

PRELIMINARY ESTIMATES OF TAXABLE GROSS RECEIPTS IN ANCHORAGE

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Eric Larson
Revenue Analyst
Treasury Division
Municipality of Anchorage

For preliminary analyses of the proposed gross receipts tax, I recommend using the estimate of \$18.5 billion in taxable gross receipts in 2006 in the Municipality of Anchorage. This preliminary estimate is not precise -- the actual amount of taxable gross receipts could be as much as 10% to 20% higher or lower. Part of the reason for this uncertainty is due to the imprecision of available data from the US Economic Census. In addition, there are uncertainties about how businesses and consumers might respond if the Municipality enacted a gross receipts tax. The remainder of this memo summarizes the components of gross receipts, the gross receipts by industry, the data sources and methods for these estimates of gross receipts, and the major uncertainties of this estimate.

A. Components of Taxable Gross Receipts

This estimate of \$18.5 billion in taxable gross receipts is the mid point between a high and low estimate of taxable gross receipts as listed in Table 1. These high and low estimates reflect the approximate range of precision based on data from the US Economic Census. The responses of businesses and consumers to this new tax could further increase taxable revenues as much as 10% above the high estimate or decrease taxable receipts 10% below the low estimate reported in Table 1.

These high and low estimates of taxable gross receipts exclude the receipts that may be exempted -- including sole proprietors (businesses with no employees), businesses that already have sales or gross receipts taxes (hotels and motels, tobacco distributors, and rental vehicles), all establishments that are exempt from paying federal income tax, and the first \$100k of gross receipts of establishments with employees. These estimates of taxable gross receipts also does not include the receipts of local, state, and federal government because these governments would not pay the gross receipts tax.

Table 1: Preliminary Estimates of Gross Receipts in Anchorage in 2006 (billions of dollars)		
	Low	High
Total Gross Receipts	\$20.2	\$23.2
Possible Exemptions		
Sole proprietors with no employees	\$0.8	\$0.8
Industries that are already taxed (hotels, tobacco, rental cars)	\$0.3	\$0.3
Establishments exempt from paying federal income tax (non profit firms and religious organizations)	\$1.2	\$1.2
\$100k exemption for all firms with employees	\$0.8	\$0.8
Taxable Gross Receipts with these possible exemptions	\$17.0	\$20.1

B. Taxable Gross Receipts by Industry

To estimate total gross receipts in the city, I developed separate estimates of the gross receipts in each major industry, as listed in Table 2. The industries with the largest taxable gross receipts are retail trade (about \$4.5 billion), wholesale trade (about \$2.9 billion), construction (about \$2.2 billion), and transportation and warehousing (about \$2.0 billion). These four industries contribute about 62% of the total gross receipts in the city.

Table 3 summarizes the methods and data sources I used to estimate gross receipts for each industry. For most of these industries, I relied extensively on estimates of sales, revenues, receipts, or value of shipments from the 2002 US Economic Census. This Census data is based on a survey of nearly all large employers in the city and a survey of a sample of smaller firms in the city. The Census Bureau conducts their Economic Census every five years. The data from the 2002 Census is the most recent available; and the data from the next Economic Census will not be available until 2008.

As part of their “geographical area” report series, the US Economic Census publishes economic data for Alaska and its subdivisions (like the Municipality of Anchorage). The Census tabulates the data for Alaska and its subdivisions into a separate “industry” report for each of these industries:

- Mining
- Utilities
- Construction
- Manufacturing
- Wholesale trade
- Retail Trade
- Transportation and Warehousing
- Information
- Finance and Insurance
- Real Estate Services

- Professional, Scientific, and Technical Services
- Management Companies
- Administrative and Support and Waste Management and Remediation Services
- Educational Services
- Health Care
- Arts and Entertainment
- Accomodation and Food
- Other Services

In each of these industry reports, the Census reports total revenues for different geographic regions -- for the state as a whole, for the Anchorage Mat-Su Metropolitan Statistical Area (MSA), and for the Municipality of Anchorage. In many cases, the Census reports total revenues data for an industry for the state as a whole, but the Census does not report revenues for an industry in smaller subdivisions (such as the Municipality of Anchorage). In these cases the Census indicates that the data is “suppressed” and the entry in the report tables is the letter “D” instead of the actual revenue number. The Census suppresses the data because publishing the data could reveal confidential information about particular firms. Because of this data suppression, the 2002 US Economic Census reports data on the receipts in Anchorage for only some industries. For other industries, the Census reports receipts only for the broader Anchorage-Mat-Su MSA region. In other industries, there is data for receipts only for the state as a whole, or there is no unsuppressed data available at all. The second column in Table 3 lists the data reported in the Census documents for Alaska for each industry.

