3) Legislative Intent Met?

Yes

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Senior Citizen Discount

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation - this is a reasonable discount for the department to maintain.

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Tour Company Discount

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Discount on entry fee for tour company visitors according the tiered discount schedule by volume.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.57.010(c), Letters of Agreement

(4) Year Enacted

Prior to 1999

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Net benefit to the museum as it draws visitors that may not visit the museum otherwise.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$20,476

FY 2018 - \$28,010

FY 2019 - \$43,086

FY 2020 - \$28,760

FY 2021 - \$416

Note: The cost of admission increased in FY17.

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Visitors FY17 6,658, FY18 14,005, FY19 21,851, FY20 14,380, FY21 228 Tour Operators FY17 6, FY18 14, FY19 17

(11) Additional Comments / Departmental Directives

FY21 was main pandemic year which affected museum visitation and facility rentals.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$24,150

(2) Estimate of Annual Monetary Benefit to Recipients

\$2

(3) Legislative Intent Met?

Yes

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Tour Company Discount

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation - this is a reasonable discount for the department to maintain.

Education

Applicable Program

State Museum, Sheldon Jackson Museum

Indirect Expenditure Name

Group Discount

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.57.010(c), 4 AAC 58.010(a)

(4) Year Enacted

2012

(5) Sunset or Repeal Date

(6) Legislative Intent

Net benefit to the museum as it draws visitors that may not visit the museum otherwise.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$662

FY 2019 - \$662

FY 2020 - \$901

FY 2021 - \$418

Note: The cost of admission increased in FY17.

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Visitors with group discount. FY18 393, FY19 171, FY20 134, FY21 48

(11) Additional Comments / Departmental Directives

FY21 was main pandemic year which affected museum visitation and facility rentals.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$661

(2) Estimate of Annual Monetary Benefit to Recipients

\$6

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation - this is a reasonable discount for the department to maintain.

Education

Applicable Program

State Museum, Fr. Andrew P. Kashevaroff
Facility Rentals

Indirect Expenditure Name

State Agency Discount

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision
(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.57.010(c), 4 AAC 58.010(h)

(4) Year Enacted

2017

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Encourages state agencies to hold meetings outside of regular space without incurring large fees.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - \$16,350

FY 2019 - \$11,094

FY 2020 - \$10,533

FY 2021 - \$5,025

(9) Cost to Administer

\$0. Serviced by existing division staff.

(10) Number of Beneficiaries / Who Benefits

Rentals to State Agencies. FY18 18, FY19 14, FY20 14, FY21 8

(11) Additional Comments / Departmental Directives

* Facility rentals began in FY2018. FY21 was main pandemic year which affected museum visitation and facility rentals.

Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$10,750

(2) Estimate of Annual Monetary Benefit to Recipients

\$628

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation - this is a reasonable discount for the department to maintain.

Education

Applicable Program

State Museum, Fr. Andrew P. Kashevaroff
Facility Rentals

Indirect Expenditure Name

Non-Profit or Other Government

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.57.010(c), 4 AAC 58.010(h)

(4) Year Enacted

2017

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - \$7,228

FY 2019 - \$7,138

FY 2020 - \$4,200

FY 2021 - \$1,063

(9) Cost to Administer

\$0. Serviced by existing division staff.

(10) Number of Beneficiaries / Who Benefits

Rentals in Category. FY18 22, FY19 22, FY20 15, FY21 2

(11) Additional Comments / Departmental Directives

* Facility rentals began in FY2018. FY21 was main pandemic year which affected museum visitation and facility rentals.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$4,907

(2) Estimate of Annual Monetary Benefit to Recipients

\$366

(3) Legislative Intent Met?

Yes

Education

Applicable Program

State Museum, Fr. Andrew P. Kashevaroff
Facility Rentals

Indirect Expenditure Name

Non-Profit or Other Government

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation - this is a reasonable discount for the department to maintain.

Education

Applicable Program

State Museum, Fr. Andrew P. Kashevaroff
Facility Rentals

Indirect Expenditure Name

Miscellaneous in the Public Interest

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.57.010(c), 4 AAC 58.010(h)

(4) Year Enacted

2017

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Offers programming consistent with LAM mission while incurring little cost to LAM and inviting diverse groups to see building. Promotes collaboration between LAM and larger community.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - \$3,813

FY 2019 - \$4,219

FY 2020 - \$6,816

FY 2021 - \$0

(9) Cost to Administer

\$0. Serviced by existing division staff.

(10) Number of Beneficiaries / Who Benefits

FY18 5, FY19 5, FY20 5, FY21 0

(11) Additional Comments / Departmental Directives

* Facility rentals began in FY2018. FY21 was main pandemic year which affected museum visitation and facility rentals.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$3,712

(2) Estimate of Annual Monetary Benefit to Recipients

\$990

(3) Legislative Intent Met?

Yes

Education

Applicable Program

State Museum, Fr. Andrew P. Kashevaroff
Facility Rentals

Indirect Expenditure Name

Miscellaneous in the Public Interest

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation - this is a reasonable discount for the department to maintain.

Education

Applicable Program
Teacher Education Loan

Indirect Expenditure Name
Education Loan Forgiveness

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 14.43.600-.700

(4) Year Enacted

1984

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

3329/3341 ASLC Loan Funds

(8) Estimated Revenue Impact

FY 2017 - \$78,438

FY 2018 - \$182,930

FY 2019 - \$47,103

FY 2020 - \$64,476

FY 2021 - \$8,121

Note: Loans are no longer being made under this program effective FY 2015. Revenue Impact post FY 2015 is related to loans made in the past that remain forgiveness eligible.

(9) Cost to Administer

Automated; minimal manual intervention

(10) Number of Beneficiaries / Who Benefits

Borrowers of Teacher Education Loans. FY21 166 borrowers with outstanding TEL loans.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$76,213

(2) Estimate of Annual Monetary Benefit to Recipients

\$49

(3) Legislative Intent Met?

N/A

Education

Applicable Program

Teacher Education Loan

Indirect Expenditure Name

Education Loan Forgiveness

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

No recommendation - program was terminated in 2015, so remaining cost is due to legacy impact.

Education

Applicable Program

State Library, Interlibrary Loan

Indirect Expenditure Name

Reciprocal Fee Waiver

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 14.56.030, 4 AAC 57.910

(4) Year Enacted

1966, with later amendments

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Support sharing among Alaskan libraries and save our own out of pocket costs and staff time.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

Note: The Alaska State Library has entered into several large reciprocal agreements for interlibrary loan. Although we lose revenue by not charging, we pay less by not being charged, and save staff time. We still charge libraries that are not in reciprocal agreements with us.

(9) Cost to Administer

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

(10) Number of Beneficiaries / Who Benefits

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

(11) Additional Comments / Departmental Directives

The reciprocal fee waiver results in a small cost savings to the state. Between \$2,500 and \$5,500 per year. Amount saved is approximate, based on estimated fees.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

Education

Applicable Program

State Library, Interlibrary Loan

Indirect Expenditure Name

Reciprocal Fee Waiver

Legislative Finance Analysis per AS 24.20.235

(2) Estimate of Annual Benefit to Recipients (cont.)

N/A

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. The program results in cost savings for the state.

Education

Applicable Program

State Library, Extended Reference, and Other Staff Services

Indirect Expenditure Name

Staff Time Fee Waiver

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

According to regulations, the Alaska State Library charges \$50 per hour for staff time for additional services. We normally limit the time for reference services to about 20 minutes per query. We waive this limit for State employees as a general rule, often spending hours on questions. We occasionally waive it for other researchers if they need information from our unique collections and they don't have any practical way of accessing them.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.56.030, 4 AAC 57.910

(4) Year Enacted

1966, with later amendments

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Saves overall costs to state government.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - Unknown

FY 2018 - Unknown

FY 2019 - Unknown

FY 2020 - Unknown

FY 2021 - Unknown

Note: It has been determined that the cost to charge agencies is probably higher than any revenue that we would realize. This is probably not the case for the general public, but it doesn't come up frequently for them, so the impact is likely minimal.

(9) Cost to Administer

It would cost us more to charge these fees.

(10) Number of Beneficiaries / Who Benefits

Other State agencies, and rarely others

(11) Additional Comments / Departmental Directives

We haven't collected precise information on this.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

Unknown

Education

Applicable Program

State Library, Extended Reference, and Other
Staff Services

Indirect Expenditure Name

Staff Time Fee Waiver

Legislative Finance Analysis per AS 24.20.235

(2) Estimate of Annual Benefit to Recipients (cont.)

Unknown

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. Under 4 AAC 57.910, the division director may waive a fee if they determine it's in the public interest.

Education

Applicable Program

State Library, Photocopying and Printing

Indirect Expenditure Name

Photocopying and Printing Fee Waiver

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Numbers are small, but we haven't been tracking this. We can if necessary.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.56.030, 4 AAC 57.910

(4) Year Enacted

1966, with later amendments

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Saves overall costs to state government.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - Unknown

FY 2018 - Unknown

FY 2019 - Unknown

FY 2020 - Unknown

FY 2021 - Unknown

Note: It has been determined that the cost to charge agencies is probably higher than any revenue that we would realize.

(9) Cost to Administer

It would cost us more to charge these fees.

(10) Number of Beneficiaries / Who Benefits

Other State agencies, and rarely others

(11) Additional Comments / Departmental Directives

Any amounts collected are immaterial.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

Unknown

(2) Estimate of Annual Monetary Benefit to Recipients

Unknown

(3) Legislative Intent Met?

Yes

Education

Applicable Program

State Library, Photocopying and Printing

Indirect Expenditure Name

Photocopying and Printing Fee Waiver

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation. Under 4 AAC 57.910, the division director may waive a fee if they determine it's in the public interest.

