

CS HB 115 Estimated State Income Tax based on Filing Status

The below brackets are used to calculate the Alaska state income tax based on adjusted gross income. These are located in CSHB115 starting on page 7 line 23.

- Individual / Nonresident:
 - Less than \$10,300 \$0
 - \$10,300- but less than \$50,000 2.5% of amount over \$10,300
 - \$50,000- but less than \$100,000 \$992.50 + 4% of amount over \$50,000
 - \$100,000- but less than \$200,000 \$2,992.50 + 5% of amount over \$100,000
 - \$200,000- but less than \$250,000 \$7,992.50 + 6% of amount over \$200,000
 - > or equal to \$250,000 \$10,992.50 + 7% of amount over \$250,000
- Married / Joint:
 - Less than \$20,600 \$0
 - \$20,600- but less than \$100,000 2.5% of amount over \$20,600
 - \$100,000- but less than \$200,000 \$1,985 + 4% of amount over \$100,000
 - \$200,000- but less than \$400,000 \$5,985 + 5% of amount over \$200,000
 - \$400,000- but less than \$500,000 \$15,985 + 6% of amount over \$400,000
 - > or equal to \$500,000 \$21,985 + 7% of amount over \$500,000

The attached estimates include the following assumptions:

- PFD based on 2016 amount = \$1022 per person
- Entire PFD applied as Refundable Tax Payment towards income tax due
- Gross income is from wages & PFD
- The estimates are for Residents who will receive a PFD
- Parents will claim their child's PFD as part of their gross income and therefor can claim deduction for child's PFDs
- Assumes a child's PFD would not be used towards payment of their parent's income taxes and therefore are not included in Row F.
- Assumptions for Row I – estimated Federal Tax: Single parent qualifies as "Head of Household". Married couple files "Jointly". Children are under 16 yrs of age and are the only dependents. Gross income is from wages. Standard deduction is greater than Itemized Deductions. The only credit the filers qualify for is the Child Tax Credit.
- Rows I estimated Federal Tax figures are based on Dept. of Revenue chart created for SB 134 (29th) - Income Tax bill presentation to Senate Labor & Commerce committee 2/23/16.

Prepared by the Office of Rep Paul Seaton

CSHB 115: Estimates for Income Tax & PFD Refundable Tax Payment

Estimated Federal and State Income Tax for Year 2016 for AK Residents

Married with No Children

| | | | | | | | |
|-------------|---|------------|------------|------------|------------|------------|------------|
| A | 2016 Gross Income | \$ 20,000 | \$ 30,000 | \$ 40,000 | \$ 50,000 | \$ 60,000 | \$ 70,000 |
| B | Less Personal Exemption (\$4,000 x 2) | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 |
| C | Less 2016 PFD Deduction (\$1022 x 2)* | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 |
| D=A-B-C | Alaska Adjusted Gross Income | \$ 9,956 | \$ 19,956 | \$ 29,956 | \$ 39,956 | \$ 49,956 | \$ 59,956 |
| E =brackets | Total Alaska Income Tax (brackets) | \$ - | \$ - | \$ 234 | \$ 484 | \$ 734 | \$ 984 |
| F | Apply 2016 PFD Tax Payment x 2 Adults* | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 |
| G=E-F | Remaining State Tax due or (Refund) | \$ (2,044) | \$ (2,044) | \$ (1,810) | \$ (1,560) | \$ (1,310) | \$ (1,060) |
| H=E/A | AK Tax as % of gross income | 0.00% | 0.00% | 0.58% | 0.97% | 1.22% | 1.41% |
| I | Estimated Federal Tax | \$ - | \$ 930 | \$ 1,968 | \$ 3,468 | \$ 4,968 | \$ 6,468 |
| J=I/A | Fed Tax as % of gross income | 0.00% | 3.10% | 4.92% | 6.94% | 8.28% | 9.24% |