1. Industries with Census estimate of receipts in Anchorage

When there is data available for Anchorage from the Census industry reports, I start with this estimate. But these estimates are not completely reliable because the US Economic Census is not a complete “census” of all firms. The economic census relies on survey techniques and approximations that may lead to imprecise and possibly inaccurate estimates for some industries. In order to identify which Census estimates or receipts for Anchorage may be inaccurate, I compared the estimates of payroll for each industry as reported in the US Economic Census with the more reliable estimates of wages and salaries from the Alaska Department of Labor. For some large industries, such as education services and health services, the estimates of payroll and wages and salaries from these two different sources are substantially different.

I have scaled the estimates of gross receipts from the Census to account for these disparities in payroll and wages and salaries from the Alaska Department of Labor. However, I have not resolved why the Economic Census estimates of payroll are so different from Alaska DOL wages and salaries for these industries. For this reason, these preliminary estimates of gross receipts are limited in their precision and may be higher or lower. The high and low estimates listed in Table 1 and Table 2 reflect this range of measurement precision based on available data.

2. Industries with Census estimate of receipts for regions or state as a whole.

When there is no data available from the Census for gross receipts in Anchorage for a particular industry, I rely on either the Census estimate of gross receipts for the Anchorage-Mat-Su MSA region or for the state as a whole. I multiply these Census estimates of regional or state gross receipts by the Anchorage share of wages and salaries in either the region or state. I rely on estimates of wages and salaries from the Alaska Department of labor to calculate these Anchorage wage shares.

3. Industries with no receipts data available from the Census

For four industries – construction, utilities, finance, and information – there are no estimates of receipts available for Anchorage, the Anchorage Mat-Su MSA, or the state as a whole from the US Economic Census. In all of these cases, the data is suppressed for confidentiality or the Census Bureau does not have sufficient responses from its surveys to reliably estimate receipts in Anchorage.

Because there was no US Economic Census data, I used alternative methods to estimate gross receipts. To estimate gross receipts for finance and information, I developed estimates of the ratio between receipts and wages and salaries based on a subset of smaller industries within each of these industry groups. Then I multiplied these ratios by the total wages and salaries in these industries. For the construction industry, I relied on information from the UAA-ISER publication “Alaska’s Construction Spending 2006 Forecast,” to estimate construction gross receipts in Anchorage. For estimates of receipts in the “utilities” industry, I relied on estimates of electricity sales and natural gas consumption and prices from the UAA-ISER study, "Alaska Electric Power Statistics, 1960-2001," published in 2003 Table 2.4a and Table 2 and Table 3 in "Alaska Energy Balance."

All of these special estimates are approximations based on the best available measures and studies. However, because of the inherent limit of the available data, the actual gross receipts could be substantially larger or smaller than these preliminary estimates. When using these estimates of gross receipts, keep in mind this imprecision and possible range of the actual values.

4. Projecting historical estimates of gross receipts to 2005

The data from the 2002 US Economic Census is for 2002. To estimate the gross receipts in more recent years, I used total wages and salaries as reported by the Alaska Department of Labor. The most recent year with complete data for all quarters from the Alaska Department of Labor is 2005. I estimated gross receipts in 2005 by multiplying the estimate of gross receipts in 2002 by the ratio of total wages and salaries in 2005 divided by total wages and salaries in 2002. This projection method assumes that the ratio between receipts and wages and salaries is constant over time. For a short period of a few years, this is a reasonable assumption, but over longer periods, changes in

technology or changes in industrial structure would change the ratio of receipts to wages and salaries.

5. Projecting gross receipts in 2006, 2007, and 2008

To project the estimates of gross receipts in 2005 to 2006 and future years, I relied on forecasts of employment growth from the Alaska Economic Trends article “Employment Forecast for 2007 and 2008,” by Dan Robinson, Neal Fried, Neal Gilbertson, and Brigitta Windsch-Cole, January 2007. This article presents forecasts of employment growth for each major industry in Anchorage for 2006, 2007, and 2008. I assume that wages and salaries will grow at the rate of growth of total employment plus the rate of growth of inflation (about 3.2% in 2006). To estimate gross receipts in 2006, I scaled the estimates of gross receipts for 2005 for employment growth and for changes in prices (about 3.2%). These estimates of gross receipts for 2006 are those reported in Table 1 and Table 2 above.