Education

Applicable Program

State Library, Photo Orders

Indirect Expenditure Name

Collection Donor

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Waiver

(3) Authorizing Statute, Regulation or Other Authority

AS 14.56.030, 4 AAC 57.910

(4) Year Enacted

1966, with later amendments

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Increased assets available to the public as a whole.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$100

FY 2018 - \$25

FY 2019 - \$0

FY 2020 - \$180

FY 2021 - \$0

(9) Cost to Administer

Minimal staff time

(10) Number of Beneficiaries / Who Benefits

FY17 1, FY18 1, FY19 0, FY20 0, FY21 0

(11) Additional Comments / Departmental Directives

Provides scans or copies to donors from the collections that they've donated to the Historical Collections.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$61

(2) Estimate of Annual Monetary Benefit to Recipients

\$102

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent.

Education

Applicable Program

State Library, Photo Orders

Indirect Expenditure Name

Student

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

Student using image for class work.

(2) Type

Waiver

(3) Authorizing Statute, Regulation or Other Authority

AS 14.56.030, 4 AAC 57.910

(4) Year Enacted

1966, with later amendments

(5) Sunset or Repeal Date

None

(6) Legislative Intent
(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$11

FY 2018 - \$0

FY 2019 - \$25

FY 2020 - \$2

FY 2021 - \$0

(9) Cost to Administer

Minimal staff time

(10) Number of Beneficiaries / Who Benefits

FY17 4, FY18 0, FY19 1, FY20 0, FY21 0

(11) Additional Comments / Departmental Directives
Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$8

(2) Estimate of Annual Monetary Benefit to Recipients

\$10

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent.

Education

Applicable Program

State Library, Photo Orders

Indirect Expenditure Name

Alaskan Resident

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Alaskan resident using image for personal use.

(2) Type

Waiver of 3 per year

(3) Authorizing Statute, Regulation or Other Authority

AS 14.56.030, 4 AAC 57.910

(4) Year Enacted

1966, with later amendments

(5) Sunset or Repeal Date

None

(6) Legislative Intent

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$525

FY 2018 - \$325

FY 2019 - \$250

FY 2020 - \$690

FY 2021 - \$180

(9) Cost to Administer

Estimated at \$100 annually.

(10) Number of Beneficiaries / Who Benefits

FY17 21, FY18 13, FY19 10, FY20 6, FY21 6

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$394

(2) Estimate of Annual Monetary Benefit to Recipients

Up to \$75

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation.

Education

Applicable Program

State Library, Photo Orders

Indirect Expenditure Name

Alaskan Governmental Entity

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Governmental entities based in Alaska.

(2) Type

Waiver of up to 10 per project

(3) Authorizing Statute, Regulation or Other Authority

AS 14.56.030, 4 AAC 57.910

(4) Year Enacted

1966, with later amendments

(5) Sunset or Repeal Date

None

(6) Legislative Intent

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$4,900

FY 2018 - \$950

FY 2019 - \$425

FY 2020 - \$2,200

FY 2021 - \$540

(9) Cost to Administer

Estimated at \$3,250 annually.

(10) Number of Beneficiaries / Who Benefits

FY17 43, FY18 38, FY19 17, FY20 17, FY21 18

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$1,803

(2) Estimate of Annual Monetary Benefit to Recipients

\$65

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation.

Education

Applicable Program

State Library, Photo Orders

Indirect Expenditure Name

Alaskan Non-Profit

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Non-profit agencies based in Alaska.

(2) Type

Waiver of up to 10 per project

(3) Authorizing Statute, Regulation or Other Authority

AS 14.56.030, 4 AAC 57.910

(4) Year Enacted

1966, with later amendments

(5) Sunset or Repeal Date

None

(6) Legislative Intent

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$725

FY 2018 - \$150

FY 2019 - \$150

FY 2020 - \$510

FY 2021 - \$570

(9) Cost to Administer

Minimal staff time

(10) Number of Beneficiaries / Who Benefits

FY17 12, FY18 6, FY19 6, FY20 29, FY21 19

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$421

(2) Estimate of Annual Monetary Benefit to Recipients

\$32

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation.

Education

Applicable Program

State Library, Photo Orders

Indirect Expenditure Name

State of Alaska Agency

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

Alaska State Agency.

(2) Type

Waiver of up to 10 per project

(3) Authorizing Statute, Regulation or Other Authority

AS 14.56.030, 4 AAC 57.910

(4) Year Enacted

1966, with later amendments

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$2,040

FY 2018 - \$275

FY 2019 - \$325

FY 2020 - \$810

FY 2021 - \$240

(9) Cost to Administer

Estimated at \$400 annually

(10) Number of Beneficiaries / Who Benefits

FY17 20, FY18 11, FY19 13, FY20 9, FY21 8

(11) Additional Comments / Departmental Directives
Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$738

(2) Estimate of Annual Monetary Benefit to Recipients

\$54

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation.

Education

Applicable Program

State Library, Photo Orders

Indirect Expenditure Name

Miscellaneous in the Public Interest

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

In the public interest (i.e.: educational / cultural support).

(2) Type

Waiver

(3) Authorizing Statute, Regulation or Other Authority

AS 14.56.030, 4 AAC 57.910

(4) Year Enacted

1966, with later amendments

(5) Sunset or Repeal Date

None

(6) Legislative Intent

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$525

FY 2018 - \$175

FY 2019 - \$75

FY 2020 - \$420

FY 2021 - \$90

(9) Cost to Administer

Minimal staff time

(10) Number of Beneficiaries / Who Benefits

FY17 8, FY18 7, FY19 3, FY20 3, FY21 3

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$257

(2) Estimate of Annual Monetary Benefit to Recipients

\$57

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation.

Education

Applicable Program

State Library, Photo Orders

Indirect Expenditure Name

Reciprocal Agreement

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Reciprocal agreement.

(2) Type

Waiver

(3) Authorizing Statute, Regulation or Other Authority

AS 14.56.030, 4 AAC 57.910

(4) Year Enacted

1966, with later amendments

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Increased assets available to the public as a whole.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$25

FY 2018 - \$300

FY 2019 - \$50

FY 2020 - \$90

FY 2021 - \$60

(9) Cost to Administer

Minimal staff time

(10) Number of Beneficiaries / Who Benefits

FY17 1, FY18 12, FY19 2, FY20 2, FY21 2

(11) Additional Comments / Departmental Directives

FY18 Note: Increase due to the Maritime Museum in BC developing the traveling Princess Sophia exhibit. Reciprocal agreements with a limited number of libraries, archives, and museums. For those select institutions, we provide scans or copies free of charge to them and, likewise, they do the same for us. This builds connections and goodwill with other institutions that also collect Alaska-related content and has minimal cost

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$105

(2) Estimate of Annual Monetary Benefit to Recipients

\$30

Education

Applicable Program

State Library, Photo Orders

Indirect Expenditure Name

Reciprocal Agreement

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation.

Education

Applicable Program

State Archives

Indirect Expenditure Name

Copy Fee Waiver for Government Agencies

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Copy fees waived for government agencies.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 40.21.030(a)(5), 4 AAC 59.065

(4) Year Enacted

(5) Sunset or Repeal Date

None

(6) Legislative Intent

In the public interest.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$1,723

FY 2018 - \$875

FY 2019 - \$1,851

FY 2020 - \$1,988

FY 2021 - \$2,223

(9) Cost to Administer

Minimal staff time.

(10) Number of Beneficiaries / Who Benefits

FY17 43, FY18 29, FY19 34, FY20 48, FY21 36

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$1,732

(2) Estimate of Annual Monetary Benefit to Recipients

\$46

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation.

Education

Applicable Program

State Archives

Indirect Expenditure Name

Copy Fee Waiver for Students

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Copy fees waived for students.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 40.21.030(a)(5), 4 AAC 59.065

(4) Year Enacted

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Student Discount. Encourage Alaska high school and postsecondary education students to research, report and publish on Alaska topics.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$75

FY 2018 - \$102

FY 2019 - \$592

FY 2020 - \$63

FY 2021 - \$28

(9) Cost to Administer

Minimal staff time.

(10) Number of Beneficiaries / Who Benefits

FY17 9, FY18 14, FY19 30, FY20 2, FY21 2

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$172

(2) Estimate of Annual Monetary Benefit to Recipients

\$16

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation.

Education

Applicable Program

Winn Brindle Memorial Education Program

Indirect Expenditure Name

Credit: Education Loan Forgiveness -- Winn Brindle Memorial Education Program

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 14.43.250-.325

(4) Year Enacted

1986

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

3226 Memorial Education Revolving Loan Fund for Winn Brindle

(8) Estimated Revenue Impact

FY 2017 - \$64,478

FY 2018 - \$33,490

FY 2019 - \$8,149

FY 2020 - \$1,008

FY 2021 - \$1,008

Note: Revenue that the state foregoes was the tax credit provided by the Department of Revenue (AS 43.75.032). The tax credit was repealed effective December 31, 2016. Once a donation is made to the Winn Brindle (WB) Memorial Education loan account, loans are made to qualifying borrowers. Any activity related to those loans (such as forgiveness or interest subsidizes) impact the WB Memorial Education loan account.

(9) Cost to Administer

Automated; minimal manual intervention.

(10) Number of Beneficiaries / Who Benefits

FY21 88 borrowers with outstanding WB loans.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

N/A

Education

Applicable Program

Winn Brindle Memorial Education Program

Indirect Expenditure Name

Credit: Education Loan Forgiveness -- Winn Brindle Memorial Education Program

Legislative Finance Analysis per AS 24.20.235**(2) Estimate of Annual Benefit to Recipients (cont.)**

N/A

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend that this be removed from the Department of Education section - it appears to double-count foregone revenue already reported in the Department of Revenue section.

Education

Applicable Program	Indirect Expenditure Name
WWAMI Graduate Medical Education Program	Financial Support

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

The financial support to be repaid is equal to 50% of amount paid for program and its participants in the WWAMI (medical school partnership between Washington, Wyoming, Alaska, Montana, and Idaho) program.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 14.43.510

(4) Year Enacted

2007

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Support Alaskans' medical training and reward practice in Alaska.

