

## Change Record Detail With Description

### Department of Revenue

**Scenario:** Alaska Resource Rebate Special Session (6835)

**Component:** Tax Division (2476)

**RDU:** Taxation and Treasury (510)

**Title:** Compensation of Municipalities for Loss of Motor Fuel (Aviation) Tax Shared Revenue

	<b>Trans Type</b>	<b>Totals</b>	<b>Personal Services</b>	<b>Travel</b>	<b>Services</b>	<b>Commodities</b>	<b>Capital Outlay</b>	<b>Grants, Benefits</b>	<b>Miscellaneous</b>	<b>Positions</b>		
										<b>PFT</b>	<b>PPT</b>	<b>NP</b>
	IncOTI	150.0	0.0	0.0	0.0	0.0	0.0	0.0	150.0	0	0	0
1004 Gen Fund		150.0										

This appropriation for the amount necessary, estimated to be \$150,000, holds municipal governments harmless for the loss of aviation fuel taxes that would be shared if the motor fuel tax was not suspended. Proposed legislation would suspend collection of all motor fuel taxes for one year, including fuels for highway use, watercraft and aviation. Under AS 43.40.010(e) sixty percent of the net proceeds of taxes on aviation fuel are refunded to a municipality that owns or leases and operates an airport. With higher than expected oil prices the State of Alaska is receiving surplus revenues from oil and gas taxes and royalties. At the same time, the municipal governments that operate airports are not receiving additional revenues and may not be in a position to make up for this revenue loss.