

State of Alaska FY2010 Governor's Operating Budget

Department of Revenue Tax Division Component Budget Summary

Component: Tax Division

Contribution to Department's Mission

The mission of the Tax Division is to collect taxes, inform stakeholders, and regulate charitable gaming.

Core Services

- Facilitate voluntary compliance
- Enforce tax and gaming statutes
- Account for revenues
- Forecast future revenues for state fiscal planning purposes
- Inform stakeholders
- Participate in Governor's revenue and investment initiatives

End Result	Strategies to Achieve End Result
<p>A: Maximize compliance with current tax and gaming statutes.</p> <p><u>Target #1:</u> Percentage of taxes collected compared to taxes due between 92% and 98%. <u>Status #1:</u> Taxes collected compared to taxes due has been between 96% and 105% in the past five years and in FY2008 was 98.5%. This measure is not indicative of our compliance efforts as it is skewed by the fact that our largest taxpayers are paying their taxes, but smaller taxpayers may not be. This measure will be changed in FY2009 to better reflect the compliance of our entire taxpayer base across all tax types.</p> <p><u>Target #2:</u> 90% of existing taxpayers file their tax returns and make tax payments timely. This is a new target; data will be reported at the end of FY2009. <u>Status #2:</u> Not Available</p>	<p>A1: Increase audit coverage (audit activities improve compliance and revenue).</p> <p><u>Target #1:</u> Open 20 new audit cases (taxpayers that have not been audited by us in the prior five years). <u>Status #1:</u> Seventy-eight new audit cases were opened in FY2008 due to an increase in audit staff. These audits will be worked throughout FY2009 in addition to maintaining a target of 20 new audits for that year.</p> <p>A2: Increase voluntary tax compliance by identifying non-filers.</p> <p><u>Target #1:</u> Find 30 non-filers through compliance work. <u>Status #1:</u> Approximately 309 new taxpayers were identified in FY2008. Most of the new taxpayers were identified through compliance work in the mining license tax. In FY2009 our focus will be on the number of compliance activities conducted versus the number of new taxpayers identified.</p> <p><u>Target #2:</u> Conduct 5 new compliance projects to identify nonfilers. <u>Status #2:</u> This is a new measure; data will be reported at the end of FY2009.</p> <p>A3: Use refund requests as a measure for how effective we are in processing tax returns and return information.</p> <p><u>Target #1:</u> Issue 100% of tax refunds within statutory 90-day interest free (grace) period. <u>Status #1:</u> In FY2008, we issued 99% of tax refunds without incurring interest which was short of our goal, but an increase over FY2007. In FY2009, we will reduce</p>

	<p>this goal to 98% as we believe, at times, it is in the best interest of the State to take additional time to properly analyze the correctness of a refund request.</p> <p>A4: Increase number of audit hours.</p> <p><u>Target #1:</u> 2,000 hour increase in audit hours over prior year. <u>Status #1:</u> Total increase in audit hours for FY2008 was 5,154 which exceeded our goal. This was due to increased audit staff in several units in the Division and opening audits in recently enacted tax programs.</p> <p>A5: Use collection activity as a measure of how effective we are in administering tax programs.</p> <p><u>Target #1:</u> Collect 95% or more of taxes due. <u>Status #1:</u> 98.5% of taxes were collected in FY2008 compared to taxes due.</p> <p>A6: Use permit application process as a measure for how effective we are in regulating gaming.</p> <p><u>Target #1:</u> Reduce the percent of gaming applications that require follow up due to missing and incomplete forms to no more than 35% of all applicants. <u>Status #1:</u> Due to the implementation of an electronic system in FY2007, we met our goal of no more than 35% in FY2008. This measure will be re-evaluated for FY2009 as we have discovered that this measure is more a function of the sophistication of the taxpayer than it is of the organization and competency of the Tax Division.</p> <p>A7: Utilize investigators to conduct inspections of and educate the gaming community on Alaska's charitable gaming laws.</p> <p><u>Target #1:</u> Conduct 50 gaming inspections each year. <u>Status #1:</u> This is a new measure; data will be reported at the end of FY2009.</p>
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Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Increase tax compliance by educating Alaskans about Alaska's tax programs • Enforce tax compliance through audit • Focus activity examination on high risk returns and errors • Streamline examination process • Utilize IRS and other third-party data and examination resources to identify non-filers • Implement performance tracking and process monitoring tools • Account for program revenues 	<ul style="list-style-type: none"> • Provide training workshops in key areas • Encourage voluntary compliance by informing taxpayers of resources that allow them to fully comply • Publish well-used and statutorily required reports and website materials • Assist governor and legislature in developing new sources of revenue and increasing existing sources • Respond to revenue related legislation • Collect historical and forecasted cost, price and production data to support revenue forecast work

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$14,504,300

Personnel:

Full time	121
Part time	1
Total	122

Performance

A: Result - Maximize compliance with current tax and gaming statutes.