(7) Fund Code

1226 Alaska Higher Education Investment Fund

(8) Estimated Revenue Impact

FY 2017 - \$1,682,952

FY 2018 - \$1,718,338

FY 2019 - \$1,767,768

FY 2020 - \$1,798,662

FY 2021 - \$1,786,470

(9) Cost to Administer

Automated; minimal manual intervention.

(10) Number of Beneficiaries / Who Benefits

FY21 238 participants with outstanding WWAMI loans.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$1,750,838

(2) Estimate of Annual Monetary Benefit to Recipients

\$7,356

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend the rate be re-evaluated. The next item discharges the remainder of the loan based on participants

Education

Applicable Program

WWAMI Graduate Medical Education Program

Indirect Expenditure Name

Financial Support

Legislative Finance Analysis per AS 24.20.235**(4) Should it be Continued, Modified or Terminated? (cont.)**

returning to Alaska. There may be merit in providing a stronger incentive to return to the state by increasing the amount of the loan that must be repaid by participants who do not return.

Education

Applicable Program	Indirect Expenditure Name
WWAMI Graduate Medical Education Program	Loan Forgiveness

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Under certain conditions, 100% of a WWAMI (medical school partnership between Washington, Wyoming, Alaska, Montana, and Idaho) participant's obligation to repay 50% of financial support provided by the state is discharged.

(2) Type

Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 14.43.510

(4) Year Enacted

2007

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1226 Alaska Higher Education Investment Fund

(8) Estimated Revenue Impact

FY 2017 - \$588,943

FY 2018 - \$573,786

FY 2019 - \$584,744

FY 2020 - \$603,156

FY 2021 - \$775,074

(9) Cost to Administer

Automated; minimal manual intervention.

(10) Number of Beneficiaries / Who Benefits

FY21 238 participants with outstanding WWAMI loans.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$625,141

(2) Estimate of Annual Monetary Benefit to Recipients

\$2,627

(3) Legislative Intent Met?

Yes

Education

Applicable Program

WWAMI Graduate Medical Education Program

Indirect Expenditure Name

Loan Forgiveness

Legislative Finance Analysis per AS 24.20.235**(4) Should it be continued, modified or terminated?**

Recommend continuation based on meeting legislative intent.

Education

Applicable Program	Indirect Expenditure Name
WWAMI Graduate Medical Education Program	Subsidized Interest Period

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Interest is not charged to the participant while pursuing their education in the WWAMI (partnership between Washington, Wyoming, Alaska, Montana, and Idaho) medical education program.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 14.43.510

(4) Year Enacted

2007

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Support Alaskans' medical training and reward practice in Alaska.

(7) Fund Code

1226 Alaska Higher Education Investment Fund

(8) Estimated Revenue Impact

FY 2017 - \$237,052

FY 2018 - \$211,536

FY 2019 - \$208,939

FY 2020 - \$225,106

FY 2021 - \$228,287

(9) Cost to Administer

Automated; minimal manual intervention.

(10) Number of Beneficiaries / Who Benefits

FY21 114 participants with outstanding WWAMI loans in an in-school status.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$222,184

(2) Estimate of Annual Monetary Benefit to Recipients

\$1,949

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent.

Education

Applicable Program

Alaska Student Loan Program and Teacher Education Loan Program

Indirect Expenditure Name

Subsidized Interest Period

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Interest is subsidized while the borrower is enrolled or in a subsidized deferment period for either the Alaska Student Loan (ASL) or Teacher Education Loan (TEL) program.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 14.43.120(e)

(4) Year Enacted

1984 (TEL) and 1971 (ASL)

(5) Sunset or Repeal Date

ASL Repealed 1987

(6) Legislative Intent

Encourage Alaska residents to complete postsecondary education.

(7) Fund Code

3329/3341 ASLC Loan Funds

(8) Estimated Revenue Impact

FY 2017 - \$73,506

FY 2018 - \$81,503

FY 2019 - \$40,735

FY 2020 - \$28,134

FY 2021 - \$22,028

Note: Loans are no longer being made.

(9) Cost to Administer

Automated; minimal manual intervention.

(10) Number of Beneficiaries / Who Benefits

FY21 no more than 24 borrowers with loans eligible for interest subsidies.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$49,181

(2) Estimate of Annual Monetary Benefit to Recipients

\$2,049

(3) Legislative Intent Met?

Yes

Education

Applicable Program

Alaska Student Loan Program and Teacher
Education Loan Program

Indirect Expenditure Name

Subsidized Interest Period

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

No recommendation. Program has been discontinued.

Department of Environmental Conservation

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Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Discount on Annual Permit Fee for Tax Exempt Food Facilities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Entities receiving this benefit are non-profit organizations.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

18 AAC 31.050(r)

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

In order to comply with existing state statutes or regulations. Discount for entities that are non-profit organizations in order to comply with existing state statutes or regulations.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$7,200

FY 2018 - \$9,510

FY 2019 - \$9,755

FY 2020 - \$13,883

FY 2021 - \$12,325

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

501(c)(4), (c)(10), or (c)(19) tax exempt organizations. 80/72 facilities.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$10,535

(2) Estimate of Annual Monetary Benefit to Recipients

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Discount on Annual Permit Fee for New Food Establishments

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

18 AAC 31.050(u)

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

To prevent unfair penalties for businesses based on start-up period. Discount for facilities that commence business in the last two months of the billing year to prevent unfair penalties based on start-up period.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$8,800

FY 2018 - \$7,147

FY 2019 - \$10,680

FY 2020 - \$18,028

FY 2021 - \$11,395

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

New establishments. 105/68 facilities.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$11,210

(2) Estimate of Annual Monetary Benefit to Recipients

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent.

Environmental Conservation

Applicable Program
Food Safety and Sanitation

Indirect Expenditure Name
Exemption for Body Art Facilities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

18 AAC 23

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

In order to comply with existing state statutes or regulations. DEC performs inspections in collaboration with DCCED (who has the authority) in order to comply with existing state statutes or regulations.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - *

FY 2019 - *

Note: While there is no overall cost to the state for this program there is a reimbursable services agreement (RSA) between the Department of Environmental Conservation and the Department of Commerce, Community, and Economic Development. The amount of this RSA in 2021 was \$24,000,000.

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Body art facility operators: 98 facilities.

(11) Additional Comments / Departmental Directives

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

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

Indeterminate

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Body Art Facilities

Legislative Finance Analysis per AS 24.20.235

(2) Estimate of Annual Benefit to Recipients (cont.)

Indeterminate

(3) Legislative Intent Met?

Unknown

(4) Should it be Continued, Modified or Terminated?

Recommend removal from this report. The cost of inspections is reimbursed by DCCED through the cost of licensing, so no revenue is foregone.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Fundraisers to Tax Exempt Organizations

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

It is a benefit to tax-exempt entities to not have a fee for fundraisers for their organizations, as a fee would reduce the funds raised.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

18 AAC 31.050(p)(1)

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

In order to streamline the efficiency and increase compliance within the permitting process. Exempt fee for fundraisers to tax-exempt entities in order to avoid reducing funds raised, and to streamline efficiency and increase compliance within the permitting process.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$90,300

FY 2018 - \$137,385

FY 2019 - \$144,395

FY 2020 - \$123,820

FY 2021 - \$118,825

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

501(c)(3) tax exempt organizations. FY20 348, FY21 408

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$122,945

(2) Estimate of Annual Monetary Benefit to Recipients

\$324

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Fundraisers to Tax Exempt Organizations

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Schools and Head Start

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 44.46.025(d), 18 AAC 31.050(p)(2)

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

In order to comply with existing state statutes or regulations.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$159,600

FY 2018 - \$159,600

FY 2019 - \$161,200

FY 2020 - \$161,600

FY 2021 - \$161,200

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Schools and Head Start Programs. 403/404 facilities.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$160,640

(2) Estimate of Annual Monetary Benefit to Recipients

\$399

(3) Legislative Intent Met?

Unknown

(4) Should it be Continued, Modified or Terminated?

Recommend continuation; while legislative intent provided by the agency is unclear, it is reasonable to exempt schools from fees.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Fee Exemption for School, Class, and School Club

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 44.46.025(d), 18 AAC 31.050(t)

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

In order to comply with existing state statutes or regulations. Exempt fee from school, class, or school club in order to comply with state statutes or regulations.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$4,600

FY 2018 - \$16,815

FY 2019 - \$18,230

FY 2020 - \$7,030

FY 2021 - \$7,030

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

School, class, or school club. 37 facilities.

(11) Additional Comments / Departmental Directives
Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$10,741

(2) Estimate of Annual Monetary Benefit to Recipients

\$290

(3) Legislative Intent Met?

Unknown

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Fee Exemption for School, Class, and School Club

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation; while legislative intent provided by the agency is unclear, it is reasonable to exempt schools from fees.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Pools and Spas

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 44.46.020, 18 AAC 30

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

Exempt pools and spa operators from fee as there is no statutory authority to charge facilities inspected, and no permit is issued.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - *

FY 2019 - *

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Pools and spas operators. 116 facilities.

(11) Additional Comments / Departmental Directives

No statutory authority to charge for facilities inspected. No permits issued and therefore no fees charged.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

Indeterminate

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Unknown

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. These are high-risk facilities that require annual safety inspections. However, in 2017 the House DEC finance subcommittee concluded that the cost of implementing a new fee would likely exceed any

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Pools and Spas

Legislative Finance Analysis per AS 24.20.235

(4) Should it be Continued, Modified or Terminated? (cont.)

revenue generated.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Hair and Nail Salons

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY16 due to budget reductions.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 44.46.020, 18 AAC 23

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

Exempt hair and nail salon operators from fee as there is no statutory authority to charge facilities inspected, and no permit is issued. Inspections were discontinued in FY2016 due to budget reductions.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - *

FY 2019 - *

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Hair and nail salon operators. Facility count is not maintained.

(11) Additional Comments / Departmental Directives

DEC stopped inspecting hair and nail salons in FY2016 and the DCCED board now has the authority to enforce DEC regulations. No statutory authority to charge for facilities inspected. No permits issued and therefore no fees charged.

Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

Indeterminate

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Unknown

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Hair and Nail Salons

Legislative Finance Analysis per AS 24.20.235**(4) Should it be continued, modified or terminated?**

Recommend reconsideration. While no fee is charged, inspections were paid for by an RSA from the appropriate licensing board. DEC discontinued the inspections due to budget limitations that reduced the capacity of the division. The RSA may need to be restructured to fully offset the costs of inspecting these facilities.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Discount on Plan Review Fee for Three or More Operations in a Single Food Establishment

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

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

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

18 AAC 31.050(d)

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - *

FY 2019 - *

FY 2020 - *

FY 2021 - *

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

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

(11) Additional Comments / Departmental Directives

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

Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

Indeterminate

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Yes

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Discount on Plan Review Fee for Three or More Operations in a Single Food Establishment

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation based on meeting legislative intent.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Discount on Plan Review Fee for Food and Bar or Tavern Service

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

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

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

18 AAC 31.050(e)

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - *

FY 2019 - *

FY 2020 - *

FY 2021 - *

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Operators with both food service and bar or tavern service. 654 facilities.

(11) Additional Comments / Departmental Directives

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

Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

Indeterminate

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Yes

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Discount on Plan Review Fee for Food and Bar
or Tavern Service

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation based on meeting legislative intent.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Discount on Plan Review Fee for Hot Beverage Facilities

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

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

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

18 AAC 31.050(f)

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - *

FY 2019 - *

FY 2020 - *

FY 2021 - *

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Hot beverage facilities. 85 facilities.

(11) Additional Comments / Departmental Directives

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

Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

Indeterminate

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Yes

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Discount on Plan Review Fee for Hot Beverage
Facilities

Legislative Finance Analysis per AS 24.20.235**(4) Should it be continued, modified or terminated?**

Recommend continuation based on meeting legislative intent.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for School Sanitation Facilities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY16 due to budget reductions.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 44.46.025(d), 18 AAC 30

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

Not provided.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - *

FY 2019 - *

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Schools - Sanitation only. Facility count is not maintained.

(11) Additional Comments / Departmental Directives

Prohibited from charging fees.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

Indeterminate

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Unknown

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. Eliminating the exemption would shift costs from the State to local school districts.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Overnight Accommodation
Facilities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY16 due to budget reductions.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 44.46.025, 18 AAC 30

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

Not provided.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - *

FY 2019 - *

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Overnight accommodations facilities. Facility count is not maintained.

(11) Additional Comments / Departmental Directives

Statutory authority to charge for facilities inspected, but no permits issued and therefore no fees charged.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

Indeterminate

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Unknown

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. These inspections are performed on a complaint basis. In order to regularly inspect and

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Overnight Accommodation
Facilities

Legislative Finance Analysis per AS 24.20.235

(4) Should it be Continued, Modified or Terminated? (cont.)

develop an annual permit the Department would need to expand operating capacity. In 2017 the House DEC finance subcommittee concluded that the cost of implementing a new fee would likely exceed any revenue generated.

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Public Toilets, Showers, and Laundromats

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY16 due to budget reductions.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 44.46.025, 18 AAC 30

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

Not provided.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - *

FY 2019 - *

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Public toilets, showers, and laundromat operators. Facility count is not maintained.

(11) Additional Comments / Departmental Directives

Statutory authority to charge for facilities inspected, but no permits issued and therefore no fees charged.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

Indeterminate

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Unknown

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. These inspections are performed on a complaint basis. In order to regularly inspect and

Environmental Conservation

Applicable Program

Food Safety and Sanitation

Indirect Expenditure Name

Exemption for Public Toilets, Showers, and
Laundromats

Legislative Finance Analysis per AS 24.20.235

(4) Should it be Continued, Modified or Terminated? (cont.)

develop an annual permit the Department would need to expand operating capacity. In 2017 the House DEC finance subcommittee concluded that the cost of implementing a new fee would likely exceed any revenue generated.

Environmental Conservation

Applicable Program

Laboratory Services

Indirect Expenditure Name

Cheese Testing

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Public Industry Health.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

No fees in regulation

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

In order to comply with existing state statutes or regulations. Businesses required to perform cheese testing are exempt of fees in order to comply with existing statutes or regulations.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$351

FY 2020 - \$1,387

FY 2021 - \$585

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

All businesses required to perform cheese testing. 1

(11) Additional Comments / Departmental Directives

A new cheese manufacturer started in May 2019.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$774 since FY19

(2) Estimate of Annual Monetary Benefit to Recipients

\$774

(3) Legislative Intent Met?

Yes

Environmental Conservation

Applicable Program
Laboratory Services

Indirect Expenditure Name
Cheese Testing

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation. There is only one cheese manufacturer in the state. The last reporting from DEC indicates the fees foregone were less than \$1.0.

Environmental Conservation

Applicable Program

Laboratory Services

Indirect Expenditure Name

Dairy Testing

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Public Industry Health

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

No fees in regulation

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

In order to comply with existing state statutes or regulations. Businesses required to perform dairy testing are exempt of fees in order to comply with existing statutes or regulations.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$15,425

FY 2018 - \$9,239

FY 2019 - \$9,476

FY 2020 - \$11,701

FY 2021 - \$13,076

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

All businesses required to perform dairy testing. 2 dairy farms, 2 dairy producers, 1 dairy jug manufacturer

(11) Additional Comments / Departmental Directives

At the start of FY2018 the number of operators was reduced to 1. A new dairy producer started in May 2019.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$11,418 since FY19

(2) Estimate of Annual Monetary Benefit to Recipients

\$5,709

(3) Legislative Intent Met?

Yes

Environmental Conservation

Applicable Program
Laboratory Services

Indirect Expenditure Name
Dairy Testing

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation. The legislature included intent language in FY20 for the Department to develop a fee schedule to collect more fee revenue. Since then the state's largest dairy has closed, leaving only a small provider. This makes any fee collected negligible. Recouping the full cost of the activity would be prohibitively expensive when spread across such a small group.

Environmental Conservation

Applicable Program

Laboratory Services

Indirect Expenditure Name

Fishmeal Testing

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Public Industry Health

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

Grandfathered - No fee in regulation

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

In order to comply with existing state statutes or regulations. These fee reductions are grandfathered into the industry by regulation. Businesses submitting fishmeal for testing are exempt of fees in order to comply with existing statutes or regulations.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$750

FY 2018 - \$1,000

FY 2019 - \$500

FY 2020 - \$500

FY 2021 - \$0

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

All businesses submitting fishmeal for testing: 1 facility.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$550

(2) Estimate of Annual Monetary Benefit to Recipients

\$550

(3) Legislative Intent Met?

Yes

Environmental Conservation

Applicable Program
Laboratory Services

Indirect Expenditure Name
Fishmeal Testing

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation. The cost of exempting industries may outweigh the economic benefit of the subsidy. In 2017 the House DEC finance subcommittee concluded that the cost of implementing a new fee would likely exceed any revenue generated.

Environmental Conservation

Applicable Program

Laboratory Services

Indirect Expenditure Name

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

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Public Industry Health

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

(4) Year Enacted

Not provided.

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

Legislature funded an increment so the industry wouldn't be charged. Commercial shellfish harvesters are exempt from paralytic shellfish toxin testing fees which were subsidized by a legislative increment so the industry wouldn't be charged.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$90,500

FY 2018 - \$84,425

FY 2019 - \$73,225

FY 2020 - \$54,675

FY 2021 - \$65,375

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Samples from 28 clients.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$73,640

(2) Estimate of Annual Monetary Benefit to Recipients

\$2,630

(3) Legislative Intent Met?

Yes

Environmental Conservation

Applicable Program

Laboratory Services

Indirect Expenditure Name

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

Legislative Finance Analysis per AS 24.20.235**(4) Should it be continued, modified or terminated?**

Recommend reconsideration. The legislature has chosen to fund this item with UGF rather than charge fees on a nascent industry. In FY21, the legislature requested that the Department bring forward recommendations to reduce the cost of testing. The Department concluded that growing the industry is the best way to reduce the cost. As the industry grows, the legislature should reconsider exempting it from fees.

Environmental Conservation

Applicable Program

Laboratory Services

Indirect Expenditure Name

Shellfish Growing Waters Testing -- No Charge to Industry

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Public Industry Health

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

(4) Year Enacted

Not provided.

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

Legislature funded an increment so the industry wouldn't be charged. Commercial shellfish harvesters are exempt from shellfish growing waters testing fees which were subsidized by a legislative increment so the industry wouldn't be charged.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$10,166

FY 2018 - \$7,038

FY 2019 - \$8,279

FY 2020 - \$9,945

FY 2021 - \$7,803

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Samples from 22 clients.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$8,646

(2) Estimate of Annual Monetary Benefit to Recipients

\$393

(3) Legislative Intent Met?

Yes

Environmental Conservation

Applicable Program
Laboratory Services

Indirect Expenditure Name
Shellfish Growing Waters Testing -- No Charge
to Industry

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend reconsideration. The cost of exempting industries may outweigh the economic benefit of the subsidy. In 2017 the House DEC finance subcommittee concluded that the cost of implementing a new fee would likely exceed any revenue generated.

Environmental Conservation

Applicable Program

Laboratory Services

Indirect Expenditure Name

Slaughter Facility Testing

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Public Industry Health

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

Grandfathered - No fee in regulation

(4) Year Enacted

Prior to FY08

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

In order to comply with existing state statutes or regulations. These fee reductions are grandfathered into the industry by regulation. Exempt businesses required to perform Hazard Analysis Critical Control Point (HACCP) for slaughter and meat processing from fees in order to comply with existing statutes or regulations. Historically charged \$17, similar test in food regulation is \$25 for a \$8 discount.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$1,144

FY 2018 - \$1,064

FY 2019 - \$1,080

FY 2020 - \$864

FY 2021 - \$1,000

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

All businesses required to perform HACCP for slaughter and meat processing facility. 8 facilities

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$1,030

(2) Estimate of Annual Monetary Benefit to Recipients

\$129

(3) Legislative Intent Met?

