

It's time to trim the fat folks not steal from your constituents. I am a life long Alaskan , and I know that this fund was set up so that I get part of the profit from the oil taken from my great state. I know you know what a tough year this last one was. Imagine how many people are suffering in the cold because you stole half of there money.its time you do your job and put your constituents and the state ahead of office remodels and brand new trucks every other year

Mike Shadley

I am just a concerned citizen of the state of Alaska wanting to voice my opinion about our financial situation. I see such waste often as a plow truck making sparks going down the dry road at 40° above zero and throwing down more salt and sand to rust out my car, while at the same time the state is screaming in the media that the state is broke financially and must take our PFD and or institute new taxes and increase existing taxes. This I do not understand!

Bro. John C. Pinnix  
Remote Alaska Missions  
Palmer, AK 99645

Chairmen Foster and Seaton,

I am David Boyle and present this written testimony to be included in the record as a private citizen.

This issue is about FAIRNESS and growth of government.

Chairman Foster and committee members, I strongly oppose HB115 because it takes money out of the private economy and grows the government economy. In an ISER study, it was shown that Governor Walker's vetoing of 1/2 the PFD actually created more poverty in Alaska. The percentage increase from the governor's actions was a whopping 25%. Is this fair?

My question: Is the legislature trying to increase people on the state's economic plantation by imposing an income tax, capital gains tax and various other taxes? That is exactly what will happen. As this economic plantation grows, then the State will have more control over people's lives. Is this fair?

I also oppose HB115 because it will severely harm the private economy by taking money out of the economy and sending it to Juneau so the State can redistribute the wealth as it sees fit. The government will be picking winners and losers. Wealth generators will lose, state workers will win. Is this fair?

Why should any Alaskan pay a state income tax to pay for a 3.2% to 3.5% "merit" pay increase for state employees? Please tell the governor to demand that the government unions come back to the negotiating table to renegotiate their contracts. Is this fair?

Why should I pay for free health care for state employees when many Alaskans are having a very difficult time even finding a health care provider that will take Medicare? Why? Is this fair?

Case in point: Suppose all those who benefit from the PERS/TRS retirement and health insurance move out of state to a state that has no income tax. Will those retirees have to pay an Alaska State income tax? Meanwhile, Alaska residents will pay a State income tax under HB115 to fund the PERS/TRS retirement program and these retirees' gold plated health insurance. Is this fair?

Approximately 47% of Alaskans pay no federal income tax so they will not pay a State income tax except for the token \$25 listed in HB115. Many of these Alaskans will also receive "free" health care under Medicaid expansion. Is this fair?

Legislators receive an extremely generous per diem and other benefits. Legislators also benefit from a State subsidized lounge which costs the State about \$20,000/month. It appears as if an aristocracy is being created and then funded by HB115 taxes. Is this fair?

Finally, for those of you who cannot find anything to cut in the State's budget, here are some suggestions:

1. The 1% For Art program
2. The Hold Harmless provision in the Education Foundation formula.
3. Reduce the transportation funds in Education-there is no accountability.
4. Reduce the 27 Optional Services in Medicaid to the same services that seniors receive under Medicare.
5. Reduce all the funded, vacant positions in every Department
6. Cut all funding to the AGDC.
7. Privatize the Marine Highway System.

8. Implement School Education Savings Accounts.
9. Etc.

Please do NOT pass out of committee HB115. You have a choice--grow the private economy or grow the government economy. You have a choice--Alaska or Venezuela 2.0.

Thank you for your service and the opportunity to comment.

Sincerely,

David Boyle

To the House Finance Committee,

My name is German Baquero. I am a 10+ year resident of Alaska, and I am sending this to encourage you to object and reject HB 115 which you are currently considering.

