

Senate Labor & Commerce Committee
House Bill 115 – Income Tax
Opposition Email Testimony

Opposition Emails

My name is Alissa Zank and I live in Willow. I work in Wasilla. My husband is a 100% service connected disabled army veteran. I am currently the only income earner in our home as my husband is in school to try to get a job since leaving the Army. I am a licensed clinical social worker and I currently have to work two jobs in order to meet our needs. I cannot afford an income tax nor a reduction in the PFD. Furthermore, I wholeheartedly do not agree with instituting an income tax in any way shape or form even if I could afford it. I want a small government with less spending not more government with more spending. I want to keep my money to provide for myself and my family not to provide for all of those others that don't work. If and when I decide to help others with my money I will donate to my church or Pick, Click, Give or directly to agencies that I agree with. I do not want my money taken from me without my permission and given to whomever the government decides. My husband and I are both paying off student loans. I have never utilized public assistance even though I could have because I believe in paying my own way because I am able. I believe in having a fiscally conservative home and government. The government should protect our rights not ignore them.

I want a no vote on HB 115. I expect a no vote on HB 115. I expect the republican and conservative legislatures we elected to follow through on our republican and conservative ideals and vote no on HB 115. No income tax and no reduction in the PFD dividend. Cut spending by the government pure and simple. And IF I were to be agreeable to any tax it would be a sales tax only. Those that have a job and an income should not be forced to pay for the rest of society including those that choose not to work and those that visit our state to utilize our resources and enjoy our beautiful state. A sales tax if any would be the only alternative that would be more evenly spread out among consumers and citizens.

When my budget tightened due to my husband leaving the army (no choice he was too injured to stay in), I didn't go to my neighbor asking him to pay for my bills. I got another job. I reduced spending to the necessities and when I had a "want" I got another job. I am firmly against any more taxing of the Alaskan citizens for a government with out of control spending. I demand a NO vote on HB 115.

Thank you for taking the time to consider my testimony and I would hope in the future public testimony by phone or by email is more easily accessible to the public.

Sincerely,

Alissa L. Zank

Goodmorning. This is the first time I have written a politician. I am writing to you about the income tax. It is so frustrating to me that you people want yet more of my money. I pay federal income tax. Property tax. Fuel tax. A sales tax. 1/2 of my income goes to taxes. Now the state of Alaska, you people that supposedly serve me. Want to tax me another 6% of my income plus the pfd. I am so disgusted and angry. I have a female friend, she is 56, single. She is trying to buy her own house, lives on a very strict budget. Now you people want to take 6% of her income It will break her.

Rick Philbrick
Wasilla Alaska

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I oppose reinstating a state income tax. Our State Government has proved it did not know how to handle money when they had plenty... Now would be a good time to audit the State Government itself and make the appropriate cuts and do the necessary downsizing before trying to make Alaskans support the out of control spending you are already used to.

This State has a very high cost of living and to further impose more taxes on Businesses which are providing jobs and a living for so many -- it is a mistake.

A Proud Member of National Write Your Congressman

Sincerely,

Mr. Dianne Johnson
3255 S Old Glenn
Palmer, AK 99645

Good afternoon. I am a resident of the Palmer area and registered voter in your district. Please do not vote for any broad based tax especially an income tax... personally I would prefer a sales tax if we must be taxed. I will actively campaign and vote against any and all representatives that want to impose a tax on my earnings.

Thank you,

Seth Vance
3715 N Snowgoose Rd
Palmer Ak 99645

I oppose reinstating a state income tax. The wasteful and inefficient government spending will just continue as new revenue comes in.

I also think that limiting the PFD altogether should be considered before a state income tax. Many of the people that are in favor of a state income tax will likely not have to pay it. They are also likely the people that think they deserve a PFD.

A Proud Member of National Write Your Congressman

Sincerely,

Mr. Jacob Frank
625 S Cobb St Ste 101
Palmer, AK 99645

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A bright and sunny day here and I would love to be outside but I read in the newspaper where the house is pushing an income tax on us and that brings me inside to write this email.

We are a small community here in Meadow Lakes. My neighbors and I regularly discuss our state's economic situation. We would like to see a large budget cut prior to any new taxes being placed on us. Currently no one here really has an additional \$1,500 dollars to waste on our state government.

I want to say thank you for standing firm against the income tax proposed by the house. Taking \$600 million dollars out of our already damaged economy will surely hasten a major collapse here locally.

Feel free to call or email.

Sincerely,

Mike Grigsby

Ed Clawson here again. I hear good things about how you are working to hold the line on future taxes and cutting state spending.

I want you to know that both my wife and I are behind you 100% I have made this fight a topic of discussion with almost everyone I interact with. Meaning that whenever I can make it fit into a conversation, it goes in.

I have found that everyone is thinking the same thing. We cannot afford an income tax, we should have a predictable and intelligent fiscal relationship with the oil industries, and we need to not make changes to the PFD.

In the unpleasantness of the Alaska economy in the mid 80's we never intuited an income tax, or got into the PFD formula. And oil was \$11 a barrel and it closed at \$52.26 Friday. That is almost 5 times as much as we had coming in then I must admit that I am not sure of production levels in the mid 80's and we are at just over 620,000 barrels a day now.

Again....keep up the good work.

Is there anything else we out here can do to help you?

Ed Clawson
Palmer

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Again....keep up the good work.

Is there anything else we out here can do to help you?

Ed Clawson
Palmer

Please do not allow a state income tax to be passed, sales tax or other option would be preferred. Have a great day.

Thank you,
Brenda Layton
20563 E Tempra St
Palmer

Hello! I am writing all Officials in the Matsu Valley where I live once again. I know public testimony is soon coming up for the income tax. I am not sure if I will be able to call in at this time, so I wanted all of you to know I am 100% against an income tax. This will be devastating to Alaska. It is time to roll up the sleeves, list priorities and cut everything that is not absolutely necessary. That means even the "nice to have" that many want to say is necessary. I am a born and raised Alaskan. I have lived all over the state and know many families. Especially those who helped build Alaska to what it is. NO ONE wants an income tax. Those that do are a very low percentage and usually are the high consumers on our social programs.

Time to cut the handouts and fat. I know that seems harsh, but in my house if I don't have the money, we decide what must go. Cuts happen and lifestyle changes happen until we meet our bills. Then we

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live within our means. This often requires hard decisions. Plain and simple. I expect the same from our elected officials.

Tom Dunn

I really appreciate your service to Alaska and all the updates you send out to me and other citizens in the Borough. I have met you in meetings a few times and you may recall that I am the Deputy Borough Manager for the Matanuska-Susitna Borough, however, today I am writing to you as a private citizen and a Military Veteran and Retiree.

I find myself writing to a Senator or Congressman for the first time in my life and on a topic which I believe will have a negative impact on the great State of Alaska. I'm writing today against HB 115, specifically Chapter 22 of this bill, as it is written to tax military retirement. Whether it is intentional or not, in Sec. 11. AS 43 is amended by adding a new chapter to read: Chapter 22.... In Sec. 43.22.010 (b) (1) (A) the drafter has included "15 percent of the individual's total federal income tax due..." which would include our military retirement income.

Military retirees serve the United States of America, the greatest country in the world, normally for 20 years or more and are given a pension based on that service. In my case, I served on Active Duty from 12 August 1971 to 1 July 2012 (one month short of 41 years). When military members get ready to retire they search out the states to live in which do not have income tax or ones which exempt some or all of military retirement income in order to make their income go as far as possible. As a matter of note; I have looked on line and see that all told, there are only **eight states that offer no tax breaks** on military retirement -- California, Rhode Island, North Dakota, Connecticut, Minnesota, Nebraska, Vermont and Virginia. I highly encourage you not make Alaska the ninth State to not exempt military retirement pay. If passed, this tax and resultant loss of income makes a significant difference in the income and quality of life for thousands of American Retiree Veterans, especially those in the enlisted ranks, and I am totally against it.

