

To the member of the House Finance Committee:

I support House Bill 115, believing it to be a fair compromise in a difficult time. We cannot cut our way out of the deficit and must find new sources of revenue. We cannot push it all off onto oil companies and tourists. Alaskans must shoulder the major amount of responsibility.

Because our representatives in Juneau have kicked this can down the road so many times in the past, the problem worsens every year. It's time to do your job! Pass HB 115.

Thank you.

Robyn Lauster  
Anchorage, AK 99517

My name is Bernhard Richert and I live in Anchorage, Alaska.

I commend the House Finance Committee in trying to deal in a meaningful way with the financial shortfall in State funds.

I strongly urge the reinstatement of the State Income Tax as the fairest way to raise funds for state government functions. Reductions to the Permanent Fund Dividend generally hurt those who need it the most.

Thank you for your consideration.

Bernhard Richert

**Please know that I am in favor of HB115.** It is important for Alaska's budget crisis to be resolved with sound actions *this year*. This bill, the State Revenue Restructuring Act, protects the PFD while using an appropriate safe amount of the PF reserves for roads, education, and public safety. It also imposes a progressive income tax of 15% of our federal taxes, an amount that feels right to me. All of us need to contribute to making Alaska economically sound again. I ask that all legislators work efficiently together during this session to resolve our budget issues, before we incur further consequences.

*Jeanne Bussey*

*Anchorage AK 99516*

I support HB 115! I think this is a very balanced approach to the state's fiscal problem, which we have been anticipating for decades, but only now, when we are on the brink, have the political will to address. I studied the issue in depth 10 years ago, and my conclusions have not changed. I am pleased that this proposal includes all three components: budget cuts, PF earnings and broad based taxes. In particular I want to go on record in support of the income tax component of the plan, which is likely to be politically the hardest. I was here in the 70's when we all paid income taxes. While all of us would like to see reforms in the federal tax structure, these are merely quibbles relative to the larger issue that piggy-backing on the federal tax is easy for state residents, and the 15% rate is reasonable. A sales tax would not be suitable because in Alaska that is a key *local* revenue source. Furthermore, an income tax has a more favorable economic multiplier for the State's economy because it leaves relatively more spending money in the pockets of the consumer class.

Thanks to the finance committee for your statesman-like work on this difficult issue.

Sincerely,

Sharman Haley

Professor of Economics and Public Policy (retired)

University of Alaska Anchorage

Anchorage AK 99507



Dear Rep. Seaton & Rep. Foster,

Thank you for your leadership on the budget crisis. HB 115 lays a solid foundation for beginning the complex but essential task of putting Alaska's financial house in order. As a 50-year resident, I've lived through both the boom and the bust. As a small business owner for nearly half this time (23 years), I know what it's like to weather good times and bad. But I have never felt as concerned as I feel now about the future of our economy. These are not times we can weather without decisive action now. We cannot escape the problem by focusing on cuts to needed services. Just as all hands are on deck when a boat faces sinking, all options must be on the table when our economy faces collapse. This includes instituting an income tax, restructuring the Permanent Fund, and ensuring that the oil industry carries its fair share.

I applaud you for recognizing these realities and having the courage to face them head-on.

Thank you,

Barbara Hood  
Anchorage, AK 99507

This is to advise, I fully support HB 115 as now written, and urge you all to do likewise. I understand there will be concern about the need for an income tax, but I believe it is long overdue. As Alaskans, we pay so little to our State Government, it is negligible, it is time that all Alaskans have "skin the in the game", and not just our hands out for the Dividend. We depend on Troopers, Education, Road Maintenance and so much more. My kudos to Rep's Seaton and Foster for bringing up HB115.

Please support this bill as written.

Thank you,

Milli Martin  
Homer, AK 99603

Dear Representatives Seaton and Foster,

I support HB 115. I believe a state income tax is fairer than a state sales tax. I would like to see EVERYONE who works in Alaska, resident and nonresident alike, who all benefit from state services whether they spend their income in state or not, have some "skin in the game." I like the plan to have everyone pay at least \$25 which the taxpayer can elect to have deducted from a PFD check; that the rate is based on federal income tax and therefore simply to administer; and that the tax is progressive and therefore a fairer way to raise revenues. This avoids even higher sales taxes in those communities that already have a local sales tax.