Married Couple with 2 Children

| | | | | | | | |
|-------------|---|------------|------------|------------|------------|------------|------------|
| A | 2016 Gross Income | \$ 20,000 | \$ 30,000 | \$ 40,000 | \$ 50,000 | \$ 60,000 | \$ 70,000 |
| B | Less Personal Exemption (\$4,000 x 4) | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 |
| C | Less 2016 PFD Deduction (\$1022 x 4)* | \$ 4,088 | \$ 4,088 | \$ 4,088 | \$ 4,088 | \$ 4,088 | \$ 4,088 |
| D=A-B-C | Alaska Adjusted Gross Income | \$ (88) | \$ 9,912 | \$ 19,912 | \$ 29,912 | \$ 39,912 | \$ 49,912 |
| E =brackets | Total Alaska Income Tax (brackets) | \$ - | \$ - | \$ - | \$ 233 | \$ 483 | \$ 733 |
| F | Apply 2016 PFD Tax Payment x 2 Adults* | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 |
| G=E-F | Remaining State Tax due or (Refund) | \$ (2,044) | \$ (2,044) | \$ (2,044) | \$ (1,811) | \$ (1,561) | \$ (1,311) |
| H=E/A | AK Tax as % of gross income | 0.00% | 0.00% | 0.00% | 0.47% | 0.80% | 1.05% |
| I | Estimated Federal Tax | \$ - | \$ - | \$ - | \$ 253 | \$ 1,753 | \$ 3,253 |
| J=I/A | Fed Tax as % of gross income | 0.00% | 0.00% | 0.00% | 0.51% | 2.92% | 4.65% |

* PFD based on 2016 amount = \$1022 per person; assume entire PFD applied as Refundable Tax Payment.

Assumption for Rows A-D: Gross income is from wages & PFD. Assume Residents will receive a PFD.

Assumption Row C: Parents claim their children's PFD as part of their gross income and therefore can claim deduction for children's PFDs.

Assumption for Row F: Assumes a child's PFD would not be used towards payment of their parent's taxes and are not included in Row F.

Assumptions for Row I-Fed Tax: Single parent qualifies as "Head of Household". Married couple files "Jointly". Children are under 16 yrs of age and are the only dependents. Gross income is from wages. Standard deduction is greater than Itemized Deductions. The only credit the filers qualify for is the Child Tax Credit.

Rows I based on Dept. of Revenue chart created for SB 134 (29th) - Income Tax bill presentation to Senate Labor & Commerce committee 2/23/16.

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CSHB 115: Estimates for Income Tax & PFD Refundable Tax Payment

Estimated Federal and State Income Tax for Year 2016 for AK Residents

Married with No Children

| | | | | | | |
|---|-----------|-----------|------------|------------|------------|------------|
| 2016 Gross Income | \$ 80,000 | \$ 90,000 | \$ 100,000 | \$ 150,000 | \$ 200,000 | \$ 300,000 |
| Less Personal Exemption (\$4,000 x 2) | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 |
| Less 2016 PFD Deduction (\$1022 x 2)* | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 |
| Alaska Adjusted Gross Income | \$ 69,956 | \$ 79,956 | \$ 89,956 | \$ 139,956 | \$ 189,956 | \$ 289,956 |
| Total Alaska Income Tax (brackets) | \$ 1,234 | \$ 1,484 | \$ 1,734 | \$ 3,583 | \$ 5,583 | \$ 10,483 |
| Apply 2016 PFD Tax Payment x 2 Adults* | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 |
| Remaining State Tax due or (Refund) | \$ (810) | \$ (560) | \$ (310) | \$ 1,539 | \$ 3,539 | \$ 8,439 |
| AK Tax as % of gross income | 1.54% | 1.65% | 1.73% | 2.39% | 2.79% | 3.49% |
| Estimated Federal Tax | \$ 7,968 | \$ 9,468 | \$ 11,368 | \$ 23,913 | \$ 37,256 | \$ 67,698 |
| Fed Tax as % of gross income | 9.96% | 10.52% | 11.37% | 15.94% | 18.63% | 22.57% |

Married Couple with 2 Children

| | | | | | | |
|---|------------|-----------|------------|------------|------------|------------|
| 2016 Gross Income | \$ 80,000 | \$ 90,000 | \$ 100,000 | \$ 150,000 | \$ 200,000 | \$ 300,000 |
| Less Personal Exemption (\$4,000 x 4) | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 |
| Less 2016 PFD Deduction (\$1022 x 4)* | \$ 4,088 | \$ 4,088 | \$ 4,088 | \$ 4,088 | \$ 4,088 | \$ 4,088 |
| Alaska Adjusted Gross Income | \$ 59,912 | \$ 69,912 | \$ 79,912 | \$ 129,912 | \$ 179,912 | \$ 279,912 |
| Total Alaska Income Tax (brackets) | \$ 983 | \$ 1,233 | \$ 1,483 | \$ 3,181 | \$ 5,181 | \$ 9,981 |
| Apply 2016 PFD Tax Payment x 2 Adults* | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 |
| Remaining State Tax due or (Refund) | \$ (1,061) | \$ (811) | \$ (561) | \$ 1,137 | \$ 3,137 | \$ 7,937 |
| AK Tax as % of gross income | 1.23% | 1.37% | 1.48% | 2.12% | 2.59% | 3.33% |
| Estimated Federal Tax | \$ 4,753 | \$ 6,253 | \$ 7,753 | \$ 19,888 | \$ 32,988 | \$ 63,025 |
| Fed Tax as % of gross income | 5.94% | 6.95% | 7.75% | 13.26% | 16.49% | 21.01% |

* PFD based on 2016 amount = \$1022 per person; assume entire PFD applied as Refundable Tax Payment.