Target #1: Percentage of taxes collected compared to taxes due between 92% and 98%.

Status #1: Taxes collected compared to taxes due has been between 96% and 105% in the past five years and in FY2008 was 98.5%. This measure is not indicative of our compliance efforts as it is skewed by the fact that our largest taxpayers are paying their taxes, but smaller taxpayers may not be. This measure will be changed in FY2009 to better reflect the compliance of our entire taxpayer base across all tax types.

Taxes Collected Compared to Taxes Due

Fiscal Year	% of Taxes Collected
FY 2008	98.5%
FY 2007	105.4%
FY 2006	96.0%
FY 2005	98.6%
FY 2004	99.7%

Analysis of results and challenges: This percentage is driven primarily by payment of taxes due by Alaska's largest taxpayers and is not indicative of the Division's compliance efforts or taxpayers' compliance with Alaska's tax laws as a whole. Without the ability to reasonably estimate the amount of unreported taxes due to the state and without looking at the entire taxpayer base, this percentage is meaningless as a way to measure the Division's compliance efforts. In FY 2008, most of the largest taxpayers who account for the greatest percentage of the state's revenue paid taxes owed to the state. Although slightly outside the target range, the division met the FY2008 goal. However, as stated above, this does not provide any feedback regarding our compliance activities. As such, the Division will reassess this performance measure for FY 2009 and future years and come up with a more realistic and meaningful method of measuring our success in tax and gaming compliance.

Target #2: 90% of existing taxpayers file their tax returns and make tax payments timely. This is a new target; data will be reported at the end of FY2009.

Status #2: Not Available

Analysis of results and challenges: The Tax Division's primary function is to encourage voluntary compliance by all taxpayers across all tax programs. This is achieved in a variety of ways, i.e. taxpayer education and outreach programs, compliance activities where we actively look for nonfilers, and collection activities. Taxpayers are more apt to voluntarily comply if they believe that everyone else is paying their fair share and the Division makes it relatively easy to file returns and pay taxes. As such, the most effective way to measure our performance is to look at the percentage of known taxpayers who timely file their returns and pay their taxes.

A1: Strategy - Increase audit coverage (audit activities improve compliance and revenue).

Target #1: Open 20 new audit cases (taxpayers that have not been audited by us in the prior five years).

Status #1: Seventy-eight new audit cases were opened in FY2008 due to an increase in audit staff. These audits will be worked throughout FY2009 in addition to maintaining a target of 20 new audits for that year.

Number of New Audit Cases Opened

Fiscal Year	# of Audit Cases
FY 2008	78
FY 2007	42
FY 2006	5
FY 2005	14
FY 2004	7

Analysis of results and challenges: The Tax Division maintains 100% coverage in oil and gas income and production taxes (and new oil and gas audit subjects are not included in this measure). An audit presence in each of the other tax types improves long-term voluntary compliance as well as generates new audit revenues. Furthermore, once established, audit generated revenues tend to recur as taxpayers modify their reporting to become consistent with the audit findings. Not included in the new audit count are audits of exploration tax credit claims by existing taxpayers. These audits do not meet our definition of "new audits" although they represent new and expanded audit efforts by the division. We exceeded our goal in FY 2008 as a result of new and stable audit staff in the Corporate and Excise tax units. We also limited the scope on several audits, choosing to look at several taxpayers with similar audit issues as opposed to conducting a full audit of a few taxpayers. Limited scope audits not only allow us to audit more taxpayers, but they also allow us to focus on audit issues that have a greater return to the State.

We view twenty new audit subjects annually as an appropriate target and this remains our goal for FY2009.

A2: Strategy - Increase voluntary tax compliance by identifying non-filers.

Target #1: Find 30 non-filers through compliance work.

Status #1: Approximately 309 new taxpayers were identified in FY2008. Most of the new taxpayers were identified through compliance work in the mining license tax. In FY2009 our focus will be on the number of compliance activities conducted versus the number of new taxpayers identified.

