

# NFIB

The Voice of Small Business.®

ALASKA

March 24, 2017

The Honorable Matt Claman  
State Capitol Building  
Juneau, Alaska 99801-1182

RE: House Bill 146

Dear Representative Claman:

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully share our opposition to House Bill 146. We appreciate your commitment to education and this attempt to move funding toward that goal. However, an income tax in whatever disguise remains an income tax. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

HB 146 creates an income tax on Alaskans that has long been known as an impediment to economic growth. The American Legislative Exchange Council studied the economic growth of 11 states that have adopted an income tax in the past 50 years. They found that the 11 states faced economic decline or, at least were outpaced by the rest of the 39 states. Given Alaska's fragile economy, this is not the time to add burdens that will slow our economy even more.

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All Alaskans were affected by the reduction in the 2016 Permanent Fund Dividend. HB 146 would add additional income reductions only to employed Alaskans and many small businesses.

Most Alaskan small businesses file federal taxes as individuals, thus adding a state income tax will impact their businesses differently than most individuals. As you probably know, the federal tax code favors big businesses over small businesses. This bill continues that imbalance.

We are concerned that the proposed tax will just be a beginning point. Government has an insatiable appetite for funding. Providing added funding before reducing the size and scope of our government to a level that can be afforded over the long-term simply pushes that reality to future years while charging Alaskans more of their disposable income in the interim.

We encourage you not adopt the personal income tax proposed in HB 146.

Sincerely yours,



Dennis L. DeWitt  
Alaska State Director

Cc: House Education Committee