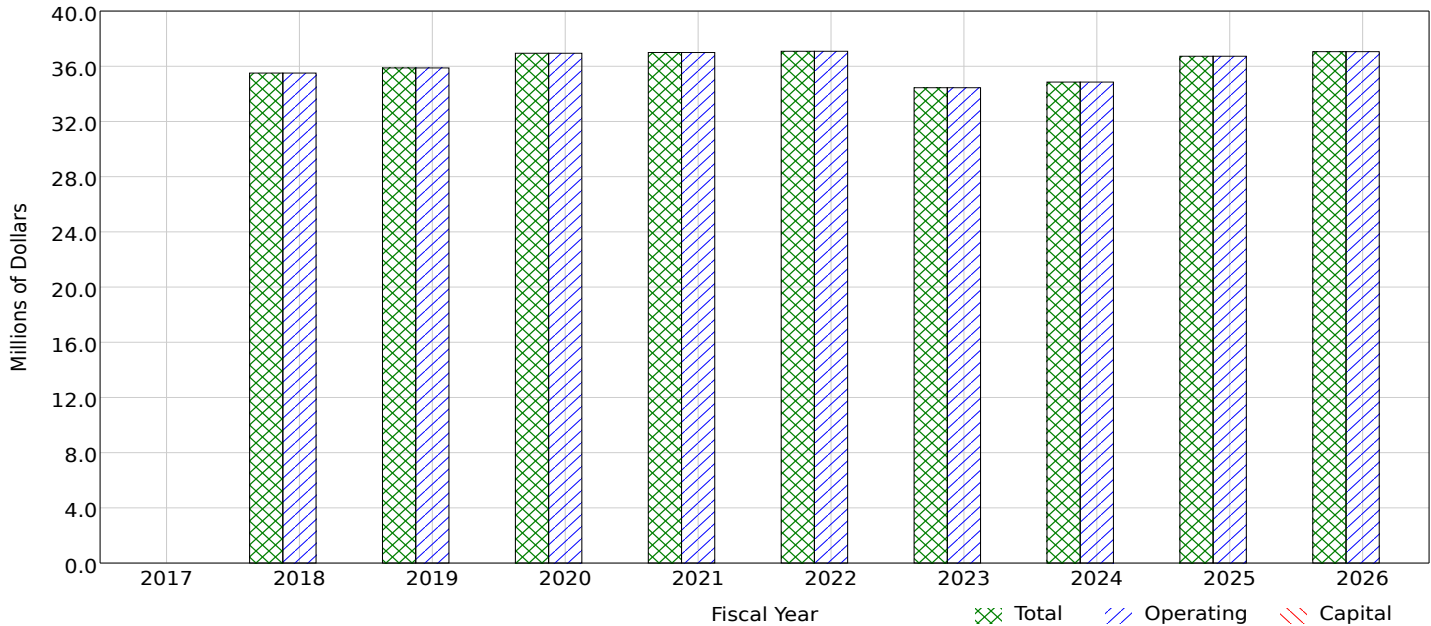


Fund Source Report

1249 Motor Fuel Motor Fuel Tax Receipts

Year Authorized 2018 Year Repealed Active? Yes Mental Health? No Duplicated? No Fund Group Designated General

Operating and Capital Appropriations



Legal Authority

AS 43.40.010(f)(g)(j)

Source of Revenue

Taxes levied on fuel for watercraft (f), road vehicles (g) and off-road vehicles (j) are directed to three separate accounts in the general fund.

Restrictions on Use

Sections (f), (g) and (j) designate tax receipts for (1) water and harbor facilities, (2) maintenance of highways and construction of highway projects and ferries, and (3) trail staking and shelter construction and maintenance, respectively.

Description and History

December 2016

This code was established in response to a Governor's bill creating a transportation maintenance fund. After review of the bill, it was clear that motor fuel tax receipts had historically been misclassified as unrestricted general funds. AS 43.40.010 (g), (h), and (j) direct taxes levied on fuel for watercraft (f), road vehicles (g) and off-road vehicles (j) to three separate accounts in the general fund and designate those accounts for

- (1) water and harbor facilities,
- (2) maintenance of highways and construction of highway projects and ferries, and
- (3) trail staking and shelter construction and maintenance.

Reclassification of motor fuel tax receipts--except aviation fuel (code 1239) which is dedicated for aviation use--as designated general funds resulted in a \$35 million reduction in UGF revenue in FY18 and a corresponding increase in DGF spending and revenue.

July 2017

The bill proposed by the Governor did not pass, but the fund code will be retained and (non-aviation) motor fuel tax receipts will still be classified as DGF per existing statutes.

The three accounts use a single fund code, and DOT&PF is expected to track revenue and expenditures for each of the three purposes independent of the budget system, as the Department of Fish and Game does for the multiple accounts in the Fish and Game fund.