I know you have a very tough job with the Alaska budget this year and that you must do something to increase the revenue for the upcoming budget. However, in the first place I disagree that it should be an income tax versus a sales tax and more importantly, if you must vote on an income tax, I am adamantly opposed to including Military retirement pay in that State income tax. Please vote against this bill or amend it to exempt military retirement from any State income tax.

Best Regards,
Colonel George W. Hays, USAF (Retired)
2077 S. Sweetie Pie Street
Wasilla, AK 99654

Please reject HB 115. The permanent fund had been set up as a "rainy day" account to fund state government. Well, it's raining. Please look to cut government spending across the board - 10-20 percent to every department and program, 10-20 percent cut to social programs, implementing strict limits on how long any Alaskan can utilize any social program, use the permanent fund to fill in the gap, eliminate

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the PFD to all Alaskans, renegotiate the oil tax to a lower rate to expand exploration and production, and work with US Senator Sullivan to open ANWAR. Do NOT implement a state income or sales' tax. It's time for all Alaskans to step up - not just the working class. The PFD has become just another entitlement in an exhaustive list of entitlements that ruin the lives of those enslaved to them. Taxation strips investment capital from all communities which further opens the state's fiscal gap. This is a vicious cycle that continues until there's not enough revenue through taxation. What's your plan then? Cuts are a tough job and it will hurt everyone. But it's the job that you had signed up for. I look forward to your response. Thank you.

Mark Frentzel
Keller Williams Realty

More needs to be done to limit government spending before a personal income tax is levied against the citizens of Alaska. If the State of Alaska is having such a difficult time trying to come up with a budget then just go back to the same budget used in 2008. As you know, our state budget has doubled since 2006 yet we haven't doubled the number of people in the state. Does no one in our state government see that as a problem?

I am in favor of eliminating the PFD in total before an income tax is levied.

The cost of living is already among the highest in the country here. I'm afraid once an income tax gets on the books, we will lose many of the talented individuals and small businesses that are trying to weather this tough economy. I'm an airline pilot and my job allows me to live anywhere in the world and commute to work. I can assure you that if HB115 passes, I will no longer live in Alaska. I love the State but there are too many negatives to keep me here if HB115 comes to fruition.

Sincerely,
Scott T. Massey

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The cost of living is already among the highest in the country here. I'm afraid once an income tax gets on the books, we will lose many of the talented individuals and small businesses that are trying to weather this tough economy. I'm an airline pilot and my job allows me to live anywhere in the world and commute to work. I can assure you that if HB115 passes, I will no longer live in Alaska. I love the State but there are too many negatives to keep me here if HB115 comes to fruition.

Sincerely,
Scott T. Massey

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The Democrats introduced an income tax bill when I served in the legislature in the 80's. They were convinced we couldn't survive without it.

It appears we have done quite nicely for 30 years and I believe it is still premature to re-institute an income tax.

Alyce Hanley

The fiscal crisis, which was apparent in 2016, no longer appears a reality in light of the new 2017 Revenue Forecast produced by the Dept. of Revenue (see attached).

With this new Revenue of nearly 10.2 Billion projected for both 2017 and 2018 we no longer have a deficit in State spending. The multi-billion dollar deficit which has plagued the minds of many for so long, no longer exists.

Thus the arguments for both Taxes and Cuts based on a 3 Billion dollar deficit, no longer exist. This is a stunning development, and will take time to sink in.

We have become so accustomed to thinking that we must have an Income Tax, a Cut in the PFD or both, that new information to the contrary is hard to accept. But that is exactly what the Dept. of Revenue is reporting.

With a 6.6 Billion dollar operating budget, we still have 3.8 Billion to pay for a full dividend and a Capital Budget of about 2 Billion. This is based on the Operating Budget already passed, and the numbers provided by the Dept. of Revenue.

So arguments about an Income Tax, or a PFD cut, or both, no longer hold water. Look closely at the projected State Revenue. Federal Receipts are up 1 Billion, and PF Earnings have recovered nicely (from 541 Million to 3.5 Billion and 3.7 Billion in 2018).

In addition, we have 16 Billion in Reserves to cover any unexpected downturns in the projections. I have attached that chart as well, produced by the Office of Management and Budget.

I conclude therefore, based on the facts presented by the Dept. of Revenue and OMB, that the State of Alaska is not in a fiscal crisis, and no new taxes or cuts are necessary. The Earnings of the Permanent Fund and the increase in Federal Receipts have covered the deficit.

Thank you,

Andrew W. Brewer

For the record I am opposed to any tax upon the people of Alaska, especially the house's state income tax bill known as HB 115.

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We live in a resource rich state, oil, gas, coal, precious metals, fisheries, tourism and many more resources. With so many resources it is utterly ridiculous to attempt to tax the people of Alaska isn't it? Have you tried properly taxing the industries? I think if the industries were taxed properly we wouldn't be in this mess we are in.

I didn't place this great state in the financial mess its in now and neither did any other Alaskan, that being said, where is the justification in balancing the states budget off the backs of every working Alaskan?

For clear and obvious reasons I vehemently oppose HB115.
Thank you for your time.

Andrew Malavansky
Palmer, Alaska

We do not need a state income tax. The state needs to rein in their spending. No money should be spent on the natural gas pipeline right now. Focus should be on gas production.

The school district administration has become too big and bloated and should be downsized. The amount of money allocated per student is more than every other state, and yet the students overall achievements in learning has declined. Some of the money doesn't go towards teaching students but to other unnecessary departments or unions.

We need Senator Mike Dunleavy's approach to not institute a state income tax and not raid the permanent fund.

Thank you.

Jim & Annette Harpster
PO Box 2846
Palmer,AK 99645

Taxing producers is not the answer to our government spending problem. In Juneau, we have seen "temporary" sales taxes become permanent because once the money is received, there is no giving it back to the tax payers. I see the same fate with an income tax. Capping the Permanent Fund (money which none of us has EARNED) is a far better approach. I appreciate the reductions to State government that have happened so far through basically attrition. Whether you cut a dime or a dollar, the advocacy for retaining the spending will rise to the same crescendo. Please kill this bill and continue to stand up for working Alaskans and retirees.

On another note, thank you all for your service to Alaskans. I know how hard you all work and appreciate the sacrifices you make to advance these difficult decisions.

Annette Kreitzer

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I wanted to reach out to you to express that I as a business owner in Anchorage do not support HB115. I believe 2018 will bring higher mortgage interest rates, a rise in foreclosures, and increased housing inventory levels throughout Alaska. The passage of HB115 will not only compound the impact on those conditions, it will also price a significant number of potential home buyers out of the market.

Additionally, omitting the mortgage interest deduction and implementing an additional capital gains tax will serve to discourage buyers and sellers and delay any recovery in the housing market.

Please do not pass HB115!

Attentively,

Annie Bjerkestrand

I am writing to regarding to the proposed income tax for education. I am a supporter of education; however, I believe that a single person earning under \$20,000 a year should pay no state income tax.

Thank you for hearing my opinion on the subject.

Barbara Farris
Anchorage

I am a lifelong Alaskan, born in 1958, and was a working adult when Alaska had an income tax and before the existence of the PFD. I strongly oppose an income tax until the PFD is abolished.

An income tax would most affect those with a higher income, which is essentially a case of taking from the rich to give to the poor. I don't object to that in principle, and would willingly pay a tax to the state so that necessary services can be provided to those in need. This should not, however, be implemented while the state is handing money to everyone with no strings attached. It is contradictory for the State to pass out money that is often spent frivolously, while taxing Alaskans in part to protect services for lower income residents.