New Filers through Compliance

Fiscal Year	# of New Filers
FY 2008	309*
FY 2007	977*
FY 2006	900*
FY 2005	45
FY 2004	38

*Methodology: *Internet tobacco tax compliance project yielded 700 new taxpayers in FY2006 and 868 new taxpayers in FY2007. In FY2008, we discovered several hundred additional tobacco tax taxpayers. However, those taxpayers are not included in the FY2008 numbers as this is an ongoing project that continues to find new taxpayers each year and skews the target for other tax types.*

Analysis of results and challenges: The Tax Division encourages voluntary compliance as the most effective tool for collecting tax revenues. An important aspect of voluntary compliance is for taxpayers to believe that they are paying about the same amount in taxes as other similarly situated taxpayers. Seeking out and finding new taxpayers and bringing them into compliance assists revenue both in long-term voluntary compliance as well as bringing in the revenues from the new taxpayers. The division does not believe there are any major oil and gas taxpayers not filing, but we are pursuing the tax types that constitute the other 20% of its revenue responsibilities. This target and measure does not include federal or multi-state compliance programs in which we currently participate.

In FY2007 and FY2008, we conducted a major taxpayer education and compliance effort with the assistance of the

Department of Natural Resources in the mining license tax program. Our efforts resulted in over 250 new taxpayers in this tax type in FY2008. Although identifying non-filers is an important function of the Division, the number of non-filers identified is not as important as the number of compliance projects initiated. Therefore, in the future, our goal will be to initiate a specific number of compliance projects as opposed to generating new taxpayers.

Target #2: Conduct 5 new compliance projects to identify nonfilers.

Status #2: This is a new measure; data will be reported at the end of FY2009.

Analysis of results and challenges: The Tax Division encourages voluntary compliance as the most effective tool for collecting tax revenues. An important aspect of voluntary compliance is for taxpayers to believe that they are paying about the same amount in taxes as other similarly situated taxpayers. Seeking out and finding new taxpayers and bringing them into compliance assists revenue both in long-term voluntary compliance as well as bringing in the revenues from the new taxpayers. The division does not believe there are any major oil and gas taxpayers not filing, but we are focusing on the tax types that constitute the other 20% of our revenue responsibilities. This target and measure does not include federal or multi-state compliance programs in which we currently participate.

In the past, we measured our performance in this area by the number of new taxpayers brought into compliance. That approach did not take into account the number of tax programs we administer or the number of compliance projects conducted. We also had no control over the performance measure. For example, we could conduct 50 compliance projects and not find a single new taxpayer. This would indicate to us that we have strong compliance amongst our taxpayers and are effectively administering our tax programs. However, since the performance measure was to identify a specific number of new taxpayers, we would have failed to meet the performance objective and it would appear that we are not effectively administering our tax programs. Therefore, we have changed this performance measure to initiate a specific number of compliance projects as opposed to generating a specific number of new taxpayers.

A3: Strategy - Use refund requests as a measure for how effective we are in processing tax returns and return information.

Target #1: Issue 100% of tax refunds within statutory 90-day interest free (grace) period.

Status #1: In FY2008, we issued 99% of tax refunds without incurring interest which was short of our goal, but an increase over FY2007. In FY2009, we will reduce this goal to 98% as we believe, at times, it is in the best interest of the State to take additional time to properly analyze the correctness of a refund request.

Refunds Issued Within 90 Days of Claim

Fiscal Year	% of Refunds Issued
FY 2008	99.0%
FY 2007	97.4%
FY 2006	90.0%
FY 2005	78.63%
FY 2004	79.46%

Analysis of results and challenges: The Tax Division encourages voluntary compliance as the most effective tool for collecting tax revenues. Another important aspect of voluntary compliance is for the taxpayers to believe the division is timely, effective and efficient; and therefore, they are likely to suffer consequences if they are not fair in their dealings with the division. The division is using how well it processes refund requests as a proxy for how well it can process the information and money associated with returns, and then keep track of, retrieve, process and act on that information when requested. The Tax Division believes this is a good test for perceived competence with taxpayers, which in turn is reflected in voluntary compliance.