As a recent graduate of the University of Alaska Anchorage, I chose to remain in this state to offer my new found professional experience to this state community. I have high hopes to contribute to this state and give Alaska more human capital to attract excellence. However HB 115, which incorporates a personal state income tax, compromises my capacity to contribute to that hope. Even as currently written, a fifteen percent tax based off of my federal income tax is fifteen percent too much. Not only would it threaten my ability to invest myself into any industry in this state, any other additional tax on my income compromises my ability to remain in Alaska. This single tax strikes me as a betrayal to young and ambitious professionals living in Alaska, and drastically reduces incentives to remain here, despite how much I have worked to remain here. While I have heard arguments that such a tax would be necessary, I find such an excuse nothing more than that, an excuse. Further more, I feel compelled to point out that basing a state income tax as a portion of federal income tax will do little to appropriately address state spending, since federal income tax is calculated as a means to fund federal spending. No more increases in revenue should be considered until further reductions in state spending are met. That simply means that substantive reductions must be made in both state education spending, and health & social services spending. Administrative costs in both areas must be curtailed, and the legislature must deliberate and decide that there are programs in both that are not necessary to be involved in. Until those conditions are met, I will not accept any new revenue sources as a citizen of this state, let alone the most destructive source that adversely affects productivity.

Additionally, while I find the income tax proposal the most egregious component of this bill, the remaining revenue proposals are also inappropriate to consider at this time. Even the proposal to modify the appropriation of the earnings reserve of the Permanent Fund seems more appropriate to discuss as a separate piece of legislation entirely. And the retroactive clause relating to this bill's applicability simply reeks of desperation rather than thoughtful implementation.

Overall, HB 115 has simply come off as an over eager attempt to solve a problem with a solution that has not been clearly thought through. I once again urge this committee to reject this legislation and consider another alternative that addresses the state's spending first and foremost, so that new revenue wouldn't be needed in the first place. I wish you the best of luck in that endeavor.

Kindly,

German Baquero

Dear Representatives;

There are many places the budget for the State of Alaska to be cut without the need of imposing a tax on the income of hard working Alaskans. Over 9,000 jobs have been lost already and there will be a lot more to come if you keep heading down the path of tax, tax, tax.

With the population of Alaska shrinking, how many people can move before you no longer draw in the income you expect to receive?

Generally taxes are imposed to discourage a certain behavior. For instance the cigarette tax is meant to discourage smoking, likewise with a tax on alcohol is meant to discourage drinking, so what does an income tax indicate? That you want people to quit working?

Also the state still has many savings accounts, according to the budget reports released, that need to be drawn on FIRST! To impose a tax only on those of us lucky enough to have a job is unfair and unjust.

CUT the budget first, lay off employees (start with the Houston, TX office and the employees in Korea), cut spending on capital projects (the LNG line) and put the states financial affairs in order! I am sure you would not run your own household budgets in this manner or you would be broke really quick. Show responsibility to the people of this state and bring the spending back into line with what we have currently coming in before you choose to punish those of us who work.

Sincerely,

Deborah Hackenberger  
Chugiak, AK 99567

RE HB 115, below is my take [when I thought it was just a flat % of IRS tax and was broad-based, I was in favor, but now]:

**I am not in favor of the income tax portion of HB 115 as it currently stands.** In particular, I'm opposed to being taxed 3x on LT capital gains [once by IRS, 2nd by AK tax being 15 % of IRS tax, and 3rd by AK additional tax of  $\leq 10\%$  on LT capital gains]

I'm in favor of a minimum tax of \$ 25 [or enough to cover the costs of admin] on everyone but not if this minimum is only for those who pay federal income taxes [**I want all of us to have skin in the game**]. HB 115 only taxes the 50 % or so of families that pay a federal income tax. So, I want the \$ 25 to be a head tax. **WO all paying something, this is not a broad-based tax.**

I would be in favor of an Income tax that is simplify a flat % of federal tax especially especially if that rate were 10 %.