Using the employment forecasts for 2007 and 2008, I estimate that gross receipts for 2007 would be about 3.8% higher in 2007 (about \$19.2 billion constant 2007 dollars) and about 2.9% higher in 2008 (\$19.8 billion constant 2007 dollars). Notably, these future estimates of gross receipts are in “constant 2006 dollars” and do not include the effects of inflation. When comparing dollar estimates such as these across time, it is appropriate to remove the effects of inflation and measure all figures in constant (or real) dollars.

6. Receipts of Non-Employees

The estimates of receipts available from the 2002 US Economic Census are for only firms with employees. In addition, there are many sole proprietors that do not have employees, but do collect revenues from sales of goods or services in the city. To estimate the receipts of these “non-employers,” I relied on 2004 data from the US Census Bureau “Non-Employer Statistics” program. This data is based on information reported by sole proprietors on their federal income tax returns filed with the Internal Revenue Services.

Like the 2002 US Economic Census, the data from the 2004 “Non-Employer Statistics” program is available for each major industry in Alaska and geographic subdivisions. I have scaled the non-employer data for 2004 by the percent change in wages and salaries for each industry from 2004 to 2006 in order to estimate gross receipts in 2006.

The fourth column in Table 2 lists these estimates of sole proprietor receipts in 2006 for each industry in Anchorage. Many, but not all, of these receipts of sole proprietors would likely be exempt from paying a gross receipts tax if there were an exemption for firms with gross receipts below \$100,000. However, there may be some sole proprietors with gross receipts above \$100,000 that would not be exempt. I

currently do not have reliable estimates of how much revenues these non-exempt sole proprietors received.

7. Receipts for products that are already taxed

Currently the city has a 6.93 cents per cigarette excise tax on cigarettes, a 12% sales tax on hotel and motel rooms, and an 8% special sales tax on rental vehicles. I used data from the Municipality of Anchorage Treasury Division databases to estimate the total receipts from the sales from tobacco, hotel rooms, and rental vehicles in the city. These receipts may be exempt from a gross receipts tax because they are already taxed by existing taxes. The fifth column in Table 2 lists these gross receipts from the sales products already taxed.

8. Receipts of Establishments that are Not Subject to Federal Income Tax

The 2002 US Economic Census industry reports list separately the receipts of establishments that are exempt from paying federal income tax. I use these estimates from the 2002 US Economic Census to estimate the amount of receipts in 2006 in each industry in the Municipality that is exempt from paying federal income taxes. These receipts of firms exempt from federal income tax may also be exempt from a local gross receipts tax. The sixth column in Table 2 lists estimates of the receipts for each industry that are exempt from federal income taxes.

9. Exemption for first \$100,000 for each establishment

Larger establishments may be allowed to exempt the first \$100,000 of gross receipts from the proposed gross receipts tax. To estimate the total amount of receipts that would be exempt by this provision, I relied on estimates of the total number of establishments with employees reported to the Alaska Department of Labor. As a first approximation, I assume that each one of these establishments has receipts of at least \$100,000. Then for each industry, the total amount of receipts that would be exempt is the total number of establishments in the industry multiplied by \$100,000. This is a high estimate because some firms may actually have less than \$100,000 receipts in total and they would not be able to take the full \$100,000 exemption. I currently do not have reliable estimates of the number of establishments with employees that have gross receipts below \$100,000.

C. Limitations of these Gross Receipts Estimates

These estimates are imprecise because of limitations of the data, including the following:

- The definition of sales, revenues, receipts, or value of shipments varies across industries. I have relied on the definitions developed by the Census Bureau, but have not ensured that these measures are comparable across industries.