There is not one resident of Alaska who did anything to earn the PFD; we didn't work for it, give up any land for it, or lose anything because of the development of the North Slope. On the contrary, the oil industry has brought jobs and an influx of residents to Alaska, which has boosted our economy and benefited all of us. I see the Dividend as a rich teenager's allowance. It's fine until Dad loses his job and money is tight. If that happens, should the teenager still get a generous allowance? NO!

Regards,

Barbara Stephl

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I'm appalled that this legislature – again – lacks the intestinal fortitude to cut the state budget adequately and instead decides they want to institute a State income tax. It's time to get to work and cut the fluff out of the oversized state budget and right-size the employee base of that government. Private sector employers have been doing it regularly to deal with the changes in our economy, you've slashed the University (which needed quite a bit of trimming, but not to the degree you are slashing it), but there are still way too many employees in state government with less than full time jobs getting full time paychecks.

Stop avoiding what should be seen as unavoidable. Cut the size of state government to match our income. When that's done, then start slashing dividends and reinstating a state income tax.

Consider me –

A very frustrated 37+ year Alaska resident,

Becky Zembower

Please hold the line against a state income tax

Thank you,

Paul T Hebda
Anchorage

Alaska does NOT need an income tax to 'balance' the budget. We need to CUT the budget MORE. Taxing even items that are non taxable on a federal level, is a poor excuse for lazy legislators not wanting to roll up their sleeves and do the hard work of looking for government efficiencies.

And contrary to those 'education experts' , our education budget is one area that could be cut drastically. The amount of money we spend per child and the results we get is astonishing. I might refer each of you to The incredibly well research articles on this matter on the Alaska policy forum website.

I hope and trust that the Senate will hold steadfast in not passing this sorry excuse for a budget solution.

Thank you,

Bernadette Wilson

I appreciate the opportunity to provide written testimony to the Labor and Commerce Committee concerning HB115. Bottom Line Up Front: I am in opposition to this bill.

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Bob Carter is credited with the axiom, “Poor planning on your part does not necessitate an emergency on mine.”

While I understand the State of Alaska is facing a difficult financial situation, I take strong exception to portraying the situation as a “crises”. The situation is important but not urgent. Resist the urge to react as though the state is facing immediate foreclosure. Crises are often cover for foolish, knee-jerk responses and result in even greater problems in the future. We are in this situation because of very bad decisions made in previous years. The reliance on laughably unrealistic revenue forecasts coupled with the perpetual desire on the part of you, our elected representatives, to bring home the bacon each and every session and the desire to garner favor in the eyes of special interests has brought us to this critical juncture. The governor and a host of well-funded special interests has managed to create a climate where fear is driving the legislature to make decisions that will ultimately be bad for Alaska.

I was in the cue to testify this evening and I heard dozens of sad stories about cutting funding for seniors, and for special needs, and about beautiful grandchildren; all designed to tug at your heart strings and get you to impose an income tax. The reality is that the school districts deliberately cut high profile and “important” programs for the attention factor; to drive the point home and to make it hurt.

The theme seems to be preserve government for governments sake. Remember this: everything the government has it has taken from someone else.

The State needs to get its own financial house in order before coming to the citizens begging for more money with promises of “we will do better, we promise”. I heard it enough and I am not buying it.

No on HB115!

Respectively,

Bryan Cherry

If this bill passes, many experts believe 2018 will bring higher mortgage interest rates, a rise in foreclosures, and increased housing inventory levels throughout Alaska. The passage of HB115 will not only compound the impact on those conditions, it will also price a significant number of potential home buyers out of the market. Additionally, omitting the mortgage interest deduction and implementing an additional capital gains tax will serve to discourage buyers and sellers and delay any recovery in the housing market.

It is also my understanding that developers are having a difficult time identifying investors for projects. The investors have decided that Alaska "is its own worst enemy." This opinion is no expanding into industries besides the petroleum industry. I wish you luck and would appreciate your continued stand for consistent regulatory environments.

Sincerely,

Beth Fread

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I am sharing that I am against an issue become tax. This is an unfair tax for Alaskans. How can you say this is fair if only employed people are paying?

A sales tax is the only fair tax that All will actively participate in balancing the budget.

Vote no on HB 116.

Sincerely,

Beth Farnstrom
Anchorage

I strongly oppose any kind of income tax and making any changes to the structure of the Permanent Fund and dividend program. The budget should be balanced by making spending reductions and using existing savings, including PF earnings.

Bethany Marcum

I oppose HB 115, I do not want more income to not be accountable for, education needs cuts, as well all other areas cut, I agree with many others, who are tired of paying for many on Medicaid who should not make it a life dream to live on others working. I will pay for those not able to work, but I live in Ketchikan , work at KIC native clinic, and see too many young people on Medicaid and for too long, they smoke, some do drugs, why is there not rules to drug test , smoke free to be able to get Medicaid?

In our dental clinic Medicaid folks are eligible for a gold crown yearly, and some are getting Medicaid paid orthodontics, perhaps our legislation should cut Medicaid, to find some extra money. Time to make Alaska a working state not free loading.

Begin with no HB 115 find other cuts,

Lisa Bezenek
1617 water st
Ketchikan ak 99901

Balancing the budget is one thing, but the methods employed to fix it are deplorable. Taxation and theft are poor excuses for a lack of creativity and restraint:

- No income tax
- No sales tax
- No taxes of any other type
- No raiding the PFD in any form

Note: This message, as well as many others, are being shared with the general public. They will surely know who you are ... and what you are.

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Bill Goodwin, Alaskan
William John Goodwin Jr.
401 S. Jerome Dr.
Wasilla, AK 99654

Below is my op-ed that ran in the paper last week explaining why an income tax is completely unfair at this point in time. I'll tell you why I wrote it: As I randomly asked people how they feel about an income tax, I was surprised how many people felt the same way I did. The reaction was widespread. At the same time, most people don't feel like they can risk talking openly about it, because they feel like they will be cast as selfish. In fact, I hesitated for weeks before finally pressing the send button on my computer to submit my op-ed to the paper.

An older friend of mine who's been in Alaska for decades told me just yesterday, "I've paid an Alaska income tax before, and I can tell now is the right time or circumstances to bring it back." I asked him if he would email testimony to your committee, and he said, "No. I like to keep low profile, and that's the right decision for me."

It's not even clear an income tax is needed yet. Taxing us to pay dividends is insane. And taxing us to subsidize government waste is also unfair. Only tax us when it's clear we can't make ends meet without such a tax. Taxing should be the last resort. And when a tax is considered, it should be one that everyone feels the pain of—not just those with jobs.

Even if we do have an income tax at some point, it's important it not be introduced until we demonstrate we have tried everything else first. That has not happened. Yes, we've asked state departments to make budget cuts. But some departments just cut programs that are most dear to the public to raise opposition to further cuts. Another approach would be to work more collaboratively with these departments to help identify real savings, such as the way Texas saved over \$4 billion: <https://www.theatlantic.com/politics/archive/2013/07/the-secret-to-cutting-government-waste-savings-by-a-thousand-cuts/277458/>

I used to manage turnarounds as a consultant for one of the major consulting firms. The most important responsibility of the leader in these situations is to be fair, to ensure equitability of sacrifice across the board—and not allow one group of people to gain ground at another's expense. Enacting an income tax now to shield the public sector from necessary restructuring or to pay out dividends to those who are not needy would breach that inviolate rule—and set off a long-term cycle of inter-group hostility in Alaska that will be detrimental to all of us in the long-run.

Thank you!

Bob Kaufman
Founder
Alaska Channel

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I am very much opposed to HB 115.