Count me as a supporter!

Sincerely,

Tam Agosti-Gisler

Dear Members of the House Finance Committee,

I am unable to attend Friday's hearing to testify during the hearing, but want to express my support for HB 115 and have it entered into the public record. I strongly support reinstating a state income tax and decreasing the permanent fund dividend in order to solve the state's fiscal problems. I am especially in support of requiring out of state residents who make their living in Alaska to pay their fair share and to pay state income tax. Continuing to try and solve the state's fiscal problems by cutting the state budget alone will result in diminished infrastructure, public health and safety services and education. We need to add revenue into the equation to solve this fiscal problem and this bill is a good start. Let's preserve our quality of life, not destroy it.

Thank you,  
Mary Forbes  
Kodiak



My wife Mary and my two daughters Katelyn and Jessica and myself strongly support HB115

It is very very very important that you fix the budget this year. We support an income tax, some sort of use of the permanent fund, oil Tax rewrite, and other taxes that may be required. We live in Alaska a don't mind paying our share. Please make sure that tourists and out of state workers, and the oil companies and the middle class and the wealthy all pay their share. And a minimum tax on the low income would make them part of the solution would be appropriate.

I paid income tax in the past and a school tax too. It was no big deal.

Think of an airport tax too. We all pay that when we travel outside.

Michael and Mary and Katelyn and Jessica Tullius.  
Anchorage, AK 99501

I strongly support passage of HB115 when it comes up for a vote. It is the most sensible and reasonable approach to our fiscal situation I have seen heretofore. Expenditures have already been cut to the bare minimum. As a member of our local ambulance service I have seen public health and safety compromised due to cuts in road maintenance and long response times for State Troopers. People are being injured and killed on our highways for lack of snow plowing and sanding. This I have witnessed at first hand on several occasions. And it is only a matter of time until AST will be too far distant to respond to a domestic violence or other incident involving threat to life and limb in a timely manner. Since our Trooper Post has been shut down the typical response time can be anywhere from several hours to the next day depending on allocation of severely limited staffing.

A progressive income tax is certainly a better and fairer solution than a sales tax which has the greatest impact on those who can least afford it. I would be more than happy to pay for the services I enjoy at state expense.

Respectfully,

George Menard

**From:** Read Dunn]

**Sent:** Thursday, February 16, 2017 10:37 AM

**To:** Rep. Paul Seaton <[Rep.Paul.Seaton@akleg.gov](mailto:Rep.Paul.Seaton@akleg.gov)>

**Subject:** House bills 111 and 115

I support both of these bills. It is absolutely critical that we create a resolution to the fiscal crisis facing the State now, continued uncertainty is crippling and will be increasing damaging as we approach elimination of all of our savings accounts.

I believe as these bills reflect that a single solution is not feasible, we need to create taxes and cut expenses. I have some preference for a sales tax as I think that captures revenues from a larger base and I believe a significant number of Alaskans are not honest in filing their Federal income taxes which makes that a less than perfect base, but a State income tax is much better than no tax..

Please press forward.

Read Dunn  
Homer, AK 99603

I support further budget cuts to all state programs. I do not support use of the PFD, or further tax schemes such as income tax or sales tax, or business taxes.

Michael Mastin  
Ketchikan AK 99901

House Finance Committee,

While not perfect, HB115 seems the most realistic approach to date. I suspect there are some tweaks to be made, but hope this can get progressed.

Thank you,

Frank Mitchell – Anchorage

Please accept my strongest endorsement of HB 115. I believe this bill if it becomes law is the only way Alaska can survive the current/future fiscal crisis. It will provide a cure for most of the deficit we are experiencing; it does leave about \$500 million unresolved, but that amount can probably be addressed with a combination of cuts, fuel tax, a minor draw on CBR, and other smaller remedies. Please pass HB 115 this year while we still have a little savings left.

Thank you for the opportunity to testify.