Yes

Environmental Conservation

Applicable Program
Laboratory Services

Indirect Expenditure Name
Slaughter Facility Testing

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend reconsideration. The cost of exempting industries may outweigh the economic benefit of the subsidy. In 2017 the House DEC finance subcommittee concluded that the cost of implementing a new fee would likely exceed any revenue generated.

Environmental Conservation

Applicable Program

Laboratory Services

Indirect Expenditure Name

Wet Storage Testing

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Public Industry Health

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

Not provided.

(4) Year Enacted

Not provided.

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

In order to comply with existing state statutes or regulations.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - *

FY 2018 - *

FY 2019 - *

FY 2020 - \$2,040

FY 2021 - \$1,683

(9) Cost to Administer

(10) Number of Beneficiaries / Who Benefits

Clients. 1

(11) Additional Comments / Departmental Directives

* New FSS program activity. Testing started November 2018.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$1,862

(2) Estimate of Annual Monetary Benefit to Recipients

\$1,862

(3) Legislative Intent Met?

Unknown

(4) Should it be Continued, Modified or Terminated?

Recommend reconsideration. The cost of exempting industries may outweigh the economic benefit of the subsidy. However, the cost of implementing a fee may exceed revenue that could be collected.

Environmental Conservation

Applicable Program
Laboratory Services

Indirect Expenditure Name
Vibrio Testing

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Public Industry Health

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

Not provided.

(4) Year Enacted

Not provided.

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

In order to comply with existing state statutes or regulations.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

(10) Number of Beneficiaries / Who Benefits

(11) Additional Comments / Departmental Directives

Case specific.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

N/A

(3) Legislative Intent Met?

Unknown

(4) Should it be Continued, Modified or Terminated?

Not enough information to make a recommendation.

Environmental Conservation

Applicable Program

Solid Waste

Indirect Expenditure Name

Exemption for Composting Facilities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

18 AAC 60.700(i)(1)

(4) Year Enacted

1998

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

Not provided. Exempt composting facilities from fees to encourage and promote non-disposal activities. Facility is exempt from regulation.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Composting facilities. 2 facilities.

(11) Additional Comments / Departmental Directives

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

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

N/A

(3) Legislative Intent Met?

N/A

Environmental Conservation

Applicable Program
Solid Waste

Indirect Expenditure Name
Exemption for Composting Facilities

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Not applicable as the provision has already been terminated.

Environmental Conservation

Applicable Program

Solid Waste

Indirect Expenditure Name

Exemption for Landspreading of Biosolids
Facilities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

18 AAC 60.700(i)(2)

(4) Year Enacted

1998

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

Not provided. Exempt landspreading of biosolids from fees to encourage and promote non-disposal activities. Facility is exempt from regulation.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$4,800

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Landspreading of biosolids. 4 facilities.

(11) Additional Comments / Departmental Directives

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

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

N/A

(3) Legislative Intent Met?

N/A

Environmental Conservation

Applicable Program
Solid Waste

Indirect Expenditure Name
Exemption for Landspreading of Biosolids
Facilities

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Not applicable as the provision has already been terminated.

Environmental Conservation

Applicable Program

Municipal Grants and Loans

Indirect Expenditure Name

Discounted Interest Rates on State Revolving Fund Loans to Municipalities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Discounted Interest Rates on State Revolving Fund (SRF) Loans to municipalities as reporting in the Annual Legislative Report.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 37.05.035

(4) Year Enacted

Not provided.

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

Encourage municipalities to use the program. Assist public water and wastewater systems with financing the cost of publicly owned infrastructure.

(7) Fund Code

1002 Federal Receipts; 1003 General Fund Match

(8) Estimated Revenue Impact

FY 2017 - \$6,349,000

FY 2018 - \$4,870,713

FY 2019 - \$12,168,837

FY 2020 - \$8,052,477

FY 2021 - \$7,483,528

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Municipalities that receive loans for Clean Water or Drinking Water Projects: In any given year we have appx. 150-160 active loans.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$7,784,911

(2) Estimate of Annual Monetary Benefit to Recipients

\$50,225

Environmental Conservation

Applicable Program

Municipal Grants and Loans

Indirect Expenditure Name

Discounted Interest Rates on State Revolving
Fund Loans to Municipalities

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. The reduced rate encourages municipalities to participate in the loan program.

Environmental Conservation

Applicable Program

Municipal Grants and Loans

Indirect Expenditure Name

Principal Forgiveness on State Revolving Fund Loans to Municipalities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Principal Forgiveness based on certain criteria for disadvantaged communities. Principal forgiveness on State Revolving Fund (SRF) Loans as reported in the Annual Report.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

EPA Requirement to receive Capitalization Grants

(4) Year Enacted

FY 2010

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

This is an US Environmental Protection Agency (EPA) Requirement to receive Capitalization Grants. This is an EPA Requirement to receive Capitalization Grant

(7) Fund Code

1075 Alaska Clean Water Fund; 1100 Alaska Drinking Water Fund

(8) Estimated Revenue Impact

FY 2017 - \$2,440,000

FY 2018 - \$3,181,700

FY 2019 - \$3,811,640

FY 2020 - \$1,729,417

FY 2021 - \$4,626,856

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Municipalities that qualify for partial principal forgiveness on loans for Clean Water and Drinking Water Projects: In any given year we have appx. 150-160 active loans - not all loans qualify for partial principal forgiveness.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$3,157,922

(2) Estimate of Annual Monetary Benefit to Recipients

\$20,374

Environmental Conservation

Applicable Program

Municipal Grants and Loans

Indirect Expenditure Name

Principal Forgiveness on State Revolving Fund
Loans to Municipalities

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. This is a federal requirement.

Environmental Conservation

Applicable Program

Wastewater Discharge Permitting

Indirect Expenditure Name

Reduced General and Individual Permit Fees for Wastewater Discharge Facilities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Decreased State regulation fees for small businesses.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 37.10.052, 18 AAC 72.956-7

(4) Year Enacted

2000

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

To prevent excessive hurdles for small businesses that could inhibit their start-up or sustainability. To provide a credit for travel expenses for businesses with less than 20 employees to mitigate travel costs.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$330

FY 2018 - \$415

FY 2019 - \$570

FY 2020 - \$330

FY 2021 - \$415

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Businesses with fewer than 20 employees. Unknown

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$412

(2) Estimate of Annual Monetary Benefit to Recipients

\$3

(3) Legislative Intent Met?

Unknown

Environmental Conservation

Applicable Program

Wastewater Discharge Permitting

Indirect Expenditure Name

Reduced General and Individual Permit Fees for
Wastewater Discharge Facilities

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation. The small amount of forgone revenue would likely not offset the cost of implementing fees.

Environmental Conservation

Applicable Program

Wastewater Discharge Permitting

Indirect Expenditure Name

Stormwater Plan Review Fee and Wastewater Permit Fee Waived

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Reduces State costs to State funded public schools.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 44.46.025, AS 44.46.020(5)(C)

(4) Year Enacted

1993

(5) Sunset or Repeal Date

Not provided.

(6) Legislative Intent

Not provided. Exempt schools from plan review fees in specific emergency situations and also reduce fees to certain organizations with tax exemptions.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

(10) Number of Beneficiaries / Who Benefits

Public schools discharging wastewater. Zero waivers FY19.

(11) Additional Comments / Departmental Directives

Regulation covers all charitable organization exempt from federal taxation.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

N/A

(3) Legislative Intent Met?

Unknown

Environmental Conservation

Applicable Program

Wastewater Discharge Permitting

Indirect Expenditure Name

Stormwater Plan Review Fee and Wastewater Permit Fee Waived

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

No recommendation as the exemption expired in 2012.

Department of Natural Resources

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Natural Resources

Applicable Program
Mining, Land, and Water

Indirect Expenditure Name
Exploration Incentive Credits for Mining
Activities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Provides exploration incentive credit for exploration activities.

(2) Type

Tax Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 27.30.010

(4) Year Enacted

1995

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

\$2,500 (approximate)

(10) Number of Beneficiaries / Who Benefits

One per year

(11) Additional Comments / Departmental Directives

No requests were received for the credit in FY2018 & FY2019.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

\$0

(3) Legislative Intent Met?

No

Natural Resources

Applicable Program

Mining, Land, and Water

Indirect Expenditure Name

Exploration Incentive Credits for Mining Activities

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend reconsideration. The credit has not been used since FY11. The legislature may wish to revisit the credit to ensure that it is effective in spurring mineral exploration.

Natural Resources

Applicable Program
Mining, Land, and Water

Indirect Expenditure Name
Sale of Material at Less than Fair Market Value
for Flood Mitigation

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 38.05.872(b)

(4) Year Enacted

2012

(5) Sunset or Repeal Date

None

(6) Legislative Intent

The Act was to provide for the disposal of certain bedload materials in conjunction with a flood mitigation plan.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

None

(10) Number of Beneficiaries / Who Benefits

One authorization so far; however, City of Valdez has expressed interest

(11) Additional Comments / Departmental Directives

City of Seward has expressed interest, but no applications have been received. A flood mitigation plan was received from Seward in 2020.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

\$0

Natural Resources

Applicable Program

Mining, Land, and Water

Indirect Expenditure Name

Sale of Material at Less than Fair Market Value
for Flood Mitigation

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

No, as the program has not been used.

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. While the provision has not been used, it costs nothing to administer and still could be used in the future.

Natural Resources

Applicable Program
Mining, Land, and Water

Indirect Expenditure Name
Sale of Material at Less than Fair Market Value
for Personal Use

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 38.05.555(f)

(4) Year Enacted

2012

(5) Sunset or Repeal Date

None

(6) Legislative Intent

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

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

None

(10) Number of Beneficiaries / Who Benefits

None to date

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

\$0

(3) Legislative Intent Met?

No, as the program has not been used.