Passage of this bill may lead to higher mortgage interest rates, more foreclosures, and an increase to housing inventory levels throughout the state.

Additionally, omitting the mortgage interest deduction and implementing an additional capital gains tax will only serve to discourage home buyers and sellers, which will delay any recovery in the housing market.

I highly urge the Senate to reject HB 115. Thank you.

Respectfully,

Bob Manwaring

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Additionally, omitting the mortgage interest deduction and implementing an additional capital gains tax will only serve to discourage home buyers and sellers, which will delay any recovery in the housing market.

I highly urge the Senate to reject HB 115. Thank you.

Respectfully,

Bob Manwaring

Please vote no on tax legislation. New taxes would harm Alaskans with the current recession. Stand strong. Vote no! The people are with you!

Vote no!

Brad and Bonnie Gruening

I have been a small business owner for the last few years in Anchorage. I am barely making ends meet. Lately I have been considering taking on a FT job in order bridge my own income gap. I am STRONGLY against this Income Tax bill! It seems that our representatives have become more actively engaged in pleasing lobbyists rather than their constituents. PLEASE DO NOT PASS THIS BILL. It's bad for business, bad for our economy, and bad for the state.

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It's "hard" to make cutbacks.... well, guess what... that's what you MUST DO! It will be hard, but it's the right thing to do. Consider privatizing large portions of our state government. Get the lobbyists & unions out of it. VOTE NO!

Thank you,

Brenda Rhodes

My testimony is very simply. Please don't kill what's left of the Alaskan economy with an income tax.
Sincerely

Brad Steward

I am contacting you on behalf of my family, myself and four children. We respectfully urge you to withhold support for further taxation of Alaskan Families. We are not satisfied that you have done all that you can to eliminate wasteful spending, to get rid of pet projects, and cut unnecessary extended sessions, among other budget bloat. We believe a better approach would be similar to the plan that Senator Dunleavy has proposed. We also feel that it is completely unnecessary for you to molest our PFD any further.

I would like to quote the esteemed Dr. Vernon Smith, PhD economist and Nobel Laureate ~"It's (*Permanent Fund*) not the government's fund it's the peoples; the government got most of the oil revenue, had their chance to be prudent, and failed miserably. The PF has been invested wisely, its real value protected from inflation, and is the one minimum sustainable income source for individual Alaskans to weather hardships. Only the State is a threat to that security. The lesson could not be plainer. The current governor is not responsible for past errors, but he is responsible for their continuance." And I would add, the current legislature which includes all of you.

Taxing children is completely unfair, even immoral, and such a cut to the PFD is a defacto tax on their portion of the Investment income. Children have no voice in this process and this is truly taxation without representation. A true Statesman/woman would be appalled at such a suggestion. Find a better way, look to Senator Dunleavy and ISER for guidance if you must.

Sincerely,

Brandi Wadkins
4 Minor Children
Mackey Lake
Soldotna, AK

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If this bill passes, many experts believe 2018 will bring higher mortgage interest rates, a rise in foreclosures, and increased housing inventory levels throughout Alaska. The passage of HB115 will not only compound the impact on those conditions, it will also price a significant number of potential homebuyers out of the market. Additionally, omitting the mortgage interest deduction and implementing an additional capital gains tax will serve to discourage buyers and sellers and delay any recovery in the housing market.

This bill also poses challenges for our shrinking middle class who are trying to stay off Government programs but are struggling to make financial ends meet. I have seen my expenses increase year by year and my income remain about the same or slightly decrease, due to the increased costs of goods and services here in Wasilla Alaska our financial future is at risk. Please consider the long term ramifications of this bill. If it were to pass it will further reduce my income, increase my family's financial struggle and remove one of the main reasons we moved to Alaska in the first place!

Sincerely,
Jon Paul Brandt

I will spare you my banter or soap box please reject house bill HB115

Respectfully,

Brandy Pennington

I am writing you to express my complete opposition to implementing a state income tax. I was born in Anchorage and lived here 44 years. I am a small business owner with 20 employees in the midst of paying off heavy debt for my buildings in the middle of a recession. To create a new tax, in addition to the high cost of living, plus the increasing property tax, would lead me to again downsize employees and decrease growth. I think there should be a large measures taken to reduce wasteful government spending on your side instead of decreasing economic growth. As a voter and a strong voice in the Sand Lake community. I will be closely watching how you vote.

Brian Hartman

Now is the worst possible time to impose an income tax on hard-working Alaskans. With many Alaskan families still reeling from losing one half of their Permanent Fund Dividend payments, the government's response should not be to reach into their pockets again.

Being income tax free is a huge competitive advantage for Alaska. Young people starting out on their first jobs are not burdened by oppressive state taxes like their peers in other states. They have the freedom to devote their incomes to starting families, buying houses, or becoming entrepreneurs.

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Military retirees, whose pensions would be especially hit hard by HB 115, come to Alaska to start new lives. Why would the sponsors of HB 115 want to create obstacles for military retirees?

The title of HB 115, the Education Funding Act, is especially misleading. There is no language in the Bill limiting the use of collected taxes for education. The obfuscatory title alone should cause your Committee to explore the true motivations behind this grab for our hard-earned money.

Thank you for the opportunity to provide testimony.

Sincerely Yours,

Brian T. McTague
2986 Foster Ave
Juneau, AK 99801

Please oppose the proposed income tax for our state. Our state needs to live within it's means just like the rest of us strive to do on a daily basis.

Thank you.

-Bridget Goertzen
Auke Bay, Alaska

I have lived in Alaska for the past 64 years come June of 2017. Never in all my days here have I seen anything like what is going on in Juneau now. I have spent the last 35 years building a business that is to become a totally new industry for Alaska.

On the face, it is in some ways, not new because it involves aviation in Alaska but mine will be the first to become an aircraft manufacturing facility of brand new, zero-time, Type Certificated general aviation aircraft. The possibilities for creating jobs is almost endless.

We do make parts and replacement parts for several aircraft but our main goal is unique. This brings me to the point of this email; if an income tax is foisted upon the citizens of Alaska, for which there is little support except for the "tax and spend" crowd then I will be forced to move my operations elsewhere.

There is no need for an income tax, plus all the other little taxes that I'm certain are hiding in the bill. When the State of Alaska has not cut one cent, one job, one program in an effort to balance its budget and has even added more spending, then don't come talk to me for more money. Alaska has a spending problem! Balance the budget and cut worthless programs. Enough is enough!

Respectfully,
Burl A. Rogers
Burl's Aircraft, LLC

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We are small business owners in Soldotna, emphasis is on small. We do have the privilege of working with the people of our area and many struggle to make ends meet as it is. As well as our selves, it is costly to live in Alaska and it is very costly doing business in Alaska. Adding more taxes will cause additional undue hardship on many Alaskans.

Many travel to Anchorage to shop and make purchases as well as all the visitors coming into the state do so thru Anchorage. Why don't we charge sales tax in Anchorage? This way, each person can pay additional tax as they are able. If they want to pay more, they can buy more; if they need to pay less they will buy less. It seems ridiculous that they largest city and the largest population does not help contribute to budgets by paying sales tax on the items they purchase. That way the people of Alaska can pay according to their own financial abilities and are somewhat in control of how much they pay, based on how much they want to purchase/buy. Restructure the sales tax so there is borough and state sales tax, then each is paying according to their ability. More you buy the more you pay, there are big spenders and they can pay their share and those who have less to spend will pay their share.

Soldotna is full of minimum wage jobs and what jobs are here do not hire full time to avoid health insurance issues, so taking more from the minimum paying jobs here would devastate our community. It is difficult for families to make it when the only jobs are minimum wage, but we desire to live in Alaska for the majesty of the state not so much the high paying jobs. But we see many families struggling as they want to stay here but are at the breaking point of forced to leave the state if they would be making even less income. Thus leaving a great bill for the rest of us to pay. This can not sustain our state.