Thomas E. Smith

Fairbanks AK 99708

This is to simply note that I do support HB115. I am aware of the issues (and have been) and see no particular need to go into the details except to say that a person who is in the 20% federal tax bracket pays the 20% on his or her last dollar. That taxpayer might actually pay an effective tax rate of 12% (which I have done.) This means that 15% of the federal tax would be 1.8% of taxable earnings (Form 1040 line 43 Taxable income minus line 55, Total tax credits). A taxpayer with a federal taxable income of \$100,000 would then pay \$12,000 to the feds with an effective tax rate of 12%. 15% of that is \$1800. If the taxpayer receives an \$1000 PFD (federal tax deductible), he (she) would have to come up with \$800 for state services. That is \$150 per month. A \$4 latte per day (with tip) would be \$120 per month. Nobody likes to pay taxes including me but there is no such thing as a free lunch. I think I have received a lot of benefit from having lived in Alaska since 1949 and I need to help pay my way. So do nonresidents. Sales taxes are regressive.

Thank you.

J. Jensen

It is time Alaskans paid an income tax, a more equitable way to fund state services, especially for education! I support HP 115 the income tax earnings reserve Bill, state revenue restructuring act.

Thank you for making this mature decision for all Alaskans.

Mindy Hunter



House finance committee,

I support HB 115 the income tax earnings reserve Bill, state revenue restructuring act.

I ask you to support HB 115. Our state needs diversified revenues to balance the budget. I support the work Representative Paul Seaton has done to provide solutions to our states budget crisis . I do support an income tax.

Thank you.

Shannon McBride-Morin  
Homer, AK. 99603

**CITY OF UNALASKA  
UNALASKA, ALASKA**

**RESOLUTION 2017-12**

A RESOLUTION URGING THE ALASKA STATE LEGISLATURE TO ADOPT A SUSTAINABLE FISCAL PLAN FOR FISCAL YEAR 2017 AND BEYOND.

WHEREAS, the Unalaska City Council acknowledges that due to the drop in the price of oil, coupled with the decreased amount of oil in the pipeline, the State of Alaska has a significant gap in its budget; and

WHEREAS, the Legislature alleviated some of the problem by severely cutting the capital budget; and

WHEREAS, substantial cuts were also made to the operating budget; and

WHEREAS, cutting either of those budgets as a sole means to solving the State's fiscal challenge will serve only to potentially push our state into an economic recession; and

WHEREAS, the Unalaska City Council believes it necessary to create new revenue sources for the State; and

WHEREAS, despite a fiscal challenge, the State and municipalities must continue to provide basic and essential services.

NOW, THEREFORE BE IT RESOLVED that the Unalaska City Council urges the Alaska State Legislature to develop and adopt a sustainable fiscal plan, incorporating a combination of sensible spending cuts and new revenue sources, for Fiscal Year 2017 and beyond.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY UNALASKA THIS 4th DAY OF FEBRUARY 2017.

  
FRANK KELTY  
Mayor

ATTEST:

  
ROXANNA WINTERS  
Acting City Clerk



I strongly support HB 115. I agree that a reasonable portion of the PF earnings should be used to cover state operations. I also completely support a progressive income tax over a state sales tax, one based on the household's federal income tax. Of course there are still areas where the state budget can be cut, but I am willing to pay a lot of taxes so that Alaska does not follow the same path as Louisiana. Please don't let us be like Louisiana.

Thank you,  
Yvonne Goldsmith  
Anchorage 99516

I would like to express my support for HB115, the State Revenue Restructuring Act. Alaska needs a workable budget plan, and this seems to be the best one available. I urge the legislature to take the responsible action of passing this bill. Thanks you.

Sincerely,

Jane Erie  
Wasilla, AK 99687

Thanks to Representatives Seaton and Foster, the House Finance and Resource Committee, and the House bipartisan majority coalition for their plan to secure a positive future for our state. House Bill 111 will restructure the oil and tax credit system to ensure the oil companies don't receive more than they pay. House Bill 115 will create a reasonable POMV draw, a small income tax, and a stable PFD system. All of these measures together will give us a sustainable plan to keep the state solvent and allow us to continue providing necessary state services. I appreciate the courage and vision of the sponsors and encourage all legislators to pass these bills.