Natural Resources

Applicable Program

Mining, Land, and Water

Indirect Expenditure Name

Sale of Material at Less than Fair Market Value
for Personal Use

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation. While the provision has not been used, it costs nothing to administer and still could be used in the future.

Natural Resources

Applicable Program
Mining, Land, and Water

Indirect Expenditure Name
Public and Charitable Use

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 38.05.810(a)

(4) Year Enacted

1959

(5) Sunset or Repeal Date

None

(6) Legislative Intent

To allow the state the ability to balance the public benefit against revenues when it is in the public's best interest to authorize certain types of projects to certain types of governmental or non-profit entities.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - Unknown

FY 2018 - Unknown

FY 2019 - Unknown

FY 2020 - Unknown

FY 2021 - Unknown

(9) Cost to Administer

\$3,000

(10) Number of Beneficiaries / Who Benefits

A total of 91 .810(a) authorizations were issued between 2017 and 2021 with an additional 8 applications in active adjudication or awaiting information.

(11) Additional Comments / Departmental Directives

The "Cost to Administer" is difficult to determine; the \$3,000 amount is a rough estimate.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

Unknown

(2) Estimate of Annual Monetary Benefit to Recipients

Unknown

(3) Legislative Intent Met?

Yes

Natural Resources

Applicable Program

Mining, Land, and Water

Indirect Expenditure Name

Public and Charitable Use

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continuation based on meeting legislative intent.

Natural Resources

Applicable Program

Oil and Gas

Indirect Expenditure Name

Royalty Relief for Shale Oil

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

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

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 38.05.160

(4) Year Enacted

1959

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Provide Commissioner with discretion in rental fees for future shale development.

(7) Fund Code

N/A

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

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

(9) Cost to Administer

None

(10) Number of Beneficiaries / Who Benefits

None known

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

N/A

(3) Legislative Intent Met?

No, as the program has not been used.

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. While the provision has not been used, it costs nothing to administer and still could be

Natural Resources

Applicable Program
Oil and Gas

Indirect Expenditure Name
Royalty Relief for Shale Oil

Legislative Finance Analysis per AS 24.20.235

(4) Should it be Continued, Modified or Terminated? (cont.)

used in the future. Royalty relief under this provision can only occur with approval from the Commissioner.

Natural Resources

Applicable Program

Oil and Gas

Indirect Expenditure Name

Royalty Relief for Cook Inlet Platforms

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Royalty relief for Cook Inlet platforms.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 38.05.180(f)(6)

(4) Year Enacted

2003

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Provide monetary incentive as royalty relief from oil and gas producing platforms.

(7) Fund Code

1004 Unrestricted General Fund Receipts; 1251 Non-UGF Revenue (Fiscal Notes)

(8) Estimated Revenue Impact

FY 2017 - \$2,762,081

FY 2018 - \$5,774,340

FY 2019 - \$5,797,583

FY 2020 - \$5,046,420

FY 2021 - \$4,239,293

(9) Cost to Administer

None

(10) Number of Beneficiaries / Who Benefits

6 companies

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$4,723,943

(2) Estimate of Annual Monetary Benefit to Recipients

\$787,324

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend reconsideration. The legislature may wish to evaluate whether the discount remains in the economic interest of the state.

Natural Resources

Applicable Program

Oil and Gas

Indirect Expenditure Name

Royalty Relief for Small Cook Inlet Discoveries

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Royalty relief for small Cook Inlet discoveries.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 38.05.180(f)(5)

(4) Year Enacted

1998

(5) Sunset or Repeal Date

10 yrs. after restart of production

(6) Legislative Intent

Increase Cook Inlet oil and gas production from shut in wells and platforms.

(7) Fund Code

N/A

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$0

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

None

(10) Number of Beneficiaries / Who Benefits

12 companies

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

N/A

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend reconsideration. This provision was established in 1998, and the legislature may wish to evaluate whether the rate and duration of the provision remain in the economic interest of the state.

Natural Resources

Applicable Program

Oil and Gas

Indirect Expenditure Name

Royalty Modification for Oooguruk Unit

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Royalty modification for Oooguruk Unit.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 38.05.180(j)(1)(A)

(4) Year Enacted

2006

(5) Sunset or Repeal Date

2021

(6) Legislative Intent

To provide reduced royalty to enable Oooguruk Unit to begin production.

(7) Fund Code

1004 Unrestricted General Fund Receipts; 1251 Non-UGF Revenue (Fiscal Notes)

(8) Estimated Revenue Impact

FY 2017 - \$19,354,332

FY 2018 - \$20,256,824

FY 2019 - \$8,452,549

FY 2020 - \$6,589,458

FY 2021 - \$3,088,420

(9) Cost to Administer

None

(10) Number of Beneficiaries / Who Benefits

2 companies

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$11,548,317

(2) Estimate of Annual Monetary Benefit to Recipients

\$5,774,158

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

No recommendation. The modification agreement has ended.

Natural Resources

Applicable Program

Oil and Gas

Indirect Expenditure Name

Royalty Modification for Nikaitchuq Unit

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Royalty modification for Nikaitchuq Unit.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 38.05.180(j)(1)(A)

(4) Year Enacted

2008

(5) Sunset or Repeal Date

None

(6) Legislative Intent

To allow the Commissioner royalty modification on individual leases.

(7) Fund Code

1004 Unrestricted General Fund Receipts; 1251 Non-UGF Revenue (Fiscal Notes)

(8) Estimated Revenue Impact

FY 2017 - \$4,675,978

FY 2018 - \$817,624

FY 2019 - \$0

FY 2020 - \$1,402,727

FY 2021 - \$3,133,759

(9) Cost to Administer

None

(10) Number of Beneficiaries / Who Benefits

1 company

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$2,006,018

(2) Estimate of Annual Monetary Benefit to Recipients

\$1,338,528

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. Royalty modifications are provided with approval from the Commissioner, based on findings demonstrating that the modifications are in the economic interest of the state. The department must offer to present

Natural Resources

Applicable Program

Oil and Gas

Indirect Expenditure Name

Royalty Modification for Nikaitchuq Unit

Legislative Finance Analysis per AS 24.20.235**(4) Should it be Continued, Modified or Terminated? (cont.)**

their preliminary determination to the legislature, but a royalty modification does not currently require legislative approval. The legislature may wish to consider whether to require legislative approval for future modification agreements.

Natural Resources

Applicable Program

Oil and Gas

Indirect Expenditure Name

Royalty Relief for Cook Inlet Discoveries

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Royalty relief for previously undiscovered Cook Inlet oil or gas pools capable of commercial production.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 38.05.180(f)(4)

(4) Year Enacted

1996

(5) Sunset or Repeal Date

10 yrs. after date of discovery

(6) Legislative Intent

Provide monetary incentive as royalty relief from oil and gas discoveries.

(7) Fund Code

1004 Unrestricted General Fund Receipts; 1251 Non-UGF Revenue (Fiscal Notes)

(8) Estimated Revenue Impact

FY 2017 - \$905,646

FY 2018 - \$787,425

FY 2019 - \$0

FY 2020 - \$0

FY 2021 - \$0

(9) Cost to Administer

None

(10) Number of Beneficiaries / Who Benefits

6 companies

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$338,614

(2) Estimate of Annual Monetary Benefit to Recipients

\$56,436

(3) Legislative Intent Met?

Unknown

(4) Should it be Continued, Modified or Terminated?

Recommend reconsideration. This provision was established in 1996, and the legislature may wish to evaluate whether the rate and duration of the provision remain in the economic interest of the state.

Natural Resources

Applicable Program

Parks and Outdoor Recreation

Indirect Expenditure Name

Veterans with Disabilities Camping Pass

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Free camping pass to veterans with disabilities of this country for use in the state park campgrounds.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 41.21.026(d)

(4) Year Enacted

1987

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Honor veterans with disabilities by providing them free overnight camping in state parks units.

(7) Fund Code

1004 Unrestricted General Fund Receipts

(8) Estimated Revenue Impact

FY 2017 - \$247,000

FY 2018 - \$123,600

FY 2019 - \$229,000

FY 2020 - \$123,603

FY 2021 - \$254,602

(9) Cost to Administer

Negligible/cost of printing decals

(10) Number of Beneficiaries / Who Benefits

1,210 (annual average 2008-2012) 3.4 million potential beneficiaries (US Census Bureau, 11/11)

(11) Additional Comments / Departmental Directives

No intended change unless directed.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$195,561

(2) Estimate of Annual Monetary Benefit to Recipients

\$162

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent.

Natural Resources

Applicable Program

Geological and Geophysical Surveys

Indirect Expenditure Name

Education Discount for Facilities, Equipment, Products, Fees and Services

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

The division shall waive fees under this section for a student who uses facilities, equipment, products, or services for educational purposes.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 41.08.045

(4) Year Enacted

2017

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Honor K-12 students, classes, teachers, and educators, and professors and college students involved in higher education. Provide a benefit to those (1) promoting the theory and practice of teaching or (2) conducting academic research and associated with an accredited postsecondary educational institution.

(7) Fund Code

1005 General Fund/Program Receipts

(8) Estimated Revenue Impact

FY 2017 - \$0

FY 2018 - \$1,819,570

FY 2019 - \$1,546,411

FY 2020 - \$2,463,631

FY 2021 - \$2,079,368

(9) Cost to Administer

\$1,500 (estimate)

(10) Number of Beneficiaries / Who Benefits

FY18 26, FY19 20

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$1,977,245

(2) Estimate of Annual Monetary Benefit to Recipients

\$73,652

Natural Resources

Applicable Program

Geological and Geophysical Surveys

Indirect Expenditure Name

Education Discount for Facilities, Equipment, Products, Fees and Services

Legislative Finance Analysis per AS 24.20.235**(3) Legislative Intent Met?**

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation based on meeting legislative intent. A large majority of the revenue impact results from providing seismic datasets to professors and students at U.S. universities. Typical charges for DGGs seismic data can exceed \$250,000. GMC staff verifies that the researcher is not receiving funding from the oil industry before providing free data.