Our analysis of refund processing performance points to systems and staffing issues as the primary factors in meeting this target. Fully staffed programs supported by new systems met our target. Established programs with leaner staffing models and/or outdated systems failed to meet the target. System improvements were implemented and some increased staffing levels occurred in FY2007 which enhanced our ability to issue refunds faster in that year and in FY2008. In FY2008 we exceeded the previous year of 97.4% of tax refunds issued within the statutory period. We have also learned that it may take longer than 90 days to properly process a refund request and, at times, it makes sense to do so even if we pay interest on the refund. As such, we believe it is appropriate to lower our target from 100% to 98% issuance of tax refunds within 90 days of claim in FY2009.

A4: Strategy - Increase number of audit hours.

Target #1: 2,000 hour increase in audit hours over prior year.

Status #1: Total increase in audit hours for FY2008 was 5,154 which exceeded our goal. This was due to increased audit staff in several units in the Division and opening audits in recently enacted tax programs.

Change in Audit Hours over Prior Year

Fiscal Year	# of Hours
FY 2008	5,154
FY 2007	7,500
FY 2006	(1,741)
FY 2005	(363)

Analysis of results and challenges: Although voluntary compliance remains our best tool for effective tax collection, that voluntary effort is enhanced by an audit presence, and therefore we need to increase our audit numbers.

The FY2005 and FY2006 results reflect auditor attrition, continued diversion of auditors, and unsuccessful recruitment. In FY2007, the Division stepped up recruiting efforts nationally and, although still below market, pay for professional audit staff increased significantly. In FY2006, we developed a comprehensive training plan for corporate tax auditors in coordination with current recruitment efforts under the new class specifications. With the increase in pay and the training plan, we exceeded our target increase in audit hours more than two-fold in FY 2007 and FY 2008.

With increased staff and pay, we expect an additional increase in audit hours in FY2009. However, with auditor resources expected to be focused on special projects, such as regulations for the new oil and gas tax, the projected increase will be minimal.

A5: Strategy - Use collection activity as a measure of how effective we are in administering tax programs.

Target #1: Collect 95% or more of taxes due.

Status #1: 98.5% of taxes were collected in FY2008 compared to taxes due.

Taxes Collected Compared to Taxes Due

Fiscal Year	% of Taxes Collected
FY 2008	98.5%
FY 2007	105.4%
FY 2006	96.0%
FY 2005	98.6%
FY 2004	99.7%

Analysis of results and challenges: This percentage is driven primarily by the Tax Division's collections efforts. In the past, we believed that this percentage was indicative of the Division's compliance efforts. Without the ability to reasonably estimate the amount of unreported taxes due to the state, this percentage is meaningless as a way to measure the Division's compliance efforts. However, an effective collection program can encourage individuals to voluntarily pay taxes owed in a timely manner if they believe that the Division will take steps to enforce payment of taxes. An effective collection program also creates a sense of fairness amongst taxpayers. For example, a taxpayer who voluntarily files a return and pays the taxes owed will continue to do so if that taxpayer knows the Division will take steps to collect taxes owed from taxpayers who fail to voluntarily pay.

A6: Strategy - Use permit application process as a measure for how effective we are in regulating gaming.

Target #1: Reduce the percent of gaming applications that require follow up due to missing and incomplete forms to no more than 35% of all applicants.

Status #1: Due to the implementation of an electronic system in FY2007, we met our goal of no more than 35% in FY2008. This measure will be re-evaluated for FY2009 as we have discovered that this measure is more a function of the sophistication of the taxpayer than it is of the organization and competency of the Tax Division.

Gaming Applications that Require Follow-up

Fiscal Year	% of Applications
FY 2008	34%
FY 2007	42%
FY 2006	35%
FY 2005	36%
FY 2004	39%

Analysis of results and challenges: The Tax Division believes that voluntary compliance is tied to how competent and well organized the division is perceived to be. This measure specifically targets the gaming tax, for which the division also serves as the regulatory body. The Tax Division has created checklists and visual aids to assist applicants for permits in preparing a complete and accurate application the first time each time. The division believed this was a good test by which taxpayers measured our competency which, in turn, would result in both voluntary compliance by the taxpayer and conformance with the gaming laws.

In FY2008, we met our goal of no more than 35% of all applications requiring follow up. This goal was reached for two specific reasons. First, we introduced our online permitting and licensing program to allow permittees to file their permit applications electronically. Second, we initiated an imaging project to digitize all paper application forms. However, with the implementation of these systems, we expected a significant reduction in the amount of follow-up required by the Division which did not occur. We realized that this measure is more an indication of the sophistication of the taxpayer than it is of the organization and competency of the Division. As such, we will not identify this component as a performance measure in the future.