Cheryl Lovegreen  
Anchorage

## RESOLUTION

### Of the Governor's Council on Disabilities and Special Education (Council) and Statewide Independent Living Council (SILC)

**WHEREAS** the State of Alaska is reliant on taxes and royalties from oil and gas production, with the vast majority of state operations supported by general funds from oil and gas revenues;

**WHEREAS** declining production and oil prices have resulted in untenable state budget deficits;

**WHEREAS** the services and programs that the State provides for Alaskans' with disabilities basic needs – food, shelter, heat, housing, healthcare, education, employment – are critical to the health and safety of our neighbors and communities;

**WHEREAS** the long-range economic health of Alaska is dependent on the health and wellness of Alaska's citizens and communities;

**WHEREAS** Alaskans and our communities currently contribute through a variety of private mechanisms and have expressed a desire to contribute further through public mechanisms to support critical state operations;

**THEREFORE BE IT RESOLVED**, this the 1<sup>st</sup> day of February, 2017 by the Governor's Council on Disabilities and Special Education (COUNCIL), together with the Statewide Independent Living Council (SILC) that:

1. the Alaska Legislature and Executive Branch should work together to create and implement a long-range fiscal plan that is comprehensive, promotes strong rural and urban communities, and protects Alaska's most vulnerable populations, health, education and cultural life; and
2. such a long-range fiscal plan should include a diverse array of possible revenue sources for the State General Fund, while also considering the impact to Alaska's most vulnerable and rural populations.

*Amy Simpson*

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Chairperson  
Governor's Council on Disabilities and Special Education

*Michael Christian*

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Chairperson  
Statewide Independent Living Council

Thank you for all along our economic situation seriously and proposing a part of the complete solution. I like what you have proposed although I would prefer an income tax tied the the PFD - preserving the PFD for lower income families and eliminating it for higher income families (the PFD would phase out/be applied to the income tax).

Also, continue the modifications to the oil and gas taxes, especially the credits. Increase taxes and reduce costs credits.

Thanks again for what you're doing.

- Bhree (mobile)

My recommendations regarding a substantive income tax (as opposed the tokenism Representative Seaton offered) was evidenced in an e-mail to House Democrats last year (see, <http://opinion.alaskapolicy.net/pardonme/?p=607>). Most Alaskans make no net payment for any State or Local service, as any economist will acknowledge, and it is high time Alaskans step up. The constant whinging by Alaskans earning over the median household income, and living in a home over the median value is just too much too bear.

Marc Grober



Dear Representatives Seaton and Foster,

We have lived in Alaska 50 years and in those early years we paid an income tax--for about 12 of those early years. We are willing, even though now retired, to pay an income tax again if it is needed. And it seems that it is needed if this great state is ever to be financially whole again. We favor the income tax over a state sales tax for several reasons. The income tax is progressive and places less of a burden on those at the lower income levels. In comparison, the sales tax is regressive and more burdensome for those at the lower income levels. In addition, there are many municipalities in Alaska that already use sales taxes to help pay for local government services, and these communities would bear the additional burden of added taxes for local consumers on necessary commodities. An income tax would be levied on all Alaska income, so non-residents would also pay their share to support the state infrastructure. So we urge you to continue to advocate for the income tax.

We also support the dividend cap and the restructuring of the permanent fund in order to save both the dividend and the fund for future generations. We know that the bill may change before the final product is passed, but we also know that it is extremely important to find a road forward during this legislative session. We appreciate the dedication of the House Finance Committee, of which you are co-chairs, to this difficult task.

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Bob & Judy Andree  
Juneau, Alaska 99801

Gentlepersons:

I'm delighted with HB115. Why delighted? Because it's a restructuring we can live with. It covers 80% of our deficit keeps intact the permanent fund but uses two-thirds of the 4.75% draw for the state's General fund for our very important common obligations as citizens of Alaska. I like that the 15%tax on our Federal taxes is progressive which is better than a sales tax. I have a granddaughter in high school. I'm concerned about our AK children's education but also for the quality of life for us all. We must handle our state debit.  
HB 115 is a good piece of legislation.

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Donna Lee  
Chickaloon, AK 99674

The solution to Alaska's deficit problems is not going to be another bonanza. We all, and you in particular, need to agree to find a way to bring us back to solvency without destroying our schools and universities, our parks and roads, our police protection and basically, our way of life.

HB115 provides you a framework for this solution. Alaskans will pay an income tax when it is explained. Alaskans will support the use of Permanent Fund income to support more state services if you explain it to us. And this plan protects the Dividend without putting some artificial cap on it.

