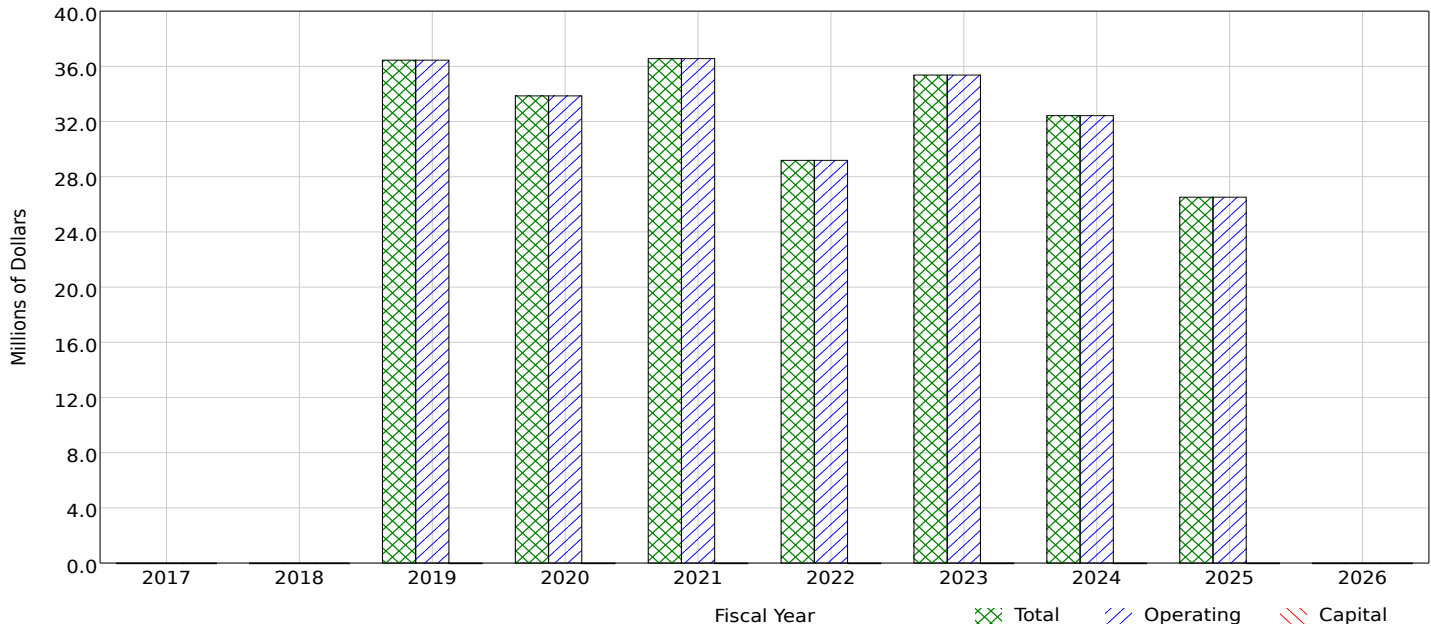


Fund Source Report

1261**Shared Tax****Shared Taxes**

Year Authorized FY20	Year Repealed	Active? Yes	Mental Health? No	Duplicated? No	Fund Group Designated General
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Operating and Capital Appropriations



Legal Authority

AS 10.25.570 (Electric & Telephone Cooperatives), AS 43.75.130 (Fisheries Business), AS 43.77.060 (Fisheries Resource Landing), AS 04.11.610 (Liquor License)

Source of Revenue

The funds in this code consist of the municipal share of the electric and telephone cooperative taxes, the fisheries business tax, the fisheries resource landing tax, and liquor license fees.

Restrictions on Use

Subject to appropriation, a portion of revenue from these taxes is designated by statute to be shared with municipalities. If the money is not appropriated, it would be classified as unrestricted general fund revenue, and would require a manual adjustment. There are no federal or other restrictions on use of this revenue.

Description and History

October 2019

This fund code was created for the FY20 budget so that budget reports reflect appropriations of shared tax revenue to municipalities. Although past budgets have included these transfers in the language section, these appropriations (and revenue) were excluded from budget reports. This code covers multiple shared taxes that are typically appropriated in the same section of the budget.

Electric and Telephone Cooperative:

According to AS 10.25.570, all of the tax revenue from the electric and telephone cooperative tax, less collection costs, shall be transferred to the organized borough or city in which the sales occur. Revenue from sales outside a municipal government shall be retained in the general fund. Despite the "shall" language in the statute, this transfer is subject to appropriation.

Fisheries Business and Fishery Resource Landing Taxes:

According to AS 43.75.130 (Fisheries Business) and AS 43.77.060 (Fishery Resource Landing), the commissioner of the Department of Revenue shall pay 50% of tax revenue from these taxes to the local government in which the tax is collected. In unified boroughs, the entire share goes to the borough. If the tax is collected in a city within a borough, 25% goes to the city and 25% goes to the borough. Despite the "shall" language in the statute, this transfer is subject to appropriation. Most tax credits are taken only out of the State's share, with the exception of the CDQ credit (AS 43.77.040), which is taken out of the municipal share.

Fund Source Report

Per AS 43.75.137, the state share of Fisheries Business Taxes collected under chapter 75 is also designated for return to local governments for the same purposes: to help reduce the effect of fisheries business activities.

Liquor License Fee:

According to AS 04.11.610, liquor license fees collected within a municipality shall be refunded to that municipality. Despite the "shall" language in the statute, this transfer is subject to appropriation.