Assumption for Rows A-D: Gross income is from wages & PFD. Assume Residents will receive a PFD.

Assumption Row C: Parents claim their children's PFD as part of their gross income and therefore can claim deduction for children's PFDs.

Assumption for Row F: Assumes a child's PFD would not be used towards payment of their parent's taxes and are not included in Row F.

Assumptions for Row I-Fed Tax: Single parent qualifies as "Head of Household". Married couple files "Jointly". Children are under 16 yrs of age and are the only dependents. Gross income is from wages. Standard deduction is greater than Itemized Deductions. The only credit the filers qualify for is the Child Tax Credit.

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CSHB 115: Estimates for Income Tax & PFD Refundable Tax Payment

Estimated Federal and State Income Tax for Year 2016 for AK Residents

Married Couple with 4 Children

| | | | | | | | |
|-------------|---|-------------|------------|------------|------------|------------|------------|
| A | 2016 Gross Income | \$ 20,000 | \$ 30,000 | \$ 40,000 | \$ 50,000 | \$ 60,000 | \$ 70,000 |
| B | Less Personal Exemption (\$4,000 x 6) | \$ 24,000 | \$ 24,000 | \$ 24,000 | \$ 24,000 | \$ 24,000 | \$ 24,000 |
| C | Less 2016 PFD Deduction (\$1022 x 6)* | \$ 6,132 | \$ 6,132 | \$ 6,132 | \$ 6,132 | \$ 6,132 | \$ 6,132 |
| D=A-B-C | Alaska Adjusted Gross Income | \$ (10,132) | \$ (132) | \$ 9,868 | \$ 19,868 | \$ 29,868 | \$ 39,868 |
| E =brackets | Total Alaska Income Tax (brackets) | \$ - | \$ - | \$ - | \$ - | \$ 232 | \$ 482 |
| F | Apply 2016 PFD Tax Payment x 2 Adults* | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 |
| G=E-F | Remaining State Tax due or (Refund) | \$ (2,044) | \$ (2,044) | \$ (2,044) | \$ (2,044) | \$ (1,812) | \$ (1,562) |
| H=E/A | AK Tax as % of gross income | 0.00% | 0.00% | 0.00% | 0.00% | 0.39% | 0.69% |
| I | Estimated Federal Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 38 |
| J=I/A | Fed Tax as % of gross income | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.05% |

Single with No Children

| | | | | | | | |
|-------------|---|-----------|-----------|-----------|-----------|-----------|-----------|
| A | 2016 Gross Income | \$ 20,000 | \$ 30,000 | \$ 40,000 | \$ 50,000 | \$ 60,000 | \$ 70,000 |
| B | Less Personal Exemption (\$4,000 x 1) | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| C | Less 2016 PFD Deduction (\$1022 x 1)* | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 |
| D=A-B-C | Alaska Adjusted Gross Income | \$ 14,978 | \$ 24,978 | \$ 34,978 | \$ 44,978 | \$ 54,978 | \$ 64,978 |
| E =brackets | Total Alaska Income Tax (brackets) | \$ 117 | \$ 367 | \$ 617 | \$ 867 | \$ 1,192 | \$ 1,592 |
| F | Apply 2016 PFD Tax Payment x 1 Adult | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 |
| G=E-F | Remaining State Tax due or (Refund) | \$ (905) | \$ (655) | \$ (405) | \$ (155) | \$ 170 | \$ 570 |
| H=E/A | AK Tax as % of gross income | 0.58% | 1.22% | 1.54% | 1.73% | 1.99% | 2.27% |
| I | Estimated Federal Tax | \$ 984 | \$ 2,484 | \$ 3,984 | \$ 5,684 | \$ 8,184 | \$ 10,684 |
| J=I/A | Fed Tax as % of gross income | 4.92% | 8.28% | 9.96% | 11.37% | 13.64% | 15.26% |

* PFD based on 2016 amount = \$1022 per person; assume entire PFD applied as Refundable Tax Payment.