Please use this outline as you do your job. Please remember that you represent all of us, not just some small constituency.

Thank you for your work and for your belief in a successful future for all Alaskans.

John Blaine  
Anchorage, AK. 99517

Dear House Finance Committee members,

I agree fully with the State re-installing its income tax at 15% of Federal income tax as it was in 1980. I also am totally opposed to a state-wide sales tax.

A state-wide sales tax:

would be costly and difficult to manage with many small villages widely scattered.

would require a whole new agency to administer it.

is regressive; poor people pay the same for a pair of socks as does Frank Murkowski.

some communities already have a sales tax and adding the state-wide tax would be regressive squared.

we could still have a problem with a merchant collecting the sales tax and pocketing it for her own use.

We never had a state-wide sales tax. We did have a Territorial and a State income tax and it served us well. In addition to giving the Territory the means to deal with domineering fishing and mining interests, it paid for the Constitutional Convention of 1955, laying the foundation for Alaska Statehood. I have been told this by two members of that Convention, namely Judge Tom Stewart and Dr. Vic Fischer. It is also well recorded in the marvelous book *College Hill Chronicles* by T. Neil Davis.

In contrast to a state-wide sales tax, the income tax is easy to administer. Federal tax records are available, so the state needs only to apply a percentage of the amount paid to IRS. This is the simplest state income tax calculation in all the 50 states.

All the individual does is send a copy of the IRS Form 1040 and mail 15% of the bottom line to the State of Alaska.

With the income tax,

those for whom the dividend means the most would pay the least, and

those for whom the dividend means the least would pay the most.

People in Alaska could again proudly say "I am a tax payer" and "I am a citizen of Alaska," not just a resident.

The pride in this would offset any cost.

I think this stroke of genius has been waiting to be revealed.

Messages about reinstating our state income tax need to penetrate Sen. Pete Kelly's brain, and perhaps this committee can help. Don't let him say there is no support for the idea.

Cheers,

Carl S. Benson

Fairbanks, Alaska 99701

I support HP 115 the income tax earnings reserve Bill, state revenue restructuring act.

Thanks!

Homer, AK 99603

I support HB115 the income tax earnings reserve bill and state revenues restructuring act.

Sincerely,

Suzanne Bishop  
Fritz Creek, AK 99603

To The House Finance Committee:

Please consider this for testimony included in your Scheduled hearing of February 17. Thank you.

Many of us in Fairbanks who are following the income tax and budget discussions are cheering for your efforts and support especially the new coalition and Representative Seaton's efforts as co-chair of the House Finance Committee.

I have just a few comments. I am FINE with a 15% income tax ( as a percentage of the federal taxes due) . But I am also fine with starting at a high figure in order to bargain. Typical strategy I presume.

Also be aware and convey to house finance committee members the ads our group of friends has placed recently in the Fairbanks Daily News Miner supporting an income tax. It appears in the recent Sunday, Monday, and Tuesday issues ( February 12-14, ) and will appear again next Monday and Tuesday.

An income tax must be a part of the budget solution and makes us (mostly) all TAXPAYERS, We can be more engaged and responsible in our watchfulness and citizenship as fully vested in paying for our representative government. Now , oil pays the way, and our savings from oil. Those who pay, play, so its time we got our chance to play.

Also, I disagree with my pal Ron on one small detail. It seems to me to be unimportant to make everyone pay an income tax even if it is a very small amount. Collecting \$25 from every Alaskan taxpayer would be much more expensive to do, especially since they don't all now pay income taxes. Note for instance just how much it costs to even send out the Permanent Fund dividends to everyone ( \$13, 97 per dividend, according to the 2016 report). If 40% of Alaskans ( assumed amount who DON'T qualify for enough income to pay federal income taxes) paid \$25 each, you would only collect ~7 Million dollars from them. A 15% income tax would generate something on the order of 700 Million dollars or more. I hope you can see the logic of my observation.

Also I think its high time to at least double the motor fuels tax .  
Do carry on and keep calm.

Richard Seifert  
Fairbanks

Hi there,

I'd like to submit public testimony in support of a state income tax. You could also revisit the education "head tax" that used to exist.

Thank you.