I am in favor of restructuring of PF earnings with PFD  $\sim < \$ 1000$

Ron Johnson  
Professor Emeritus  
Mechanical and Environmental Engineering  
Univ of Alaska Fairbanks

I've been a member of the PFD Program since its inception. I also remember the year we received our first dividend. That year the Alaska State Budget had a Surplus of over One Billion dollars.

Additionally, I believe this same program, afforded separate royalties for future Budget downfalls.

Regardless, the State's current Budget has a deficit of over FOUR BILLION dollars!

This is YOUR FAULT! ! not mine.

Senator Hammond, and the Uncorrupt officials of the time set aside this fund as an incentive if You will, for us hard working folks to stick around and build a great State, Well We did. and while we were building a great State, calling it home, and raising our families, " You " Mismanaged the State's Money, messed up a bunch programs that were working fine and now want to Steal our dividends to cover your screw ups , overspending and mismanaging everything we trust you with,

YOU SHOULD BE ASHAMED YOU HAVE FAILED THIS STATE.

DO NOT SCREW WITH THE PFD

Lane Bruce Tower



Dear Representative Seaton:

Thank you for hearing from all Alaskans regarding the current budget issues, protecting the PFD and doing so without raising taxes on the People.

We the People of Alaska are feeling quite disenfranchised regarding the unfair state of our oil revenues and oil tax credits. Those of you in the legislature are tasked with seeing to it that our interests are protected.

Article 8 Sections 1 & 2 of our State Constitution speak to your role:

#### §1. Statement of Policy

It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest.

#### § 2. General Authority

The legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people.

We feel that you are not maximizing our resources when oil tax credits are so burdensome that we are bleeding out revenue and not taking in enough from oil royalties and taxes.

We are already burdened by the recession that we are experiencing, worsened by the unnecessary cuts to our Dividend last year along with the cuts to jobs in the oilfield and private sector. We say to you to cut government to a manageable size that is balanced with royalties and current revenue without adding new taxes to the people or taking our dividends or capping them. We say to fairly tax oil revenues, stop giving credits and get a fair price for our natural resources.

What we need is security in our Commonly Held Resources, our Permanent Fund and Dividend. Our PF is not broken and it does not need to be fixed, restructured or "protected" in a way that changes the current statute law regarding payouts. It does need to be protected from greedy politicians and business interests who want to profit off of huge government with increased and outrageous spending. We say to you "leave our permanent fund and dividend alone!" We say to you to balance this budget using the model and suggestions set forth by ISER. We say to you to implement Gov. Jay Hammond's 50/50 model and use the "government's half" to help fund essential services.

We say to you stop the corruption, we want transparency in government. We want trust returned to the Legislature and Governor's office where right now there is none.

We do not support HB115.

We do not support any restructure of the Permanent Fund or Dividend payout.

We do not support new taxes on the citizens of Alaska.

We do not support unbridled spending and waste that has been rampant in the halls of Juneau for far too long.

We the people want to be heard.

Brandi Wadkins and family.

5 Souls residing in the Kenai Peninsula Borough

Soldotna, Alaska

Dear House Finance Committee,

My name is Karen and I am writing to express my opposition to Alaska's proposed income tax (HB115). I was born and raised in Palmer and hope to give my future children the opportunities that I was given by living here. I am a recent graduate of UAA and plan to give back to my community and state by becoming a healthcare provider for Alaskans.

While an income tax could be beneficial, I believe there are other options Alaska can choose. Since I am currently a low income earner, the proposed income tax would not have a significant impact on me but I do not believe that my earnings should make a difference in the way I give back to my state financially. A state sales tax would be a better option as all Alaskans would contribute regardless of job status. Rather than having a less percentage of people pay a higher amount to support the budget, it would be far better for more people to contribute less. Those who have dedicated their time and finances to gaining a higher level of education or who have worked hard to achieve a higher paying job should not be held responsible to carry the State's burden.