- The data in the Census is self-reported by firms and the Census does not verify all entries.
- The Census classifies establishments into a single line of business even though an establishment may engage in several different types of activity. Therefore, the Census Bureau may allocate all of their activity to a single industry, overstating the receipts in that industry and understating the receipts in another.
- The Census sends a survey form to all large employers and a sample of small firms. They do not send forms to small employers below a threshold and they do not send forms to non-employers. They approximate the receipts for establishments that do not receive surveys.
- For some large industries (such as construction), there is no reliable data for the entire state available from the US Census. I have used other reports and pieces of information from parts of these industries to approximate gross receipts.
- For some industries, the payroll reported in the US Economic Census do not reasonably correspond to the total wage and salaries for the industry reported by Alaska Department of Labor. In these cases, I have adjusted the US Census data to correspond to the more reliable data from the Department of Labor; but I have not resolved why the measures are different for all industries.
- The Census conducted the last economic Census in 2002 and the Census will publish results from the next economic census in 2008. I have projected the estimates from 2002 forward to 2007 based on the growth of wages and salaries in each industry (from the Alaska Department of Labor). The growth in wages and salaries may not accurately reflect the growth in gross receipts, especially for some industries with substantial changes in technology or modes of production (such as information).

D. Uncertainties about how Businesses and Consumers could change their behavior

The exact amount of taxable gross receipts depends on how businesses and consumers respond to the tax and find alternative sources for goods. Here are a few examples of how consumer and business behavior could affect the level of taxable gross receipts.

- Taxable receipts could be less because businesses could find ways to buy wholesale items from outside the Municipality and avoid the tax.
- Consumers may find ways to purchase goods online or by mail order from businesses outside the city and avoid the tax.
- Local businesses may vertically integrate to avoid tax.

- Consumers could make large purchases outside the city. For example, they may buy cars in Mat-Su. There are about \$1 billion in total taxable receipts for these types of large purchases.
- The tax would pyramid from one stage of production to the next. This could increase the total tax receipts.
- As the tax is included in the price of goods and services, consumers and businesses may substitute to other goods and services within the economy and change the level of gross receipts.
- Businesses may relocate their headquarters outside the city but continue operations within the state.

E. Reasonableness Check

The amount of gross receipts is much larger than other measures of activity in the local economy. For example, the \$18.5 billion in gross receipts is three times larger than the \$6.1 billion in wages and salaries reported by the Alaska Department of Labor for Anchorage in 2005. Total gross receipts in the city are also substantially larger than the \$11.2 billion in personal income reported for 2005 by the US Bureau of Economic Analysis in the “Local Area Personal Income” reports.

The primary reason that gross receipts are so much larger than these alternative measures of economic activity is that gross receipts includes the dollar value of *all* transactions within the local economy. In particular, it includes both the dollar value of all of sales *between* local businesses as well as the dollar value of all sales to local consumers, to visitors, and to businesses outside the city. The dollar value of the transactions between local businesses are substantial, and are commonly called the “multiplier” effect or the “responding” in the economy.

**Table 2: High and Low Estimates of Taxable Gross Receipts by Industry in Anchorage in 2006
(billions of dollars)**

Industry	Total Gross Receipts		Exemptions				Taxable Gross Receipts with these exemptions	
	Low	High	Receipts of Sole Proprietors with no Employees	Sales that are Already Taxed by Tobacco tax, Bed Tax, and Rental Vehicle Tax	Establishments that are currently exempt from paying Federal Income Tax	Each Establishment with Employees are exempt from tax on the first \$100k of their Receipts	Low	High
Agriculture, Forestry, and Fishing	0.02	0.02	0.02	-	-	0.002	0.004	0.004
Mining	0.13	0.13	-	-	-	0.01	0.13	0.13
Utilities	0.44	0.50	0.00	-	-	0.00	0.44	0.49
Construction	2.43	2.43	0.11	-	-	0.10	2.22	2.22
Manufacturing	0.36	0.47	0.01	-	-	0.02	0.33	0.45
Wholesale trade	2.77	3.29	0.03	0.04	-	0.04	2.66	3.18
Retail Trade	4.33	4.91	0.06	-	-	0.09	4.18	4.76
Transportation and Warehousing	2.08	2.08	0.03	0.06	-	0.03	1.96	1.96
Information	0.75	0.79	0.01	-	-	0.01	0.73	0.77
Finance and Insurance	1.00	1.00	0.03	-	-	0.04	0.93	0.93
Real Estate Services	0.66	0.73	0.20	-	-	0.03	0.43	0.50
Professional, Scientific, and Technical Services	1.30	1.43	0.14	-	0.02	0.10	1.03	1.17
Management Companies	0.02	0.02	-	-	-	0.00	0.02	0.02
Administrative and Support and Waste Management	0.60	0.94	0.02	-	-	0.05	0.52	0.86
Educational Services	0.04	0.15	0.01	-	0.02	0.01	0.004	0.11
Health Care	1.79	2.66	0.07	-	1.02	0.08	0.62	1.50
Arts and Entertainment	0.17	0.18	0.02	-	0.04	0.01	0.10	0.10
Accommodation and Food	0.82	0.93	0.02	0.17	-	0.06	0.57	0.68
Other Services	0.44	0.57	0.06	-	0.13	0.09	0.16	0.29
Total	20.2	23.2	0.8	0.3	1.2	0.8	17.0	20.1

