

## Fund Source Report

### 1175      BLic&Corp      Business License & Corporation Filing Fees and Taxes

<b>Year Authorized</b> 2003	<b>Year Repealed</b> 2011	<b>Active?</b> No	<b>Mental Health?</b> No	<b>Duplicated?</b> No	<b>Fund Group</b> Designated General
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No Appropriations during last 10 years

#### Legal Authority

AS 37.05.144, AS37.05.146(c)(34) and (52) AS 1.06.845

#### Source of Revenue

Proceeds from the sale of business licenses and fees for filing incorporation papers.

#### Restrictions on Use

Per AS 37.05.144, program receipts may be used to implement the laws related to the functions generating the receipts. However, naming a specific source of revenue effectively changes the receipts to nongeneral funds. The receipts lack a statutory citation designating them for a specific purpose. The receipts cannot be spent without an appropriation.

#### Description and History

These receipts were classified as general fund program receipts until FY03. This fund code was created to track the proceeds (net of the cost of administering the program) from the sale of business licenses that are appropriated for the promotion of trade and business development or other uses outside the business licensing program.

The Receipt Supported Services code may also be appropriate, but would make it more difficult to differentiate between business license receipts and occupational licensing receipts. Business licensing activities are part of the occupational licensing division, which uses the RSS code for activities related to occupational licensing.

Beginning with the FY06 budget cycle, the Corporations section (located in the Division of Banking) merged with occupational licensing. Corporate filing fees that had been classified as Receipt Supported Services (code 1156) were reclassified to code 1175 in order to limit use of the RSS code to occupational licensing. This code was renamed to include receipts from Corporation activity. Receipts typically exceed the cost of operating the corporate and business licensing programs. The use of a specific code allows excess receipts to be appropriated to programs other than corporations/business licensing.

Although AS 10.06.845 refers to corporate payments as "taxes" rather than "fees," they appear to be similar to DMV fees and are included in this fund code.

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Beginning in FY11, code 1175 was deactivated and corporate fees and business licensing receipts were classified as GFPR (code 1005). The receipts are used only for corporate and business licensing activities; RSS is used only for occupational licensing activities.