As we drive around and do our lives here, we witness so much waste in state spending. With a sales tax in Anchorage and rigid budget cuts, even if it comes to cutting state jobs...that is the way families and businesses have to control their budget...with cuts.

We are AGAINST income tax, but we are IN FAVOR of sales tax in Anchorage.

Thank you for your time and consideration,

Chuck and Debbie Cook

I oppose an Income Tax. I would rather see a sales tax so that I am not hit with an income tax bill every year along with federal taxes. Being retired, and thus on a limited income, I don't believe it would be taken out of a social security check. It would not be easy to come up with that one more bill when all your other bills don't go away. A sales tax hits you bit by bit on a daily basis which I believe is easier to absorb just like the inflation costs at the grocery store or gas station.

If a sales tax were to be put in place, it could come and go (hopefully) as the revenues of the State go up or down. I hope this current fiscal situation is temporary and will lessen in time, or as other revenue sources come on line. The sales tax could go away or be even reduced to 1cent on the dollar. But keep the mechanism in place so it will be easier to start up on the next "bust" cycle.

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An option to let the State take your Dividend to pay your income tax is ridiculous! . Only the poorer of us is going to have to take that option. But that is what governments do best is impact the poorer of us. (Also the reason I do not want to see any changes to the PFD)

For those who want to give up their PFD for the Government's benefit, allow them to give to the State under "Pick, Click, Give". As individuals they can be proud that they gave to their Government over and above. For me, that Dividend buys a washing machine when the old one conveniently just broke down, or the generator that finally gave out, or helps pay most importantly for heating fuel for the coming winter. No joke!

No Income Tax!
Thanks for the opportunity to comment.

Carol Compton
HC 1 Box 1727
Glennallen, AK 99588

On several occasions I have written to members of the House of Representatives to express my outrage that they would consider an income tax when the state is sending checks to every man, woman and child each year. I reminded them that the PFD was designed to be a rainy day fund during dire economic times like the ones we've faced in the last two years. I fully support a restructuring of the PFD and the use of PFD earnings over any income tax. Furthermore, I find it completely illogical that the State of Alaska would consider creating an entirely new department with 60+ employees to collect this tax when you could simply reduce the amount of free money you're handing out to everyone.

I completely reject the suggestion that this is a "broad based tax" as it hits only working people. Establishing an income tax while still handing out PFD checks would penalize the working people of Alaska while rewarding those who pay no federal income tax and in many cases are receiving significant support from both federal and state programs.

Thank you for your consideration of my concerns.

Sincerely,
Celine Kaplan
5232 W. 73rd Ave.
Anchorage, AK 99502

I am unable to testify during the public testimony session this evening, but wanted to write to express my opposition to HB 115 as currently written.

I have followed the state's budget situation closely and have had great difficulty getting accurate figures on the actual situation. I do not believe that everyone wants a large and overly involved government providing a vast array of services. I think our state government needs to do some serious "belt-tightening" and minimize expenditures until we can get back on our feet financially.

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I am very disappointed in the representative from my district, Paul Seaton, and his often stated position that we can't cut any more out of the budget because nobody wants to reduce government services. Representative Seaton has now labeled his income tax bill a "Education" tax to make it more palatable and to gain favor with his tax and spend supporters. Our constitution does not allow dedicated funds and I suspect that the revenue generated will be used for whatever is desired, rather than education.

Some of my concerns with our budget situation and HB 115 are as follows:

- the alleged cuts in state personnel seem to be primarily reductions in vacant positions rather than actual reductions in staff.
- cuts to budgets are mostly reductions in proposed growth rather than real cuts in prior years' spending.
- Undesignated cuts to agencies' budgets should be allowed - that way agency directors can cut unproductive or redundant programs - let the managers manage.
- the taxing approach in HB 115 clearly targets people who have worked hard and invested wisely. This is clearly an income redistribution system that unfairly punishes the ""makers" and rewards the "takers."
- The income tax has been promoted as generating a significant amount of revenue from out of state workers, but in fact it will only generate about 11% of the total income tax revenue.
- I have not seen any figures on the administrative costs of collecting the state income tax. What will be the actual net revenue after the associated costs are calculated?

I hope the Senate will make some real cuts to the budget, recognizing that this will be painful for some time. However, reducing spending is the only effective way to get a firm grip on our fiscal situation and start to rebuild our financial health.

Thank you for the opportunity to comment.

Respectfully submitted,

Charlie Franz
Homer

I have lived in Alaska for a short 5 years. One of the reasons I choose to live here is that there is no state income tax. I do not think it is the states best interest to impose another tax on hard working people. There have to be more innovative ways to generate revenue for the state. Or, be more responsible with the way current tax and oil money is spent. We all realize that with the drop in oil prices, this state has taken a big hit. However, I do not think that a state income tax is the solution. We need to develop better systems to check the money we already spend. Thank you for your time.

Cheryl Konter
Anchorage

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If this bill passes, 2018 will bring a rise in foreclosures and higher inventory on the market for sale causing significant decreases in property values and a significant decline in our state economy overall! The feds have already raised the national interest rates in February and promised to raise it again two more times before this year is over. A sales tax is much more viable with everyone paying equally + tourists paying as well. No tourists will nix their Alaska vacation because we have a sales tax, it is everywhere in the USA! A sales tax certainly stops no one from traveling anywhere! Furthermore, Governor Hammond did not set up the Permanent Fund to give checks to the Alaska residents yearly, rest his soul! It was for times like now, when our state is in financial trouble that we need to have this money to stabilize our state budget. Please do not punish this state with an income tax – it would be very unfair and socialistic. Thank you!

Chris Swires
RE/MAX Dynamic Properties
3350 Midtown Place
Anchorage, AK 99503

I am an Anchorage resident. I believe that if we must have a tax in our state it should be a sales tax NOT an income tax. An income tax targets individuals unfairly. A sales tax is an equal tax. All of us have to buy supplies and food. Therefore all of us pay tax according to what we use. If you commit to a broad based income tax, you will see the wealthier families leave the state of Alaska, creating a larger problem. We are already having to send our children away from Alaska because of the condition the university system finds itself.

Frankly, I think it is poor taste to implement a tax on residents when the Congressmen and women are unwilling to reduce their daily per diem. We should all be in this together.

Thank you,
Ann Keffalos

It is disturbing to read all the various justifications coming out of the State House regarding the new tax proposals.

I've read comments as to how it won't be a significant tax, and many states have higher ones. That's small comfort!

It's as if they do not know we are already in a recession and that significant private sector layoffs have already taken place.

I first noticed the effect of this recession late last year at several charity events. Donations are down significantly, in excess of 50% for two auctions I attended.

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Next is a visible decrease in restaurant traffic, followed by increased real estate vacancies. Our economy has been hit hard. Several thousand high value private sector jobs have been lost, and we are only at the beginning of this recession.

New taxes will drive decision making. Some will chose to leave Alaska, others will need to conserve more and consume less. Private sector layoffs will continue.

It will affect our economy at all levels, from those who are looking for entry level jobs to those in the middle class, and high earners as well.

Yes, new taxes will mean more job losses, but we see little willingness to truly cut jobs in the public sector. We all know there are divisions, departments and programs that can be cut, eliminated or made more efficient.

I have no interest in further supporting the Alaska State Government until it is right sized and efficient.

Private sector jobs carry a positive multiplier effect, they are productive. Most State public sector jobs are a drain, with a multiplier effect of less than one. With an income tax, this effect will be amplified.

Consider also how expensive this tax will be to collect, necessitating additional State workers and perhaps an entirely new department.

