



THE STATE  
of **ALASKA**

GOVERNOR BILL WALKER

**Department of Revenue**

COMMISSIONER'S OFFICE

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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 "R. 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