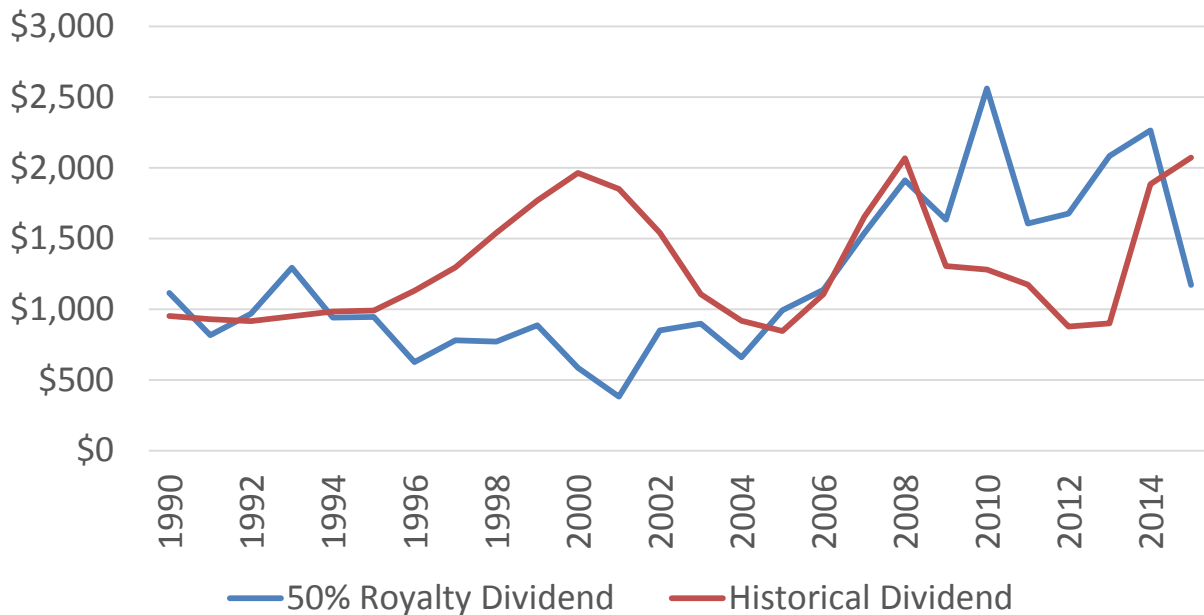


HB 245 (Alaska Permanent Fund Protection Act)
February 25, 2016

Dividend Comparison

Created by Department of Revenue, Economic Research Group

The accompanying chart reflects a comparison of the historic dividends and a hypothetical dividend reflecting the formula proposed in the Alaska Permanent Fund Protection Act, beginning in 1990. The historic dividends distributed approximately 50% of the Permanent Fund's realized earnings. The APFPA proposes a dividend formula that distributes 50% of mineral royalties.



The comparison shows:

1. Year-to-year, the two formulas would have produced different dividend amounts.
2. Both formulas reflect the significant volatility of the respective underlying revenue sources – investment income and mineral royalties.
3. Overall, the formulas would have distributed approximately the same amount to dividend recipients:
 - a. Since 1990, under the current formula (which distributes approximately half of 21% of the last 5 years of the realized earnings) the Permanent Fund has distributed \$19.9 billion to dividend recipients.
 - b. If, over the same period, the Permanent Fund had calculated dividends based on 50% of mineral royalties the dividend would have distributed \$19.2 billion.