Table 3: Summary of Available Data, Methods, and Sources for estimating Gross Receipts in for Each Industry in Anchorage.

Industry	Data available for these regions from 2002 US Economic Census	Method
Agriculture, Forestry, and Fishing	Non employers only	Sum of non-employer receipts from US Census in 2004 plus wages and salaries from DOL. Increase this estimate of 2004 receipts proportional to change in total wages and salaries from 2004 to 2005 (from Alaska DOL). Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Mining	Statewide only	Anchorage share of statewide wages and salaries in (from AkDOL) multiplied by statewide receipts in 2002 for Mining other than Oil and Gas and Mining Support Services (from US Census). Increase these estimates of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from AkDOL). Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Utilities	None for state or regions.	Special estimate of sales of electricity and natural gas derived from electric power sales and gas consumption. Increase these estimates of 2001 receipts proportional to change in total wages and salaries from 2001 to 2005 (from AkDOL). Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Construction	None for state or regions.	Special estimates of receipts in 2006 based on Anchorage share of total statewide construction spending as reported in ISER study "Alaska's Construction Spending : 2006 Forecast."
Manufacturing	Anchorage	Receipts in 2002 from US Economic Census scaled by the ratio of Alaska DOL wages and salaries to US Census estimate of Payroll in 2002. The "high estimate" of receipts for this industry is based on the receipts estimate from the US Census. The "low estimate" is the estimate of receipts after it has been scaled by the ratio of wages and salaries (from AkDOL) to payroll (from the US Census). Increase these high and low estimates of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL). Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Wholesale trade	Anchorage	Receipts in 2002 from US Economic Census scale by ratio of Alaska DOL wages and salaries to US Census estimate of Payroll. The "high estimate" of receipts for this industry is based on the receipts estimate from the US Census. The "low estimate" is the estimate of receipts after it has been scaled by the ratio of wages and salaries (from AkDOL) to payroll (from the US Census). Increase this estimate of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL)
Retail Trade	Anchorage	Receipts in 2002 from US Economic Census scale by ratio of Alaska DOL wages and salaries to US Census estimate of Payroll. The "low estimate" of receipts for this industry is based on the receipts estimate from the US Census. The "high estimate" is the estimate of receipts after it has been scaled by the ratio of wages and salaries (from AkDOL) to payroll (from the US Census). Increase these high and low estimates of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL)
Transportation and Warehousing	Anchorage-Mat-Su MSA Region	Receipts in 2002 from US Economic Census for Anchorage Mat-Su region scaled by Anchorage share of wages and salaries in Anchorage Mat-Su Region. Increase this estimate of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL)
Information	None for state or regions.	Estimate ratio of receipts to wages and salaries in 2002 based on data from subset of industries within "information" from US Economic Census. Multiplied this estimated ratio by 2002y wages and salaries in Anchorage from AkDOL. Increase this estimate of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL)

Table 3: Summary of Available Data, Methods, and Sources for estimating Gross Receipts in for Each Industry in Anchorage.