A7: Strategy - Utilize investigators to conduct inspections of and educate the gaming community on Alaska's charitable gaming laws.

Target #1: Conduct 50 gaming inspections each year.

Status #1: This is a new measure; data will be reported at the end of FY2009.

Analysis of results and challenges: The Tax Division believes that voluntary compliance is tied to how knowledgeable our taxpayers are about a specific tax program and if there are consequences for failing to comply with tax laws. This measure specifically targets the gaming tax, for which the division also serves as the regulatory body. The Tax Division conducts routine inspections of gaming operators and permittees to ensure that they are conducting gaming activities as required by law. During inspections, the taxpayer has the opportunity to ask questions about the gaming program and the investigator can educate the taxpayer about the gaming laws. We believe that routine inspections are a good way to promote voluntary compliance and conformance to gaming laws.

Key Component Challenges

- Recruiting, training, and retaining professional staff.
- Developing regulations and implementing reporting systems for Alaska's Clear and Equitable Share (ACES) legislation – the new oil and gas production tax.
- Maintaining the integrity of core tax programs in the face of resource demands from major revenue and investment initiatives.
- Contributing to efforts to start large-scale natural gas development in-state and commercialization of North Slope natural gas reserves, in particular, through the Governor's Alaska Gasline Inducement Act (AGIA).
- Providing assistance to the governor and legislature in continually evaluating current and potential revenue sources and improving the quality of the financial data collected to support revenue forecasts with the goal of developing a stable fiscal policy for the state.
- Estimating oil and gas revenues in light of the highly volatile oil and gas market coupled with uncertainties in the U.S. economy.
- Creating and implementing education programs to ensure that Alaskans understand and comply with Alaska's tax laws.
- Creating and modernizing information management systems.

Significant Changes in Results to be Delivered in FY2010

- The Tax Division will work to streamline its examination, audit, appeals, reporting and accounting functions by identifying and computerizing all manual processes and incorporating all functions into one integrated system. In doing so, the end result of maximizing compliance with tax and gaming statutes will be furthered by providing accurate and timely tax data for management and audit purposes, and focusing staff time on accomplishing the mission of the division, to collect state taxes.
- The Tax Division will analyze and overhaul its collections program in an effort to collect and reduce outstanding tax liabilities owed to the state in a timely manner.
- The Tax Division will continue to restore functionality of core programs and services and insulate core services from erosion by major initiatives. The division's end result of maximizing compliance with tax and gaming statutes is directly related to its ability to focus on core services which includes audits, accounting and collections, and compliance programs.
- The Tax Division will conduct more taxpayer education activities in an attempt to increase voluntary compliance in all tax types.
- The Tax Division will work to streamline its examination, audit, appeals, reporting and accounting functions by identifying and computerizing all manual processes and incorporating all functions into one integrated system.

Major Component Accomplishments in 2008

- Assisted the governor in the drafting and passage of Alaska's Clear and Equitable Share (ACES) legislation – the new oil and gas production tax designed to provide Alaska its fair share of oil and gas revenues while providing incentives for future exploration and production activities in the state.
- Developed and adopted regulations regarding prevailing value and monthly reporting requirements for ACES and for the cruise ship gambling tax.

- Continued to provide critical resources in support of the governor's gas line legislation.
- Continued to assist the legislature and the governor in dealing with fiscal issues and other legislation, and provided information and testimony on AGIA, oil and gas production tax, mining license tax, vocational education credits, fisheries tax credits, film production tax credits, tire fees, and charitable gaming.
- Continued recruitments for the auditor series positions: Corporate Income Tax Auditors responsible for the Alaska corporate net income tax; Oil and Gas Revenue Auditors responsible for production tax; and Tax Auditors responsible for other taxes and assessments. The Division recruited and trained seven production tax auditors, three tax auditors and one corporate income tax auditor during FY2008. In addition, we hired one oil and gas revenue specialist and one audit master to focus on oil and gas tax matters.
- Successfully implemented the Voluntary Disclosure Program in corporate income tax which resulted in agreements with 13 taxpayers covering 46 tax years.
- Completed a compliance project for sand and gravel mining license tax, and developed and presented a mining license tax course for the Alaska Miners Association conferences held in Anchorage and Fairbanks.
- Successfully defended the basis for the State's tax year 2008 property tax assessment of Trans-Alaska Pipeline System (TAPS) on appeal before the State Assessment Review Board.
- Assisted in the governor's initiative to suspend the motor fuel tax for one year.
- Obtained special commissions from the Department of Public Safety for our five investigators that allow them to serve search warrants and write citations for violations of tax law.
- Developed a web portal to allow online filing of Commercial Passenger Vessel Excise Tax and Large Passenger Vessel Gambling Tax returns.