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Department of Revenue

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Revenue

Applicable Program
Corporate Income Tax

Indirect Expenditure Name
Small Corporation Exemption

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Exempts businesses from tax that are C-Corporations that are in certain industries identified in Section 1202 of the Internal Revenue Code, that have assets of under \$50 million, and that meet other requirements of AS 43.20.012.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 43.20.012

(4) Year Enacted

2012

(5) Sunset or Repeal Date

7/1/2023

(6) Legislative Intent

The purpose of the exemption is to encourage the development of high-growth technology and research companies in Alaska and to encourage small business development.

(7) Fund Code

1004 Unrestricted General Fund Receipts

(8) Estimated Revenue Impact

FY 2017 - \$252,841

FY 2018 - \$823,445

FY 2019 - \$1,267,889

FY 2020 - \$2,014,090

FY 2021 - Not available

Note: All returns with tax periods beginning in FY21 have not yet been received, so FY21 data is unavailable.

(9) Cost to Administer

No additional cost; is administered with current resources.

(10) Number of Beneficiaries / Who Benefits

Between 10 and 40 small corporations.

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$1,089,566

(2) Estimate of Annual Monetary Benefit to Recipients

\$43,583

(3) Legislative Intent Met?

Unknown

Revenue

Applicable Program
Corporate Income Tax

Indirect Expenditure Name
Small Corporation Exemption

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend reconsideration due to upcoming expiration. In the future, sunset dates should be aligned to tax years, rather than fiscal years.

Under 26 U.S.C 1202, qualifying C-Corporations' stocks are exempted from capital gains tax. This federal exemption is aimed narrowly at research and technology start-ups, and a range of businesses are excluded, such as oil and gas companies, banks, law firms, doctors' offices, hotels, restaurants, engineering firms, and accounting firms. Among other qualifications, a corporation must not have over \$50 million in gross assets. Note that while this provision exempts stockholders of qualifying C-Corporations from paying capital gains taxes, it does not exempt the corporation from paying federal corporate income tax.

Under AS 43.20.012, certain firms that qualify under 26 U.S.C. 1202 are also exempted from state corporate income tax. In addition to adopting the federal exclusions by reference, AS 43.20.012 additionally excludes construction, transportation, utility and fisheries businesses.

LFD lacks sufficient information to determine whether legislative intent is being met. Without information on the benefitting corporations, it's impossible to determine whether these corporations would have incorporated outside of Alaska in the absence of this exemption, or whether they are fostering the development of technology and research industries in Alaska.

Revenue

Applicable Program
Multiple Tax Programs

Indirect Expenditure Name
Education Credit

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

A non-transferable credit applicable to the Corporate Income Tax, Fisheries Business Tax, Fishery Resource Landing Tax, Insurance Premium Tax, Title Insurance Premium Tax, Mining License Tax, Oil and Gas Production Tax, and the Oil and Gas Property Tax. In 2018, the credit was available for up to 50% of annual contributions up to \$100,000, 100% of the next \$200,000, and 50% of annual contributions beyond \$300,000. The credit for any one taxpayer could not exceed \$5 million annually across all eligible tax types. Beginning on January 1, 2019, the credit has been available for up to 50% of annual contributions up to \$100,000, 75% of the next \$200,000, and 50% of annual contributions beyond \$300,000. The credit for any one taxpayer has not been allowed to exceed \$1 million annually across all eligible tax types. Previously, only cash contributions were accepted for the Education Tax Credit, but the credit was expanded to accept contributions of equipment beginning in 2019. Beginning in 2021, the credit is reduced to 50% of all donations; the \$1 million cap on the credit per taxpayer each year will remain the same. The Education Tax Credit is currently scheduled to sunset on December 31, 2024.

(2) Type

Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 21.96.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, AS 43.77.045

(4) Year Enacted

1987, last amended 2018

(5) Sunset or Repeal Date

On 1/1/2025 the credit will sunset.

(6) Legislative Intent

The Legislature intended to encourage private businesses to make charitable contributions to support Alaskan schools.

(7) Fund Code

1004 Unrestricted General Fund Receipts

(8) Estimated Revenue Impact

FY 2017 - \$5,585,717

FY 2018 - \$5,526,972

FY 2019 - \$3,880,025

FY 2020 - \$3,085,894

FY 2021 - Not available

Note: All returns with tax periods beginning in FY21 have not yet been received, so FY21 data is unavailable.

(9) Cost to Administer

No additional cost; is administered with current resources.

(10) Number of Beneficiaries / Who Benefits

26 companies in FY20.

(11) Additional Comments / Departmental Directives

Revenue

Applicable Program
Multiple Tax Programs

Indirect Expenditure Name
Education Credit

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State (cont.)

\$4,519,652

(2) Estimate of Annual Monetary Benefit to Recipients

\$118,688 in FY20. Maximum of \$1 million.

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend reconsideration due to upcoming expiration. The credit was only available for cash contributions until 2019, when applicability was extended to equipment contributions as well as cash. The maximum deduction a business can claim across all tax types was \$5 million until 2019, and \$1 million beginning January 1, 2019.

Before 2019, the credit was 50% of a company's first \$100,000 in contributions, 100% for the next \$200,000 in contributions, and 50% for contributions beyond \$300,000. Beginning January 1, 2019, the credit became 50% of a company's first \$100,000 in contributions, 75% for the next \$200,000 in contributions, and 50% for contributions beyond \$300,000. Beginning January 1, 2021, the credit became a flat 50% of all qualifying contributions.

A business can claim up to \$1 million of education tax credits per year across all eligible tax types. The same contribution cannot be claimed as an education tax credit against multiple tax types.

Under AS 43.20.014(d)(2), if a taxpayer claims an education tax credit against the corporate income tax, that contribution may not also be applied as a charitable contribution deduction in computing taxable income for the state corporate income tax (SCIT). A taxpayer could still apply the given contribution as a charitable deduction against federal corporate income tax, but this would have no impact on SCIT liability.

However, the provision only applies to taxpayers claiming the education tax credit against SCIT. A taxpayer may claim an education tax credit for any tax type other than SCIT, while also applying that same expenditure as a charitable contribution in computing SCIT liability. As a hypothetical example, a fisheries business donates \$100,000 to the University of Alaska. The business claims that contribution as an education tax credit towards its fisheries business tax liability, reducing its fisheries business tax due by \$50,000. The business claims that same \$100,000 expenditure as a charitable contribution in calculating its taxable income for both federal and state corporate income taxes. The business is able to apply the full value of its charitable contribution against three separate taxes, two state and one federal.

If the legislature chooses to extend the credit, the legislature may wish to modify the credit for tax types other than the corporate income tax, to prohibit taxpayers from claiming an education tax credit and an SCIT charitable deduction for the same contribution.

Revenue

Alaska Department of Revenue Tax Division						
Summary of Calendar Year 2021 Alaska Education Tax Credits						
Tax Program	Credits Claimed ¹	Total of Contributions	U of A	Contribution Beneficiary		
				APU	Secondary ² Vocational ³	Other ⁴
Corporation Net Income	1,113,356	1,873,224	607,234	25,000	326,500	914,490
Insurance Premiums ⁵	-	-	-	-	-	-
Fisheries Business	414,552	691,984	112,667	215,059	75,637	288,620
Fishery Resource Landing	1,212,500	1,900,000	550,333	1,133,000	216,666	-
Mining License	477,995	784,860	631,415	-	90,000	63,445
Oil and Gas Production	-	-	-	-	-	-
Oil and Gas Property	17,499	40,000	40,000	-	-	-
Total - All Tax Types⁶	\$3,235,902	\$5,290,067	\$1,941,649	\$1,373,060	\$708,804	\$1,266,555

Notes

¹ Credits are reported in the calendar year in which they are claimed. They may, however, apply to earlier tax periods.

² Secondary schools offer courses operated by an Alaska school district. K-12 offer general, technical, or college-preparatory courses.

³ Vocational schools offer technical education, training, and certain apprenticeship programs.

⁴ Other are considered non-profit organizations that provide certain programs, scholarships, and other educational opportunities. It also includes undisclosed recipients before the report cut-off date.

⁵ Insurance premium tax is collected by DCCED. It is included in this report to show complete data related to the Education Tax Credits.

⁶ Throughout this report, values and sums may show slight differences due to rounding.

Year	Credits Claimed	Total of Contributions	Credit as % of Contribution
CY14	\$6,844,424	\$10,262,999	67%
CY15	\$7,430,524	\$11,215,893	66%
CY16	\$6,814,080	\$10,459,301	65%
CY17	\$6,289,964	\$9,245,928	68%
CY18	\$7,225,315	\$10,062,239	72%
CY19	\$5,430,460	\$7,484,452	73%
CY20	\$4,074,295	\$6,868,670	59%
CY21	\$3,235,902	\$5,290,067	61%

Source: Compiled by LFD based on past DOR Education Tax Credit Reports

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Department of Transportation

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Transportation

The following eleven discounts or passes are incorporated in the tariff structure of the Alaska Marine Highway System (AMHS). Arguably, they are not indirect expenditures of the state as they are part of the overall revenue structure established by AMHS. The only guiding statute (AS 19.65.050(c)(2)) provides intent that AMHS “increase revenue from the operation of the system consistent with the public interest.” This is very broad intent and provides great flexibility in how tariffs are set and what discounts to those tariffs are applied. Many passes and discounts have been added or deleted over the years, some with no readily available source for an exact implementation date. The purpose/intent of these discounts (authorized through regulation or collective bargaining) is to reduce costs to select individuals or groups in a way that AMHS believes is consistent with the public interest. The cost to administer these discounts is absorbed into the AMHS budget.