Now is not the time to burden the private sector further. Please hold the line and defend our future. We need to send a clear signal to individuals and businesses that Alaska is a hospitable place to do business.

Right now, we are doing the opposite and that negative message has traveled outside and is chilling future investment.

Thanks for your efforts,

Chris Hodel

As a Building Trades Union leader in Alaska I would encourage you to vote NO on any restructuring of the PFD program. I also seek your support in reinstating the other half of the 2016 PFD to the people of Alaska for which it belongs.

As our members here in Alaska are suffering during the current recession, a large regressive tax such as the one imposed on us by Governor Walker last here, will continue to force long time Alaska residents to leave the State seeking construction work. Many Building Trades union members have children, and cutting more dividends will put them that much closer to repossessions, and evictions while they struggle with working low hours, or relying on odd jobs and unemployment to try and support their families.

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I'm educating Union members State wide on the enormity of Governor Walker and State Legislators PFD grab, an average of \$4000 per household. We will no longer stand by and witness State Government grow on the backs of Alaskan working families. Again, as a Union leader, I am taking notes during the current session, and will encourage union members Statewide to support those Legislators that stand with the people on this subject.

Respectfully,

Chris Hayes
Business Agent
Sprinkler Fitters LU 669

I do not support the proposed State income tax. Please see the Bob Kaufman's letter published in the Alaska Dispatch which summarizes many of my thoughts.

Thank you,

Chris Swalling

Thank you to you and to all Alaska State Senators working hard to find a budget solution.

Personally I am opposed to an Alaska State income tax especially since a substantial portion would go to the Federal Government. I am willing to give up the PFD but again for many residents that is an important part of their income.

I have talked to my friends in the Alaska Travel industry and we believe a Sales tax would be fairer and especially if it were seasonal from May through September, Alaska would also generate substantial revenues from the 1,6 Million visitors.

But whatever it takes, Alaska legislators need to reach a compromise to come up with a balanced budget. Otherwise the Alaska economy will really go downhill.
I certainly hope you will reach a compromise solution.

Thank you,

Chris von Imhof,
Girdwood, Alaska

I have recently been informed of the public hearing tonight for HB 115, which I am unable to attend in person.

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I would therefore like to submit my comments (see forwarded email below) regarding HB 115 that I previously sent to the House Finance Committee via email on March 29, 2017, as my public testimony. In short, I vehemently OPPOSE a state income tax, but I would support a state sales tax.

I urge you to do the right thing for Alaskans, and vote AGAINST the proposed state income tax. The proposed state income tax will likely cause a mass exodus of technically skilled and competent professionals and laborers to leave our great state, due to the significant financial burden the proposed income tax will place upon those who work and support their families.

Thank you,

Christine Brookins

Please don't pass HB 115 through your committee, it's plain bad for our economy. As a 34 year commercial fisherman from Ketchikan, I would rather see a statewide sales tax if a tax is needed.

That is a tax on everything....

Also, gut our education system...the teachers have been spoiled to long and Havnt performed...don't drink the kool-aid!!!

Also, make unincorporated Ak pay their fair share!!! They've gotton off Scott free for too long!!!

VOTE NO!!!

Thanks for serving,

Clay Bezenek
1617 water st
Ketchikan, AK 99901

Put me down as a no to a state income tax. Cut expenses some more.

Clifford Smith
319 Rogers Rd
Kenai, AK 99611

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I am writing to let you know I feel strongly AGAINST an Income Tax for our state.

This will have a very negative affect on the small business owners and workers that call Alaska home.....

A tightening of the budget is necessary first, if you still determine a tax is necessary, a state sales tax on consumables is the proper way to go, as then everyone shares in the cost.

Clint H. A. Lentfer, MBA
Alaska Appraisal & Consulting Group, LLC

My name is Corella (Cory) Baggen and I live in Sitka. I'm writing to you today to ask you to please vote NO on HB 115.

I'm a fourth generation, single Alaskan with 2 children. My family founded Baggen Transfer in Juneau in the early 1900s. In 1937, we formed the marine segment to our business and changed our name to Samson Tug & Barge. Our family lives in Sitka. Our company headquarters are in Sitka. We are Alaskans and we want to stay in Alaska. Please help us do this. I understand that we all must make sacrifices to balance our budget. I'm willing to do this, but an income tax is not the right way to do it.

There are so many things about this bill I simply do not understand:

- * Why would we create a new "IRS" for Alaska?
- * What are we doing to reduce the size of government before we enact this tax?
- * Why would we tax social security and military retirement benefits?

Our company already struggles to keep talented people working for us in Alaska. We currently are operating without a Controller in our finance office. Our two previous controllers moved to the lower 48, where their cost of living is so much less.

Please, vote NO on HB 115. Let's get excited about the new discoveries on the slope and get more oil in the pipeline!

Thank you for your service.

Respectfully,

Cory Baggen

I am Captain Bob Pawlowski, NOAA, Retired, and am submitting this testimony on behalf of myself, but reflecting on the valuable contribution that over 16,000 retired military members and in many cases their spouses are making to Alaska through their current and past labor and their spending power in our commerce. To preface this material, it is important to realize that upon retiring from military service,

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an active duty member has 6 months to decide to locate themselves, their dependents, a specified level of household effects, and one vehicle to their home of record or less. As Alaska is an OCONUS Duty Station, it provides a member with great flexibility and thus provides great competition for the member's talent and personal consideration of closeness to family living in the lower 48.

Let me start with labor and military member's ability to enter the workforce with retirement from service at 38-45 years old at 20 years of service to 48-55 years old at 30 years of service (see attached table). Recognizing most will work to Social Security age of now 67, that will allow for from 12-29 years of skilled and professionally trained personnel that contribute to Alaska. Reflecting to the past, Committee members can look into their own districts and see the contributions of military retirees in running our ports and airports, electric utilities, universities, medical centers, State Departments and even the Municipality of Anchorage and the State Senate, while throughout the state many other have been or are in significant support positions for all aspects of Alaska's economy. Their labor is a critical pool that this state has grown to depend on. However, they also will have a military retirement that is an additional monthly paycheck that will put them into a higher tax bracket under the Adjusted Gross Income approach in HB 115. This higher tax bracket, when compared with other states that offer income tax incentives for military retirees, will provide a financial disincentive in comparing Alaska as a place to continue a post military career, particularly when further considered for the additional costs of living and expenses of visiting family and friends in the lower 48. I ask that you consider providing an adjustment for military retirement pensions as an incentive for working in the state of Alaska post military career. A number of models exist in other states that have proven successful in building a strong workforce from the military members that have been stationed in the state or have military industries that desire a military knowledgeable workforce.

With regards to commerce and the economy, I have done a rough estimate that the over 16,000 retired military members bring in a sustained military cash flow into Alaska of between \$500,000 and \$750,000 per year plus medical benefits that include both on and off-base treatments. That spending power is spread evenly over the 12 month period and supports a solid cash flow into the economy without the seasonal variation of different industries. Considering an income tax on an early retirement income that military members receive without recognizing the income tax incentives offered by other states can lead to an income tax that is economically disadvantageous to the military retiree and their dependents desiring to stay in Alaska and its high cost of living. Please find a mechanism that incentivizes military members to retire in Alaska and allow for their retired pay to remain a stable cash flow into our economy.

Finally, military members are eligible for social security upon reaching the eligible age. And most of their spouse will as well. If the Adjusted Gross Income approach is taken without recognition of how social security benefits are handled by the federal government, this combined with the military retired pay will be a further disincentive when looking across time. Similarly, when looking at other states to retire, Alaska should recognize that only 13 states tax social security benefits. Adding Alaska to the list would further diminish the financial incentives for living the final retired years in this great state.