Assumption for Rows A-D: Gross income is from wages & PFD. Assume Residents will receive a PFD.

Assumption Row C: Parents claim their children's PFD as part of their gross income and therefore can claim deduction for children's PFDs.

Assumption for Row F: Assumes a child's PFD would not be used towards payment of their parent's taxes and are not included in Row F.

Assumptions for Row I-Fed Tax: Single parent qualifies as "Head of Household". Married couple files "Jointly". Children are under 16 yrs of age and are the only dependents. Gross income is from wages. Standard deduction is greater than Itemized Deductions. The only credit the filers qualify for is the Child Tax Credit.

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Estimated Federal and State Income Tax for Year 2016 for AK Residents

Married Couple with 4 Children

| | | | | | | |
|---|------------|------------|------------|------------|------------|------------|
| 2016 Gross Income | \$ 80,000 | \$ 90,000 | \$ 100,000 | \$ 150,000 | \$ 200,000 | \$ 300,000 |
| Less Personal Exemption (\$4,000 x 6) | \$ 24,000 | \$ 24,000 | \$ 24,000 | \$ 24,000 | \$ 24,000 | \$ 24,000 |
| Less 2016 PFD Deduction (\$1022 x 6)* | \$ 6,132 | \$ 6,132 | \$ 6,132 | \$ 6,132 | \$ 6,132 | \$ 6,132 |
| Alaska Adjusted Gross Income | \$ 49,868 | \$ 59,868 | \$ 69,868 | \$ 119,868 | \$ 169,868 | \$ 269,868 |
| Total Alaska Income Tax (brackets) | \$ 732 | \$ 982 | \$ 1,232 | \$ 2,780 | \$ 4,780 | \$ 9,478 |
| Apply 2016 PFD Tax Payment x 2 Adults* | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 |
| Remaining State Tax due or (Refund) | \$ (1,312) | \$ (1,062) | \$ (812) | \$ 736 | \$ 2,736 | \$ 7,434 |
| AK Tax as % of gross income | 0.91% | 1.09% | 1.23% | 1.85% | 2.39% | 3.16% |
| Estimated Federal Tax | \$ 1,538 | \$ 3,038 | \$ 4,538 | \$ 15,863 | \$ 28,720 | \$ 58,352 |
| Fed Tax as % of gross income | 1.92% | 3.38% | 4.54% | 10.58% | 14.36% | 19.45% |

Single with No Children

| | | | | | | |
|---|-----------|-----------|------------|------------|------------|------------|
| 2016 Gross Income | \$ 80,000 | \$ 90,000 | \$ 100,000 | \$ 150,000 | \$ 200,000 | \$ 300,000 |
| Less Personal Exemption (\$4,000 x 1) | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| Less 2016 PFD Deduction (\$1022 x 1)* | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 |
| Alaska Adjusted Gross Income | \$ 74,978 | \$ 84,978 | \$ 94,978 | \$ 144,978 | \$ 194,978 | \$ 294,978 |
| Total Alaska Income Tax (brackets) | \$ 1,992 | \$ 2,392 | \$ 2,792 | \$ 5,241 | \$ 7,741 | \$ 14,141 |
| Apply 2016 PFD Tax Payment x 1 Adult | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 | \$ 1,022 |
| Remaining State Tax due or (Refund) | \$ 970 | \$ 1,370 | \$ 1,770 | \$ 4,219 | \$ 6,719 | \$ 13,119 |
| AK Tax as % of gross income | 2.49% | 2.66% | 2.79% | 3.49% | 3.87% | 4.71% |
| Estimated Federal Tax | \$ 13,184 | \$ 15,684 | \$ 18,184 | \$ 32,173 | \$ 46,191 | \$ 79,191 |
| Fed Tax as % of gross income | 16.48% | 17.43% | 18.18% | 21.45% | 23.10% | 26.40% |

* PFD based on 2016 amount = \$1022 per person; assume entire PFD applied as Refundable Tax Payment.

Assumption for Rows A-D: Gross income is from wages & PFD. Assume Residents will receive a PFD.

Assumption Row C: Parents claim their children's PFD as part of their gross income and therefore can claim deduction for children's PFDs.

Assumption for Row F: Assumes a child's PFD would not be used towards payment of their parent's taxes and are not included in Row F.

Assumptions for Row I-Fed Tax: Single parent qualifies as "Head of Household". Married couple files "Jointly". Children are under 16 yrs of age and are the only dependents. Gross income is from wages. Standard deduction is greater than Itemized Deductions. The only credit the filers qualify for is the Child Tax Credit.

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