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Media Contact: Genevieve Wojtusik,
Special Assistant, (907) 465-6829

Department of Revenue Prepares for Full Government Shutdown

Juneau – Commissioner Randall Hoffbeck announced today that the Department of Revenue (DOR) is working with the Department of Law to analyze the potential impacts of a government shutdown on DOR services. DOR will continue limited functions that ensure the life, health, and safety of Alaskans. These functions include certain services by the Alaska Housing Finance Corporation to oversee public housing units, processing of child support payments to custodial parents, and the work of the Long Term Care Ombudsman’s Office on emergent medical and care issues. Although likely operational, these services could be delayed based on reduced staffing.

With reduced staffing, DOR will also continue minimal functions to preserve the state’s financial assets such as those managed by the Alaska Permanent Fund Corporation and the Alaska Retirement Management Board. The State will miss out on investment opportunities and growing these funds if a shutdown occurs. All other services provided by DOR will be reduced or cease entirely pending passage of a budget.

The following services will likely not be available for the duration of the shutdown:

- The Permanent Fund Dividend Division – Dividend application processing and review will cease, as eligibility technicians will not be available to work with applicants. Depending on the length of a shutdown, the dividend payment timeline may be delayed for 2017.
- The Child Support Services Division - All new and active child support casework will likely cease. Customer service centers will likely be closed and unable to address phone questions or respond to written correspondence. While limited services will be maintained to collect and process payments for custodial parents, the division will be unable to accept in-person cash payments.
- The Tax Division – Pending system availability electronic tax payments will be accepted into state accounts, however there may be no staff available for processing those electronic deposits or handling of cash deposits. Auditing of taxes related to Oil & Gas, Corporate Income, Alcohol, Fisheries, Charitable Gaming, Tobacco, and others will likely cease. New tax licensing and processing for mining, alcohol, tobacco, fisheries, and charitable gaming would not be available. In the event of a prolonged shutdown, the division will be unable to issue cigarette tax stamps or pull tabs and those items could not legally be sold.
- Criminal Investigations Unit – Current investigations into suspected PFD and Tax fraud would be suspended.
- Unclaimed Property - All services will cease. The public will be unable to access information regarding suspected missing money or property that they may be entitled to.

This year's preparations for a government shutdown are different than in 2015, when the legislature had passed a partially funded budget. This year, money has not been appropriated for any government services. As a government shutdown in Alaska is unprecedented, Department of Law is examining what money could be spent to continue vital state services if the legislature has not fulfilled its constitutional obligation to pass a budget.