Statutory and Regulatory Authority

AS 04.11*	Alcoholic Beverages – Licensing
AS 05.15	Games of Chance and Contests of Skill
AS 05.16	Games of Chance and Contests of Skill on Ships Operating on Waters within the Jurisdiction of Alaska
AS 10.25*	Electric and Telephone Cooperative Act
AS 16.51	Alaska Seafood Marketing Institute
AS 43.05	Administration of Revenue Laws
AS 43.10	Enforcement and Collection of Taxes
AS 43.19	Multi-state Tax Compact
AS 43.20	Alaska Net Income Tax Act
AS 43.31	Estate Tax Law of Alaska
AS 43.40*	Motor Fuel Tax
AS 43.50	Tobacco Taxes and Sales
AS 43.52*	Transportation Taxes
AS 43.55	Oil and Gas Production Tax and Oil Surcharge
AS 43.56	Oil and Gas Exploration, Production, and Pipeline Transportation Property Taxes
AS 43.60	Excise Tax on Alcoholic Beverages
AS 43.65	Mining License Tax
AS 43.75*	Fisheries Business License and Taxes
AS 43.76	Fisheries Taxes and Assessments
AS 43.77*	Fishery Resource Landing Tax
AS 43.80	Salmon Price Reports
AS 43.82	Alaska Stranded Gas Development Act
AS 43.98	Miscellaneous Provisions
AS 42.05	Alaska Public Utilities Regulatory Act
AS 42.06	Pipeline Act
26 U.S.C. 38	Internal Revenue Code

15 AAC 05 Administration of Revenue Laws
15 AAC 10 Enforcement
15 AAC 19 Multi-state Tax Compact
15 AAC 20 Alaska Net Income Tax
15 AAC 40 Motor Fuel Tax
15 AAC 50 Cigarette Tax
15 AAC 52 Transportation Taxes
15 AAC 55 Oil and Gas Properties Production Tax
15 AAC 56 Oil and Gas Exploration, Production and Pipeline Transportation Property Tax
15 AAC 60 Excise Tax on Alcoholic Beverages
15 AAC 65 Mining License Tax
15 AAC 75 Fisheries Business Tax
15 AAC 76 Salmon Enhancement Tax
15 AAC 77 Fishery Resource Landing Tax
15 AAC 80 Salmon Prices
15 AAC 98 Tire Fees
15 AAC 116 Fish and Game Licensing and Seafood Marketing Assessment
15 AAC 160 Authorized Games of Chance and Skill

* Statutes provide for sharing taxes and fees

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**Tax Division
Component Financial Summary**

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	9,236.4	10,520.4	11,142.8
72000 Travel	404.0	261.5	256.5
73000 Services	2,584.1	2,925.0	2,923.5
74000 Commodities	455.8	127.0	126.5
75000 Capital Outlay	25,114.5	0.0	0.0
77000 Grants, Benefits	0.0	100.0	55.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	37,794.8	13,933.9	14,504.3
Funding Sources:			
1004 General Fund Receipts	36,817.2	12,988.0	13,585.4
1005 General Fund/Program Receipts	753.0	622.9	643.0
1007 Inter-Agency Receipts	11.7	37.0	37.0
1061 Capital Improvement Project Receipts	94.2	171.0	121.0
1105 Alaska Permanent Fund Corporation Receipts	77.1	79.2	82.1
1156 Receipt Supported Services	41.6	35.8	35.8
Funding Totals	37,794.8	13,933.9	14,504.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	1,612.0	1,700.0	1,700.0
Unrestricted Total		1,612.0	1,700.0	1,700.0
Restricted Revenues				
Interagency Receipts	51015	11.7	37.0	37.0
General Fund Program Receipts	51060	753.0	622.9	643.0
Receipt Supported Services	51073	41.6	35.8	35.8
Capital Improvement Project Receipts	51200	94.2	171.0	121.0
Permanent Fund Earnings Reserve Account	51373	77.1	79.2	82.1
Restricted Total		977.6	945.9	918.9
Total Estimated Revenues		2,589.6	2,645.9	2,618.9