Provision	Brief Description	Number of Beneficiaries/Who Benefits	Revenue Impact: FY 2019	Revenue Impact: FY 2020	Revenue Impact: FY 2021
Children's Discounted Tariffs	Children aged 6-11 receive a 50% discount on the route based Adult passenger tariff.	Children's Discounts. FY18 10,885, FY19 10,643	\$473,425	\$192,133	\$395,692
Disability Passes	Qualified persons with disabilities receive a 50% discount on the route specific adult passenger tariff - in State passage only.	On average 100 individuals use this pass each year.	\$14,223	\$6,111	\$5,357
Employee Annual Passes	Qualified AMHS employees and their immediate families free passenger/vehicle travel space available basis. \$100 annual fee implemented.	On average 450 employees use their pass, some several times a year.	\$1,333,257	\$418,499	\$434,166
Employee Trip Passes	Qualified AMHS employees are allowed free passage when traveling to and from work plus workers who have not obtained annual pass privileges through trip passes.	On average 80 employees use this per year.	\$34,791	\$17,683	\$28,006
Marine Transportation Advisor Board Member Passes	Issued to current board members for official Marine Transportation Advisor Board (MTAB) business travel - (Offsets to AMHS Budget).	This program has expired.	Expired	Expired	Expired

Transportation

AMHS Tariff Discounts/Passes - Continued					
Provision	Brief Description	Number of Beneficiaries/Who Benefits	Revenue Impact: FY 2019	Revenue Impact: FY 2020	Revenue Impact: FY 2021
National Guard or Militia Passes	Issued to qualified members traveling to and from training exercises on a space available basis.	Zero in FY20-FY21	\$162	\$0	\$0
Senior Citizen's Discounted Tariffs	Senior's aged 65 and older receive a 25% discount on the route based Adult passenger tariff.	Senior Citizen's Discounts. FY18 39,573, FY19 44,216	\$1,250,957	\$634,925	\$1,238,624
State and Federal Government Enforcement Agency Passes	Contractual agreements with State and Federal Government Agencies (State Troopers, USFS) for enforcement presence.	Troopers. FY18 9, FY19 12	\$9,450	\$137	\$331
Underage Discounted Tariffs	Children aged 5 & under travel free (passage only).	Underage Discounts. 10,467 in FY18, 9,640 in FY19.	\$892,243	\$404,772	\$478,392
Veterans with Disabilities Passes	Qualified veterans with disabilities receive a 50% discount on the route specific adult passenger tariff - In state passage only.	On average 50 individuals each year.	\$29,520	\$11,554	\$4,551
Youth Group Discounted Tariffs	Organized Youth Groups receive a 50% discount on the route based adult passenger tariff - in State passage only.	Youth Group Discounts. FY18 15,154, FY19 14,977	\$551,560	\$176,831	\$8,755
Total			\$4,589,588	\$1,862,645	\$2,593,874

Recommendation: Recommend reconsideration. Although the legislature currently has no role in setting AMHS tariffs, the legislature may wish to address the issue of discounted fares in statute or via intent language in the operating budget.

Judiciary

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Judiciary

The following twenty-seven provisions comprise what is commonly referred to as “fix-it” tickets; correctable violations related to equipment (such as a broken tail light) or motor vehicle insurance that are dismissed if proof of correction is submitted to the Court. The purpose/intent of these rules (authorized through the Alaska Administrative Code, Alaska Statutes or Administrative Rules of the Court) is to encourage corrective action. The cost to administer them is absorbed in the Courts’ budget.

Correctable Violations	Revenue Impact: FY 2017	Revenue Impact: FY 2018	Revenue Impact: FY 2019	Revenue Impact: FY 2020	Revenue Impact: FY 2021
Additional Lighting Requirements	0	160	160	40	160
Additional Lighting Requirements for Emergency Vehicle	0	0	0	0	0
Anti-Spray Devices Required	6,180	3,800	2,170	1,410	1,750
Brake Requirements	540	270	270	180	360
Emission Control System Requirements	0	0	0	0	100
Energy Absorption System Requirements	0	225	375	375	525
Fail To Provide Child Safety Device First Offense	485	460	400	315	250
Headlight Requirements	41,680	30,720	14,160	14,400	13,400
Horn, Warning Device Requirements	0	0	0	0	0
License Carried and Exhibited On Demand	2,850	4,150	3,940	1,900	1,650
Mirror Requirements	540	660	420	480	240
Muffler Requirements	810	660	360	150	210
Operating Vehicle with Studded or Chained Tires when Prohibited	10,150	7,250	11,500	2,850	250
Other Equipment Required for Bicycles: Horn, Mirrors, Tires, etc.	40	0	0	0	0
Parking Light Requirements	0	0	40	0	0
Proof of Insurance to be Carried and Exhibited on Demand	1,949,000	1,887,000	1,428,500	1,083,500	798,500
Reflector Requirements	0	40	40	0	0
Restrictions on Lighting Equipment	80	290	120	200	160
Safety Belt Requirements	375	450	150	375	75
Sportfishing and Hunting Licenses	0	0	14,850	28,450	16,350
Steering Assembly, Wheel Align, Body Condition	0	200	800	0	200
Stop Light Requirements	4,320	5,600	3,800	3,520	3,120
Tail Light Requirements	10,680	14,230	6,520	5,360	4,640
Tinted Windows	71,400	54,150	39,450	9,750	13,050
Tire Restrictions and Requirements	400	0	0	200	100
Turn Light Requirements	520	640	240	240	320
Windshield and Wiper Requirements	1,250	1,570	550	400	550
Total	2,101,300	2,012,525	1,528,815	1,154,095	855,960

Recommendation: Continue - these programs are intended to improve public safety, not to generate revenue.

Judiciary

Applicable Program

Trial Courts

Indirect Expenditure Name

Community Work Service Order in Lieu of Fine or Surcharge

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

(2) Type

Fee/Fine/Cost Dismissal or Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 12.55.055

(4) Year Enacted

2005

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Encourage corrective behavior.

(7) Fund Code

1004 Unrestricted General Fund Receipts

(8) Estimated Revenue Impact

FY 2017 - \$20,700

FY 2018 - \$28,781

FY 2019 - \$22,485

FY 2020 - \$15,933

FY 2021 - \$8,056

(9) Cost to Administer

N/A

(10) Number of Beneficiaries / Who Benefits

Not tracked

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$19,191

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continue - the program provides an appropriate alternative to individuals unable to pay court fines or surcharges.

Judiciary

Applicable Program

Trial Courts

Indirect Expenditure Name

Defensive Driving Course Completion Credit
Against Fines

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

(2) Type

Fee/Fine/Cost Dismissal or Credit

(3) Authorizing Statute, Regulation or Other Authority

By Court Order

(4) Year Enacted

n/a

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Encourage corrective behavior.

(7) Fund Code

1004 Unrestricted General Fund Receipts

(8) Estimated Revenue Impact

FY 2017 - \$470

FY 2018 - \$0

FY 2019 - \$1,290

FY 2020 - \$894

FY 2021 - \$0

(9) Cost to Administer

N/A

(10) Number of Beneficiaries / Who Benefits

Not tracked

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$531

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continue - the program is intended to improve public safety, not to generate revenue.

Judiciary

Applicable Program

Trial Courts

Indirect Expenditure Name

Exemption from Payment of Fees Due to Determination of Indigency

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

(2) Type

Fee/Fine/Cost Dismissal or Credit

(3) Authorizing Statute, Regulation or Other Authority

AdmR. 9 & 10

(4) Year Enacted

1980

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Allows access to court system for disadvantaged individuals.

(7) Fund Code

1004 Unrestricted General Fund Receipts

(8) Estimated Revenue Impact

FY 2017 - \$198,574

FY 2018 - \$169,126

FY 2019 - \$232,635

FY 2020 - \$212,745

FY 2021 - \$156,664

(9) Cost to Administer

N/A

(10) Number of Beneficiaries / Who Benefits

Not tracked

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$193,949

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

n/a

(4) Should it be Continued, Modified or Terminated?

Recommend continue - equal protection and access to justice for indigent litigants should continue.

Judiciary

Applicable Program

Trial Courts

Indirect Expenditure Name

Ignition Interlock Device Credit Against Fines

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

(2) Type

Fee/Fine/Cost Dismissal or Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 12.55.102

(4) Year Enacted

1989

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Encourage corrective behavior.

(7) Fund Code

1004 Unrestricted General Fund Receipts

(8) Estimated Revenue Impact

FY 2017 - \$396,642

FY 2018 - \$366,832

FY 2019 - \$358,916

FY 2020 - \$314,143

FY 2021 - \$250,929

(9) Cost to Administer

N/A

(10) Number of Beneficiaries / Who Benefits

Not tracked

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$337,492

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continue - the program is intended to improve public safety, not to generate revenue.

Judiciary

Applicable Program

Trial Courts

Indirect Expenditure Name

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

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

(2) Type

Fee/Fine/Cost Dismissal or Credit

(3) Authorizing Statute, Regulation or Other Authority

AdmR. 9(f)(1)

(4) Year Enacted

1980

(5) Sunset or Repeal Date

None

(6) Legislative Intent

N/A

(7) Fund Code

1004 Unrestricted General Fund Receipts

(8) Estimated Revenue Impact

FY 2017 - \$98,740

FY 2018 - \$94,275

FY 2019 - \$100,565

FY 2020 - \$105,600

FY 2021 - \$96,450

(9) Cost to Administer

N/A

(10) Number of Beneficiaries / Who Benefits

Not tracked

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$99,126

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continuation.

Judiciary

Applicable Program

Trial Courts

Indirect Expenditure Name

Suspended Court Ordered Fines and Surcharges

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

(2) Type

Fee/Fine/Cost Dismissal or Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 12.55.080

(4) Year Enacted

1962

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Encourage corrective behavior.

(7) Fund Code

1004 Unrestricted General Fund Receipts

(8) Estimated Revenue Impact

FY 2017 - \$3,033,854

FY 2018 - \$2,769,381

FY 2019 - \$2,856,860

FY 2020 - \$2,564,517

FY 2021 - \$2,056,145

(9) Cost to Administer

N/A

(10) Number of Beneficiaries / Who Benefits

Not tracked

(11) Additional Comments / Departmental Directives

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$2,656,151

(2) Estimate of Annual Monetary Benefit to Recipients

Indeterminate

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend continue - the intent is to reform defendants, not to generate revenue.