Industry	Data available for these regions from 2002 US Economic Census	Method
Finance and Insurance	None for state or regions.	Estimate ratio of receipts to wages and salaries in 2002 based on data from subset of industries within "Finance and Insurance" from US Economic Census. Multiplied this estimated ratio by 2002y wages and salaries in Anchorage from AkDOL. Increase this estimate of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL). Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Real Estate Services	Anchorage	Receipts in 2002 from US Economic Census scale by ratio of Alaska DOL wages and salaries to US Census estimate of Payroll. The "high estimate" of receipts for this industry is based on the receipts estimate from the US Census. The "low estimate" is the estimate of receipts after it has been scaled by the ratio of wages and salaries (from AkDOL) to payroll (from the US Census). Increase these high and low estimates of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL) . Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Professional, Scientific, and Technical Services	Anchorage-Mat-Su MSA Region	Receipts in 2002 from US Economic Census for Anchorage Mat-Su MSA Region scaled by Anchorage share of wages and salaries in the region. Increase this estimate of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL). Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Management Companies	Statewide only	Receipts from US Economic Census for state scaled by Anchorage share of wages and salaries in state. Increase this estimate of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL). Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Administrative and Support and Waste Management and Remeidation Services	Anchorage	Receipts in 2002 from US Economic Census scale by ratio of Alaska DOL wages and salaries to US Census estimate of Payroll. The "high estimate" of receipts for this industry is based on the receipts estimate from the US Census. The "low estimate" is the estimate of receipts after it has been scaled by the ratio of wages and salaries (from AkDOL) to payroll (from the US Census). Increase these high and low estimates of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL). Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Educational Services	Anchorage	Receipts in 2002 from US Economic Census scale by ratio of Alaska DOL wages and salaries to US Census estimate of Payroll. The "low estimate" of receipts for this industry is based on the receipts estimate from the US Census. The "high estimate" is the estimate of receipts after it has been scaled by the ratio of wages and salaries (from AkDOL) to payroll (from the US Census). Increase these high and low estimates of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL). Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Health Care	Anchorage	Receipts in 2002 from US Economic Census scale by ratio of Alaska DOL wages and salaries to US Census estimate of Payroll. The "high estimate" of receipts for this industry is based on the receipts estimate from the US Census. The "low estimate" is the estimate of receipts after it has been scaled by the ratio of wages and salaries (from AkDOL) to payroll (from the US Census). Increase these high and low estimates of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL) . Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.

Table 3: Summary of Available Data, Methods, and Sources for estimating Gross Receipts in for Each Industry in Anchorage.

Industry	Data available for these regions from 2002 US Economic Census	Method
Arts and Entertainment	Anchorage	Receipts in 2002 from US Economic Census scale by ratio of Alaska DOL wages and salaries to US Census estimate of Payroll. The "high estimate" of receipts for this industry is based on the receipts estimate from the US Census. The "low estimate" is the estimate of receipts after it has been scaled by the ratio of wages and salaries (from AkDOL) to payroll (from the US Census). Increase these high and low estimates of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL). Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Accomodation and Food	Anchorage	Receipts in 2002 from US Economic Census scale by ratio of Alaska DOL wages and salaries to US Census estimate of Payroll. The "high estimate" of receipts for this industry is based on the receipts estimate from the US Census. The "low estimate" is the estimate of receipts after it has been scaled by the ratio of wages and salaries (from AkDOL) to payroll (from the US Census). Increase these high and low estimates of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL) . Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
Other Services	Anchorage	Receipts in 2002 from US Economic Census scale by ratio of Alaska DOL wages and salaries to US Census estimate of Payroll. The "low estimate" of receipts for this industry is based on the receipts estimate from the US Census. The "high estimate" is the estimate of receipts after it has been scaled by the ratio of wages and salaries (from AkDOL) to payroll (from the US Census). Increase these high and low estimates of 2002 receipts proportional to change in total wages and salaries from 2002 to 2005 (from Alaska DOL). Increase this estimate for 2005 for inflation in 2006 and for growth in employment from 2005 to 2006, as forecast by AkDOL in Alaska Economic Trends, Jan 2007.
<p>Sources: Estimates of gross receipts for employers from Economics and Statistics Administration, US Department of Commerce, US Census Bureau, Alaska: 2002 -- 2002 Economic Census Geographic Area Series, Estimates of receipts for sole proprietors from US Census Bureau Non Employer Statistics for 2004. Estimates of utility gross receipts derived from consumption and price data from UAA-ISER study, "Alaska Electric Power Statistics, 1960-2001," published in 2003 Table 2.4a and Table 2 and Table 3 in "Alaska Energy Balance." Estimates of construction gross receipts from UAA-ISER study, Alaska's Construction Spending: 2006 Forecast. Estimates of wages and salaries for Anchorage and state from Alaska Department of Labor "Wage and Salary Employment by Industry" from http://almis.labor.state.ak.us/?PAGEID=67&SUBID=185 Forecasts of employment growth from Alaska Department of Labor "Employment Forecast for 2007 and 2008," in Alaska Economic Trends, January 2007</p>		