In Summary, the Adjusted Gross income as presented in HB 115 is a disincentive to military members to stay in Alaska and could have a significant impact on the state's ability to retain the talent leaving military service in those communities with significant military presence, could impact the economy with

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a loss of a steady monthly cash flow directly into the local economy of retired military pay, and see an outmigration of potential Alaskan's that we have grown our state with.

I have attached a table of 2017 military retired grades and annual before tax salaries for reference of potential future impact.

Thank you for considering these points as you review CSHB 115(FIN) am with regards to a state income tax.

Captain Bob Pawlowski
NOAA, Ret

Please show restraint and don't increase the deficit. Hard working Alaskans care about our state and we can't take more of the budget deficit. It would be a shame to cut education and social services.

I understand there isn't a simple solution to fixing this deficit but please look to fix the past Republican government overspending in Juneau. According to smart people, reducing spending and raising taxes has bipartisan support; both the majority of Republicans and Democrats support it.

Please keep all Alaskans in mind. Thank you for your time.

Craig Mollerstuen

I am against an Income Tax because it will be detrimental to our economy, shrink job opportunities, and make the cost of living in Alaska too high for many families!! The Alaska economy is already in a recession, at tax will only negatively impact the economy further.

Sincerely,
Curt Urling
155 Botanical Circle
Anchorage, AK 99516

I am a 63 y/o Alaskan resident (since 1983), a Veteran, and a former State Employee. I DO NOT support HB115. Since moving to Alaska I have watched our budget problems increase yet the legislature has failed to act in a responsible or prudent manner to reign in a continued trend of overspending or expanding government. Now that the budget gap has become too large to ignore the legislature seeks to tax the citizens and place the burden on our shoulders while there is still no sign that a serious reduction in government or spending has been made.

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Until such reductions to government and it's spending have been made it is not in the interests of Alaskans to accept any form of income tax. Whether that tax is in the form of a direct income tax or the unapproved use of the Permanent Fund monies which are by right the peoples earnings and not the legislatures.

I am therefore, in the strongest possible terms, urging this bill or any like it be stopped or voted down.

Respectfully,

Daniel Wolf,
Chugiak, Alaska

I am reading Coming into the Country by John McPhee, and the problems written there still apply today. The spending is out of contort relative to other states, in terms of compensation, expensive and ineffective education costs, and programs that don't better the lives of working Alaskans. Further, the unfair rate singles would pay is out of line with the number of children the average single person has in the school system. Since it's being peddled as an education tax, it should reflect how the money would improve education.

It's important to note that many of the reasons many of us came to Alaska are no longer valid. It's now a very expensive and liberal environment. If this passes, it would make Alaska less lucrative for those of us with lateral employment options with our respective companies.

Thank you for your consideration,

Dana Teasley

Senators , as a lifelong Alaska & Business Owner for over 35 years engaged in Construction & Oilfield Services I strongly oppose an income tax being implemented in our State . I do support cutting more of the State Budget to pare down the Bureaucracy to a sustainable level , if and then I would support a State Sales Tax with no exemptions. This sales tax is the most simplest and fair way to raise additional revenues to balance our budgets, without creating another complicated and cumbersome Department for the Hard Working citizens of Alaska to be burdened with. In Closing what do Income Taxes always do Continue To Raise.

Thank You

Dave Cruz
President
Cruz Companies

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I am opposed to an income tax and favor a state sales tax.

I would like to see a tax that has all Alaskans participating, that is not the case with an income tax.

A sales tax could be set in many different ways:

no tax on food or prescriptions, but everything else, only tax junk food, only charge a sales tax between May and September, etc.

We do need a tax, and I am willing to pay, but I would prefer a sales tax over an income tax.

Thank you,

David

Please show restraint and don't raise taxes. Hard working Alaskans already bear the brunt of our budget deficit and we can't take more of the burden.

I understand there isn't a simple solution to fixing this deficit but please look to fix the government overspending in Juneau as the main fix. According to a recent Dittman poll, implementing a spending cap has bipartisan support; both the majority of Republicans and Democrats support it.

Please keep all Alaskans in mind. Thank you for your time.

David Swenson

I am writing to oppose the House Majority's or any plan for a State income tax. My wife and I are small business owners who work with State and Federal government agencies and their personnel on a daily business. I know for a fact that State government has not been reduced to the level it could be. I witness redundancies, inefficiencies, poor management and leadership on a daily basis. It angers me to think that income tax proponents want our money so that poorly run State government and its employees can continue status quo.

I also find it very frustrating that my family pays approximately \$30,000 per year for a high-deductible health care plan yet State government employees pay a small fraction of that amount for Cadillac care. Many State employees are competent, professional and hard-working. Yet so are my wife and I. Why should being a public sector employee provide one with Cadillac health care and retirement benefits? And I don't buy, because it is simply not true any longer, that public sector employees are paid far less than private sector employees. That's a tired and false argument from the Pipeline boom days. Add the health insurance subsidy and retirement benefits to the commensurate compensation and public sector employees are riding the gravy train.

First make actual cuts to State government. The elimination of unfilled positions is not a real cut. Eliminate or significantly reduce unnecessary and duplicative divisions. Reduce staff and hire and retain personnel only by merit, not just because of longevity and the ability to continue to breathe. I

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love the oxymoronic *automatic merit* pay increase concept. Grow a backbone and re-negotiate those lucrative State employee contracts. Out-source services.

Additionally, I understand that the recently announced new Trump tax plan calls for the elimination of the federal deduction for state income taxes. So the justification I've read from tax proponents that the federal deduction will reduce our pain does not hold water. Initiating an income tax before fully understanding what is going to happen at the federal level and how that might affect Alaska's working and income-earning citizens demonstrates that those who propose an income tax won't be swayed by the facts. It's an income tax come hell or high water for them.

Finally, what sense does it make – other than political – to establish a new division or area of State government with all the attendant costs and start-up inefficiencies to tax folks on one hand and then on the other send out free money to folks with the dividend. That is absurd.

Reduce the Operating Budget significantly. Use the Permanent Fund for what it was designed to be used for! Then, and only then come after us for taxes. And if some taxation is necessary *only after* the Budget is actually reduced and the Permanent Fund earnings are employed, then maybe look at a sales tax. I hate even mentioning that to politicians though, especially my tax happy Senator and Representative. Because that'll just be an out to not actually reduce the budget and State government, eliminate the dividend, and use the Permanent Fund earnings for what the Permanent Fund was devised for.

Sincerely,

David Manzer
5381 Tudortop Circle
Anchorage, AK

I am appalled that the AK State House has voted for this budget which levys multiple forms of new taxes and financial drains on working Alaskans while refusing to trim the incredible fat from our state budget and instead have added to our budget amounts.

I feel this is an incredible act of betrayal to hard working tough going Alaskans. We want our government to act responsibly and to utilize wisely the monies our state has and to live within our means, as each of us are required to do.

Please don't let this sham of a budget pas the Senate. Stand strong and demand what's right.

Thank you.

Dawn Grossmann

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I have been following the debate issue in the state Legislature, and I am concerned about the passage of HB 115. I see so much potential for negative impact to our economy through this bill. It will slow home sales and price many home buyers out of the market. It will bring higher mortgage interest which again will discourage buyers from the market, as will omitting the mortgage deduction and bringing a higher capital gains tax. We also anticipate seeing a rise in foreclosures if this bill passes through the Legislature. Please reject HB 115 as currently drafted!

Thank you for taking my voice into consideration.

--

Debbie Martin
REALTOR®
Keller Williams Realty, Alaska
Alaska Real Estate Team

The Pioneers of Alaska would not recognize The Last Frontier. It is heart breaking to see how spineless our legislators are when it comes to passing a common sense budget.