Natasha Zahn Pristas  
Kodiak 99615



According to the Feb. 14 edition of the Alaska Dispatch News (Report: Alaska's nonresident workforce grew in 2015, by Annie Zak), resident wages totaled \$14.2 billion and nonresident wages totaled \$2.7 billion in 2015. If Alaska had, in 2015, an income tax with a base rate of 30% (ouch!) but with credits and deductions for Alaska residents (and none for nonresidents) that would reduce the actual rate to 5% (not so ouch) for those of us who live here, the state would have collected substantial revenues: From residents--\$.71 billion; from nonresidents--\$.81 billion; total--\$1.52 billion. I like that, and I would be happy to pay a 5% income tax to support reasonable and necessary state expenditures.

Compare this to a sales tax, which is a very regressive way to raise money in the first place: 1. A sales tax would only be levied on purchases made in Alaska. Not only would the current level of online spending go untaxed, but consumers would stop shopping locally in many instances and increase their purchases from online retailers. The unintended consequence would be a progressively larger loss of revenue experienced by Alaskan retailers. 2. Many, if not most, nonresident workers are seasonal employees--they spend little during the three months or so when they are working in Alaska; they make most of their expenditures after they leave Alaska: Consequently virtually none of the money they earn here would be captured by a sales tax.

Please oppose a state sales tax and support an income tax that favors Alaska residents and captures a substantial portion of nonresident wages earned in Alaska.

Thanks.

Rob Lund,  
Homer

February 14, 2017

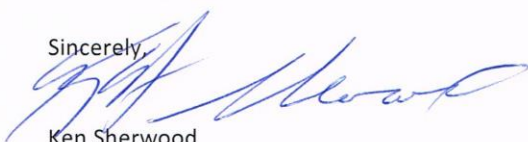
Dear House Finance Members:

The legislature needs to address the State budget issues this year. Nothing significant was done last year and our economic situation has continued to decline. Real compromises need to be made and legislation needs to be passed that will help resolve the State budget problems.

Tax credits for the oil companies need to be adjusted and better defined. They don't need to be totally eliminated. I support the Governor's basic plan to reduce the budget deficit. Cap the dividend, institute a State income tax, and use the earnings from the Permanent Fund. Any additional cuts to the State budget should be done carefully and selectively.

I strongly urge you to act this year and get the legislation passed. Members of the legislature need to put their political beliefs on the back burner and enact legislation that will benefit the State of Alaska.

Sincerely,



Ken Sherwood  
1520 W. 12<sup>th</sup> Ave.  
Anchorage, AK 99501

Dear Members of the House Finance Committee,

I am a 40 year resident of this awesome state, having lived in Bethel, Barrow, Dillingham and now Anchor Point for the last 22 years working primarily in nursing. I came in when the oil \$ was really starting to flow for soooooo many great peoples-lives enhancing projects. Now we are at the other end of the flow cycle. OK no problem, we are grown-ups, let's adjust and fix the situation. I am totally in favor of a progressive, fair income tax and the use of some of the PFD dividend earnings to help balance our budget.

**WHAT I MOST WANT TO SEE, IS MY LEGISLATORS WORKING TOGETHER IN AN UNEMOTIONAL, FISCALLY AND HUMANELY FOCUSED EFFORT, TO BALANCE THE BUDGET AND SUSTAIN HEALTH AND EDUCATIONAL PROGRAMS.**

Thank you for your efforts and attention!!

Kate Finn

Thank you for expanding the funding for government operations to include an income tax as most states do. Oil and gas are not a reliable partner with two extremes pressing their business models, both global and beyond their control: price and climate. As less demand is experienced for oil & gas as climate causes greater innovation away from 20th Century fuels, it is prudent for Alaska to right-size its services while diversifying an economy that frees itself from further exasperating our shared climate crises.

Mobilizing and grateful,  
Kat Haber

I am writing to urge you to create an income tax based on income earned in Alaska.

I live in Homer Alaska and see many people come every summer to work in Alaska, some say they earn the majority of their income here.

However they live in another state so unless they buy things in Alaska they are not providing any taxes to support our infrastructure. They are benefiting from the infrastructure built on the residents tax dollars, but are not contributing their fair share.

An income tax based on income earned in the state - as many other states currently do- will create more equity in taxes and will increase the coffers of the state.