While I am overly thankful to receive my Permanent Fund Dividend each year, I would rather lose this dividend than pay an extra tax on my income. My perspective is that if I have done nothing to earn the PFD other than live in the state that I love, why should I receive that money? If it was a choice between paying tax on what I work 40 hours a week to make or losing money that I did nothing for, I would choose the latter even though that would leave me with less financially.

While Alaskans contribute to their communities in different ways, it's important to have all Alaskans contribute to this issue rather than only those who are employed. This is a vital time for our State and all are watching what you decide so please choose wisely rather than with haste.

Sincerely,

Karen Clement

Dear Representative Seaton:

On the Eve of the Public Testimony before the House Finance Committee, I wanted to thank you in writing for the hard work you have done on the behalf of your constituents and all Alaskans. The People of this State are looking to its Legislature to make the intelligent decisions needed to guide our State forward.

You have proposed a plan to address the budget deficit that will reduce the PFD, place a tax on top of our Federal income tax, and provide more money by taxing long-term capital gains. This is one way to address the situation. And it must have been a very difficult decision to tax your fellow Alaskans.

There are those among us who have looked at the same numbers you have, and have come up with a different solution to balancing the Budget.

We believe that government spending grew in proportion to the Revenue it received from the Oil Industry, and that growth far exceeded what was and is necessary for the needs of our population. And now that that revenue has “tanked”, there is understandably much concern about what to do about the budget shortfall.

Since we have about 12 Billion in Reserve, there is no need to panic or jump to a quick fix. We have an additional stream of income from the Permanent Fund which has yet to be tapped, which is half of the annual payout for the PF Dividend. That stream, combined with other Revenues, and the judicious use of Earning Reserve Funds, can balance the Budget in a series of steps accompanied by appropriate reductions in spending.

This plan requires no new taxes, nor additional revenue, other than that half of the earnings of the Permanent Fund, which is available for just such a time as this.

The importance of this Plan, which requires no new taxes, cannot be underestimated. It will not burden the citizens of this State with new taxes for years to come, and it will not eliminate the PFD, or any portion thereof, from every household and citizen of this State.

The Permanent Fund Dividend provides much needed income for many, especially in our rural areas, and is enjoyed by many who are not in dire need, as well. I see no need to take hasty measures, as the Governor has done, in vetoing half the Dividend. It is money that our state needs to keep in circulation, especially when an economy in recession needs that capital. Taxation will have the opposite result.

Therefore, I ask you to consider the Citizens of this State, first. Young and old, rich and poor, friends and neighbors, all of us benefiting from a Budget Plan that does not include taxation at all! It can be done, and should be done. The future of Alaska is at stake. And that future will be all the brighter without the burden of taxation which now looms unnecessarily over all of us.

Will you not then reconsider what this means to the future of all Alaskans? I can ask no more.

Andrew W. Brewer

House Members,

As a resident and a voting member of house district 22 I would like to address my concerns with House Bill 115. I do not believe in changing the structure in which the earnings are removed from the Permanent fund. Our current Permanent Fund system works and continues to grow and prosper without the way this fund is set we may not have even have the options we have today. With that being said our State government exceeds are income dramatically and there are not enough cuts available to balance our budget (I do believe there are more cuts that can still be made). What I believe would be a more sound solution for the future of all Alaskans would be to put a Tax on the Dividend Payout at an example level of 75% , this would raise approximately 1 billion dollars based on last year's payout of approximately 1.3 Billion (before being cut in half). The house bill 115 proposed plan removes approximately 2.2 billion dollars from the PF. There is no way we can start removing almost 1 billion more per year from the fund and not impact the Permanent Fund strucker or principle for the future of Alaska.

From a matter of principle I cannot justify an income tax while the state is giving out dividends. I see it as straight up socialism and excess spending. Residents should not be dependent on the PFD for basic living. It's one thing to provide Welfare with rules and regulations that apply to take care of the basic needs of the poorest Alaskan residents it's another thing to write a blank check to every Alaskan Resident. With that being said I recognize that many Alaskans hold the dividend as an entitlement and not as gift of Government distributing the gifts of the land we live on from managing the budget responsibly. In the past view years are government has forgotten the responsible spending and spent with excess which has created this hole we are in as we cut our spending.

