



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Revenue

COMMISSIONER'S OFFICE
State Office Building
333 Willoughby Avenue, 11th Floor
PO Box 110400
Juneau, Alaska 99811-0400
Main: 907.465.2300
Fax: 907.465.2389

January 20, 2016

The Honorable Mia Costello, Chair
Senate Labor & Commerce Committee
State Capitol Building
Juneau, AK 99801

Dear Senator Costello:

The Department of Revenue (DOR) respectfully requests that SB 134, "An Act relating to the taxation of income of individuals; repealing tax credits applied against the tax on individuals under the Alaska Net Income Tax Act; and providing for an effective date," be scheduled in the Senate Labor & Commerce Committee at your earliest convenience.

The purpose of this legislation is to establish a personal income tax equal to six percent of a tax payer's total federal tax liability for Alaska residents and nonresidents with income from a source in the state. This new tax is expected to raise approximately \$200,000,000 annually.

Your favorable consideration of this request is appreciated. If you need any additional information, please contact Jerry Burnett, Deputy Commissioner for the Department of Revenue at 907-465-3669.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randall J. Hoffbeck".

Randall J. Hoffbeck, Commissioner

Cc: Darwin Peterson, Legislative Director, Office of the Governor
Jerry Burnett, Deputy Commissioner, Department of Revenue
Ken Alper, Director, Tax Division, Department of Revenue