Thank you

Julia Person  
Homer Alaska 99603

February 14, 2017

House Finance Committee  
Alaska State House  
Juneau, AK

Dear House Committee Members:

I see Alaska's fiscal crisis as must a fix for this Legislative session. We cannot kick the can down the road anymore without consequences to our economy, our bond ratings, and our quality of life.

HB 115 looks like a good place to start in building a fiscal solution by in diversifying revenue sources.

I do support progressive means most for raising funds to run the state. First, an income tax is a good idea. It is progressive with the biggest portion paid by those making the most. Fifteen percent of federal income tax sounds like a fair level to start. I like the idea of a minimum of \$25 so everyone pays something.

As to setting apart some of the Permanent Fund for the Earnings Reserve. This reduces the PFD for all Alaskans, which does amount to an additional tax because of the reduction of the amount of the PFD. I feel this would be unfair to Alaskans unless the Legislature fixes the Oil and Gas and Mineral Royalties problems. Past legislation, Senate Bill 21, was a boondoggle. For the state to be paying over \$100 million in credits and getting little in return is a huge problem. This needs to be fixed before any more money comes out of the Permanent Fund.

As to more budget cuts, I think we are about at as thin a level as we should go. Already serious effects in education are being felt. If we keep cutting education, we will see repercussions down the road in fewer people coming Alaska for college, higher crime rates, drop out rates, and more.

Our public safety force is already bare bones. We expect our Troopers to cover the whole state with so few trained troopers. Our rural areas are really feeling the lack of law enforcement protection, even those areas on the road system.

I support the increase in gas tax to help pay for road repairs and maintenance. We can save money by cutting back on new projects that are not necessary until we have our budget problems fixed and stabilized.

Maybe there are other ways to raise money that can be considered. Higher tax on alcohol and cigarettes? Soda tax? Tax higher on luxury, high-value liquor? Luxury tax on high-value items like furs or expensive jewelry? Statewide transient bed tax? Maybe we should investigate a carbon tax. I have read it can reduce carbon footprint and raise revenue.

Our fiscal crisis is the most critical issue this session. We must solve this now. Please keep working on this and get a good bill passed this session.

Respectfully,

Nina Faust



**From:** Mary Griswold  
**Sent:** Monday, February 13, 2017 7:20 PM  
**To:** House Finance  
**Subject:** Sustainable fiscal plan HB 115

I strongly encourage you to support a sustainable fiscal plan, as proposed, in part, in HB 115. I have long been an advocate of POMV distributions from the Permanent Fund Earnings Reserve. I prefer a 4.5% draw plus a state income tax of 15% of the federal tax due. I am neutral to the inclusion of capital gains. The tax computation is simpler without it. In addition, I support oil and gas subsidy reductions and tax reform to complete the picture. We must take care of this issue now.

Mary Griswold  
Homer



I support proposed HB 115 including the 15% state income tax. I am willing to pay my fair share to support my state. I do not support a stated sales tax that is regressive.

Thank you for your work.

Linda M Baker  
Fairbanks, AK.

**I'm willing to pay a State income tax as long as my calculation is simple**

**[ie - a flat % of the federal tax]. My preferred rate is 10 %.**

**Plus I want all of us to have skin in the game.**

**Hence, I support a minimum tax such as \$ 25 even if one pays no federal income tax.**

--

Ron Johnson

Professor Emeritus

Mechanical and Environmental Engineering

Univ of Alaska Fairbanks

Finally, a common-sense proposal! Polls show the majority of Alaskans are now convinced that a state income tax is a necessary portion of the solution to our fiscal crisis. If we want to save our Permanent Fund and our credit rating, we must have a balanced, carefully thought-out revenue package.

The income tax is the only fair, across-the-board tax that treats everyone equally, including the non-residents who presently return nothing to the state while earning large paychecks here. It is also very economical to administer. Please, all of you, fight to maintain this as part of the revenue package.

Karen Parr

I strongly support HB 115.

I'm very much in favor of eliminating or drastically reducing oil company tax credits. I find it reprehensible that we are paying oil companies so much money. I would support using an even greater proportion of the permanent fund earnings for the state budget.