Knowing that true compromises need to be made I am not absolutely opposed to an income tax. If we enact an income tax I believe we need to do it correctly. An income tax tied to the Federal Rate is just a bad plan. The Federal Tax rates has a multiple of problems why copy their path when we can set up our own. If we keep paying out the dividend I propose a flat tax on all income of 3% this I estimate should earn another \$600-700 Million. By paying out the dividend with a flat tax the dividend makes the tax structure progressive. This would make so a family of 4 would not pay any tax after factoring in there dividend until they earn more the \$68,000 (based on last year dividend and a dividend tax of 75%).

The next measure that should be taken is to suspend all new oil tax credits programs (should save about 500 Million). The state of Alaska should not be in the business in paying people to find our oil. All we are paying for is projects that don't make financial sense. If they made financial sense the oil company's would develop them regardless of the credits. But I do not believe we should change the tax structure. In order to be a business friendly state we need to keep consistency. We as Alaskans know that the oil company's need us because we own the oil, but Alaskans need the oil company's because they bring our oil to market. Financially we both need each other and need to act as partners.

I also believe instead of squeezing all services provided in the state we need to start looking at which services need to be cut altogether and strengthen the core services that we absolutely need.

With what I outlined here we should be able to cut our deficit for the year to 500 million. This could be paid from savings as we find more revenue options to address next budget.

Thanks

Nicholas Hebnes

Being a self employed moose antler carver, depending on markets, catering to tourists in the summer time, as few shows in winter time. I need my PFD to bridge the gap during lean winter times. I will not vote for any one who votes to steal my PFD, and I vote at every opportunity. Rodney D. Olson, Sutton Alaska. 99674



Good morning gentlemen,

I understand that today at 1:30 is the scheduled time for receipt of public comment on HB 115. As I will be out doing my part to keep the wheels on the wagon, I won't be able to attend in Juneau or telephonically. My apologies. I do want my voice to be in the mix however, so here I write.

Without the time to thoroughly lay my arguments before you, please accept this foreshortened point. We have to stop supporting the concept that some people can live at the expense of others. We also recognize that taxing an activity reduces the energy applied to that activity. Alaska can not afford the ill of taking money from one group, skimming off expenses, and then redistributing the booty to others. It's inefficient and wrong.

Please stand strong in the gail of forces trying to take from the productive people of our great state. NO on HB 115.

Joel Adams  
Anchorage, Alaska

My family and I am are totally against House Bill 115, the State Revenue Restructuring Act.

Just more ways to steal our money and give to a pitiful state government that can't plan ahead for the life of them.

Spend money on a NG pipeline that a private company won't build more money down the drain

John

To Whom It May Concern:

I am writing in regards to HB115. I oppose any and all cuts to PFD's to Alaskans. As a low income person living below the poverty level, my PFD helps with paying for heating oil to heat my home because heating assistance grants were cut, winter tires and other bills. That are higher during our long winter season. Gov Walker stole half of our PFD last year, and needs to reverse that order and give Alaskans the rest of our 2016 PFD.

Also, I vehemently oppose a studded tire tax of \$75 per tire. This is not only a financial issue, but a safety issue. Because we are now required to put 4 studded tires on our vehicles, this will add another \$300 to an already outrageously expensive output of money. Those who cannot afford this, which is a majority of Alaskans, will not be able to purchase them and it will become a safety issue on our poorly maintained roads. The road maintenance budget has been cut so much, it's at times putting your life at risk to drive to your job. How about improving the quality of materials used on our roads to prevent ruts - which are extremely dangerous, there is no real proof it's caused by studs, it's from inferior quality products used by the contractors who build & "improve" our roads.

Respectfully yours,  
Susan Carver  
Wasilla, AK