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	13,610.9	0.0	323.0	13,933.9
Adjustments which will continue current level of service:				
-Reverse Fiscal Note for Salmon Product Development Tax Credit CH8 SLA08 (HB321)(CH27 SLA08 P48 L25)(HB310)	-7.0	0.0	0.0	-7.0
-Reverse FY09 Compensation of Municipalities for Loss of Motor Fuel (Aviation) Tax Shared Revenue 4SSLA CH 1 Sec 7	-100.0	0.0	0.0	-100.0
-Restore Funding for Alaska Salmon Price Report	50.0	0.0	-50.0	0.0
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	419.5	0.0	2.9	422.4
Proposed budget increases:				
-FY10 Compensation of Municipalities for Loss of Motor Fuel (Aviation) Tax Shared Revenue 4SSLA CH 1 Sec 7	55.0	0.0	0.0	55.0
-Fund 4th Audit Master Position Approved in FY09	200.0	0.0	0.0	200.0
FY2010 Governor	14,228.4	0.0	275.9	14,504.3

**Tax Division
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	121	121	Annual Salaries	8,100,681
Part-time	1	1	COLA	321,583
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	4,078,006
			Less 10.86% Vacancy Factor	(1,357,470)
			Lump Sum Premium Pay	0
Totals	122	122	Total Personal Services	11,142,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	1	0	1	0	2
Accountant IV	0	0	1	0	1
Accounting Clerk	0	0	1	0	1
Accounting Spvr II	0	0	1	0	1
Accounting Tech II	0	0	1	0	1
Accounting Tech III	0	0	3	0	3
Administrative Assistant I	1	0	0	0	1
Administrative Assistant II	1	0	1	0	2
Administrative Clerk II	0	0	3	0	3
Administrative Clerk III	1	0	2	0	3
Administrative Officer I	0	0	1	0	1
Analyst/Programmer I	0	0	2	0	2
Analyst/Programmer III	0	0	1	0	1
Analyst/Programmer IV	0	0	3	0	3
Assistant Chief Economist	0	0	1	0	1
Audit Master	4	0	0	0	4
Chief of Revenue Operations	0	0	1	0	1
Chief, Revenue Economic Researc	1	0	0	0	1
Corporate Income Tax Audit I	2	0	0	0	2
Corporate Income Tax Audit II	2	0	0	0	2
Corporate Income Tax Audit III	1	0	0	0	1
Corporate Income Tax Audit IV	3	0	0	0	3
Data Processing Mgr I	0	0	1	0	1
Deputy Director, Tax Division	1	0	0	0	1
Director, Tax Division	1	0	0	0	1
Economist III	0	0	2	0	2
Gas Pipeline Coordinator	1	0	0	0	1
Income & Excise Tax Specialist	1	0	0	0	1
Investigator III	4	0	0	0	4
Investigator IV	1	0	0	0	1
Microfilm/Imaging Oper II	0	0	1	0	1
Oil & Gas Revenue Auditor I	3	0	0	0	3
Oil & Gas Revenue Auditor II	1	0	0	0	1
Oil & Gas Revenue Auditor III	4	0	0	0	4
Oil & Gas Revenue Auditor IV	7	0	0	0	7
Oil & Gas Revenue Specialist	1	0	0	0	1

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Petroleum Economist I	2	0	0	0	2
Petroleum Economist II	3	0	0	0	3
Prog Coordinator	0	0	1	0	1
Revenue Appeals Officer I	3	0	0	0	3
Revenue Appeals Officer II	1	0	0	0	1
Revenue Appeals Supervisor	1	0	0	0	1
Revenue Audit Supvr I	1	0	2	0	3
Revenue Audit Supvr II	4	0	0	0	4
State Petro Prop Assess	1	0	0	0	1
Systems Programmer II	0	0	1	0	1
Tax Auditor I	1	0	1	0	2
Tax Auditor II	1	0	0	0	1
Tax Auditor III	5	0	0	0	5
Tax Auditor IV	2	0	0	0	2
Tax Technician I	0	0	2	0	2
Tax Technician II	2	0	3	0	5
Tax Technician III	8	0	6	0	14
Tax Technician IV	0	0	2	0	2
Totals	77	0	45	0	122