

CWN Project

Purpose: Engage Alaskans so have increased understanding of the problem

- How state currently pays for state services
 - Projected revenue shortfall and why
 - The magnitude of necessary steps to close the gap
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- Desired result: Alaskans are better prepared to understand (and accept?) solutions

Engage Alaskans . . .

- Create a web-based “worksheet” about recurring revenue options
 - Background information about tax/fee and how Alaska compares
 - They will be asked to make choices about how to increase/diversify state revenues
 - CWN will compile recommendations for a report to elected officials
- Unlike past CWN study group reports, spending reductions are not part of this project.

Project's First Steps . . .

- Summarize revenue-related information by working in sub-groups, organized around categories of revenue
 - Excise taxes
 - Fisheries taxes
 - Oil and gas taxes, royalties
 - Other current taxes (i.e. mining, charitable gaming, co-ops)
 - Investment revenue
 - Restricted revenues
 - Income tax
 - Sales tax

Mock Up for Study Group Information Collection

Line #						
1	Running total of additional revenue amounts (based on choices):					
2						
3	Alcohol tax					
4	Rate is based on per gallon of liquor, wine, beer. Current tax is \$12.80/gallon for liquor; \$2.50 for wine;					
5	\$1.07 for beer (malt beverages). Primarily is collected from wholesalers and distributors of alcoholic					
6	beverages.					
7						
8		<u>FY 19</u>	<u>FY 18</u>	<u>FY 17</u>		
9	State revenue collected:	\$ 40,778,419	\$ 39,217,273	\$ 40,096,840		
10						
11	Revenue distributed to:					
12	State General Fund	\$ 20,393,100	\$ 19,611,201	\$ 20,073,019		
13	Alcohol/Drug Treatment Fund	\$ 20,385,319	\$ 19,606,072	\$ 20,023,821		
14						
15	# of taxpayers	83	78	75		
16						

17	<u>Options to collect additional revenue:</u>				
18	10% increase	\$ 4,077,842			
19	25% increase	\$ 10,194,605			
20	50% increase	\$ 20,389,210			
21	100% increase	\$ 40,778,419			
22					
23	<u>Economic impact of tax increase:</u>				
24	Increased cost is past on to consumer. May result in decreased consumption from store purchases,				
25	restaurants, and bars so above revenue estimates would likely be less				
26	Some local communities also have an alcohol tax, so any increase could also impact local tax revenue				
27	(link to Alaska Taxable tables with local government rates)				
28					
29	<u>Benchmarks to Other States/Jurisdictions</u>				
30	How Alaska's current tax rate compares to comparable states				
31					
32	<u>Responder's suggestion:</u>				
33	This will be an area on the website where individual Alaskans can offer a different option than was listed				
34	above				
35					

Next Step: Volunteer for Sub-Group

1. Excise taxes
2. Fisheries taxes
3. Oil and gas taxes, royalties
4. Other current taxes (i.e. mining, charitable gaming, co-ops)
5. Investment revenue
6. Restricted revenues
7. Income tax
8. Sales tax