As a retired Alaskan teacher, I am opposed to cuts to education. With Betsy DeVos as Secretary of Education, I believe that public schools face a very rocky road and that our state needs to be a strong ally for our public schools. Please act to protect our children.

Hand in hand with this budget proposal I very strongly support HB44. Some of our senators are oil company employees. I find it highly unethical that they should be voting on budget issues that involve their employers and that they could block budget solutions which include changes to the oil company tax credits. This needs to stop! Our state needs to take the high road in promoting ethics in government!

Sincerely,  
Ann Agosti-Hackett  
Fritz Creek, Ak 99603

Alaska State Representatives,

I'm an Independent who is tired of the legislature failing to resolve the budget crisis. I strongly support an income tax as a part of the solution. A sales tax is a bad idea for several reasons, including the fact that many town/cities use that means for local income. Also, remote locations in the state have very high living costs compared to our larger cities. Adding a sales tax on top of their already high costs for essentials would be devastating.

Good luck in working with the do-nothing Senate!

Dave Nebert, Fairbanks

**Alaska Early Childhood Advocacy Group**  
**Resolution in Support of a Sustainable Long-Term Alaska State Fiscal Plan to**  
**Address the Fiscal Budgetary Gap**

Whereas, the Alaska Early Childhood Advocacy Group recognizes the current State of Alaska budgetary fiscal crisis and the need for the Alaska State Legislature to provide leadership in this time of difficult decisions facing our state;

Whereas, it is imperative for the future of the State of Alaska and its people that the Legislature develop a sustainable long-term fiscal plan for FY 2018 and beyond, during this legislative session;

Whereas, the Alaska Early Childhood Advocacy Group is committed to providing support to the Legislature in developing a long-term fiscal plan that minimizes costly unintended consequences;

Whereas, the Alaska Early Childhood Advocacy Group supports a long-term fiscal plan that invests in our human infrastructure, specifically young children and families, and includes revenue generation to minimize the use of the Budget Reserve;

Now, therefore, be it resolved that the Alaska Early Childhood Advocacy Group urges the Legislature to make budget decisions that maintain or increase services and support for young children and their families, often among the most vulnerable Alaskans; that do not incur the loss of federal matching dollars or otherwise jeopardize leveraged revenue to the State and to early childhood service providers; and that maximize all available funding opportunities;

Be it further resolved that the Alaska Early Childhood Advocacy Group supports a plan of revenue generation that may include a combination of strategies: use of permanent fund earnings reserve, capping the permanent fund dividend payouts, income tax, sales tax (seasonal or year-round), gas tax and other creative solutions, such as endowments or social impact bonds; and

Be it further resolved that the Alaska Early Childhood Advocacy Group supports a Legislature that puts Alaska's young children and families, our future, first by taking the necessary steps to provide all Alaskans with a long-term fiscal plan during the 2017 Legislative session creating economic viability for this year and years to come.

Alaska Children's Trust  
All Alaska Pediatric Partnership  
Best Beginnings

Alaska Head Start Association  
Alaska Infant Learning Program Association  
Parents as Teachers Alaska State Office

Members of Finance Committee.

I would like to express my strong support for HB 115. Alaska needs this balanced stable revenue plan. Supporting needed expenditures, making use of while maintaining the Permanent Fund & continuing a PFD distribution combined with a moderate progressive income tax is the fairest and best way to maintain and grow a healthy economy for Alaska

Thank you

Shawn Hansen  
Homer, AK. 99603

My name is Kathryn Sauve, a resident of Anchorage, Alaska, District 20-545.

I am for HB 115, the State Revenue Restructuring Act for the following reasons:

- I believe a state income tax is a fair and equitable way to tax residents of Alaska. This low of a state income tax will affect every citizen evenly, without putting undue hardship on one area or another.
- I believe the Permanent Fund Dividend should be kept for the people, but in a way that is sustainable.

However, I would like to mention that while I want the state to have a working budget; I have very little faith in the State's ability to properly manage its spending. From numerous past expenditures and future proposed expenditure that the city has implemented I see a government with no sense in the way that it spends its money. The state routinely spends money on not just frivolous projects, but on redundant projects, harmful projects, and downright stupid projects.

To push forward a working budget, I support HB 115, as a step in the right direction.

Thank you,

Kate Sauve