In my own economy, when cash flow dwindles, my expenditures dwindle. I have had to cut cable expenses, phone expenses, travel expenses.....

In Alaska's economy, when cash flow dwindles, legislators immediately resort to thievery. If that doesn't fly then let's tax them.

Never does it occur to them that the money isn't their own. They steal it from the people. Alaska's population is decreasing not increasing. There is no reason to say that the fat has been cut when only 77 pink slips have been issued to state employees. Instead of reducing the education budget, the legislators increase it and then bond for more. Instead of decreasing costs for our Governor's office, he increases by well over a million dollars to hire a gasline expert to oversee an impossible gas pipeline.

You, in the Senate, have the power to put a stop to this nonsense before it's too late. I hope ya'll have the gumption to do the right thing.

No restructuring of the PF, No income tax, CUT THE BUDGET.

If HB115 passes, I may be forced to leave the state. That makes me really sad. Sad to leave a state I love and sad to see this independent frontier made over in California's image.

Deborah Holland

Please show restraint and don't raise taxes. Hard working Alaskans already bear the brunt of our budget deficit and we can't take more of the burden.

I understand there isn't a simple solution to fixing this deficit but please look to fix the government

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overspending in Juneau as the main fix. According to a recent Dittman poll, implementing a spending cap has bipartisan support; both the majority of Republicans and Democrats support it.

Please keep all Alaskans in mind. Thank you for your time.

Debraly Gamache

With the current fiscal crisis Alaska is experiencing, coupled with the deep cuts pending to our educational system, it would be a gross error to maintain the PFD as a payout source.

The origins of this fund was due to a SURPLUS. We no longer enjoy this reality. The people of Alaska have been blessed with a time in which they received this bonus, however now it has developed into a mentality that it is their "right", a sacred cow which cannot be touched. This is no one's right, and the state is now in a place of crisis and the money should be used to uphold the state's financial needs. This is the first place that additional income should be considered.

Please do not institute an income tax before removing the bonus payout of the PFD. The state should be mandated to utilize this fund before taxing its citizen's.

Education is paramount to the health and wellness of our long term future. Use the PFD to fund the education of Alaska for the health of the state tomorrow.

With My Thanks,
Jennifer Delzer
Fairbanks, Ak 99709

Please make sure HB 115 is defeated. It taxes our paychecks (even though I am over 65, I have gone back to work to meet my modest monetary needs). It taxes our Social Security check. It also taxes charitable contributions (of which I make many), mortgage interest and many other itemized deductions allowed under the Federal tax code. If Alaska institutes an income tax, an additional 65 state employees will be hired for Alaska's own IRS department. Alaska does not need an income tax to balance its budget because it also will hurt working families. I prefer the Alaska Senate plan because it funds government operations without an income tax.

Thank you.

Denise Knapp
Anchorage

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If this bill passes, many experts believe 2018 will bring higher mortgage interest rates, a rise in foreclosures, and increased housing inventory levels throughout Alaska. The passage of HB115 will not only compound the impact on those conditions, it will also price a significant number of potential homebuyers out of the market. Additionally, omitting the mortgage interest deduction and implementing an additional capital gains tax will serve to discourage buyers and sellers and delay any recovery in the housing market.

Thanks,

Denny Wood, CRB, CRS, GRI

I am a registered voter in the state and have been a resident since 1972. I am opposed to HB 115 in its entirety. The makers of this bill had an obnoxious and evil intent to each and every citizen-resident of the State of Alaska beginning with Walker/Mallet and the legislative body that argue to do harm to each and every resident/citizen of the state. KILL THE BILL!!!

Diana Kuest

I am not in favor of the income tax because it is taxing the same people who already pay taxes I am in favor of a sales tax which is a fair consumer tax And will be paid by all the tourists who come to Alaska and use our services also not just by Alaskans.

Diane Borgman
Alaska resident since 1979

I oppose any income tax as long as we are paying every adult and child a PFD for doing nothing. Income is produced by work. PFDs are produced by merely breathing; it is wrong for workers to pay higher taxes so that others can continue to receive checks for doing nothing. The fact that even children are paid for existing in Alaska makes an income tax for adult workers even more hurtful. I pay enough in federal income tax and local property tax already to support public education. I don't need my income further reduced to send checks to kids or anyone else, to spend however they please.

It would create a wasteful state structure to collect income tax while handing out PFDs.

Thank you for rejecting an income tax until the PFD is eliminated entirely.

Sincerely,

Diane Schenker
9700 Basher Dr.
Anchorage, AK 99507

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As a resident of Alaska for over 35 years, I urge you to reject HB 115 in it's current form and take it back for revision. This would be detrimental the housing industry and to our community as a whole. Please considered my request as not only a Realtor, but as a long time resident of Alaska.

--

Sincerely

Diane

Dick Kapp here from Kenai, please continue to be committed to not taxing us. I feel we must reduce spending proportionate to cost in order to balance the budget. As tough as it may be to reduce educational spending that is where our biggest expense is and that is where our biggest reduction should be. Alaska ranks in the bottom 5 for our schools and in the top 5 for school expense. Do not let the House push you into making a bad decision for the State.

Thanks,

Dick

Thank you for this opportunity to testify with regards to HB115. I want to preface my comments by stating that in comparison to the Senate's version of SB26, HB115 would be of greater financial benefit to me because people with higher levels of income would pay significantly more for the government that Alaskans collectively desire and would also provide the monies for me to continue to receive a dividend. As such if it was only a matter of money I suppose I should be writing in support of HB115. I am not!

My belief is that a state tax (income tax or sales tax) should never be implemented in this state unless the day comes where a combination of a fair tax on our renewable and nonrenewable natural resources and the earnings from the Permanent Fund is unable to pay for the government that Alaskans collectively demand. Otherwise, you create the situation where those that do not pay an income tax (better than 50 percent of Alaskans) vote for the best government that they desire, all at the expense of the productive income earning members of our state.

Taking earned income away from less than 50 percent of the population to distribute it as a PFD is not what I would consider to be fair or appropriate. As such I am writing in firm opposition to HB115. While I am totally supportive of utilizing the earnings from the Permanent Fund for its intended purpose (covering the expense of government), I am not at all in support of the proposed income tax, or of the overly generous payment of dividends going forward.

Use of the Permanent Fund earnings for government expenditures is in keeping with the purpose the Permanent Fund was formed. Providing PFD checks is not, and in my opinion should have never happened, or at a minimum should have been stopped or curtailed decades ago. Further, I do not believe that the legislature should be entertaining the distribution of unearned money to its citizens when that money is needed for providing government services. We should not be concerned about

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distributing a PFD unless the State in the future has surplus monies that are unnecessary. The Permanent Fund is not the nest egg of the people individually, it is the nest egg of the State collectively.

I have a difficult time accepting that because people have become accustomed to receiving the PFD check each year for the last several decades that the PFD check should now be considered a right, and that less than half of the State's citizens, the productive workers, should have their earned income taxed so that the rest of Alaskans can continue to receive a PFD check. The Permanent Fund was not created to allow for less advantaged people to attain a higher standard of living, and it was not created so that I can buy a large screen television.

It is clear to me that the Permanent Fund had and still has an intended purpose for the earnings from the fund, and I believe it is totally unfair to require wage earners to pay an income tax on their wages while there is any amount of Permanent Fund earnings distributed in the form of a PFD check. I would suggest it is far past time to wean Alaskans off from direct payments from the Permanent Fund in the form of PFD checks. And to start utilizing the Permanent Fund earnings for covering the cost of government as needed due to shortfalls from the sale of our natural resources, and for further building the Permanent Fund when the monies are not needed due to monies generated from our natural resources.

Most people will support the expenditure of money that is coming out of someone else's pocket. That is human nature for many. A lot of people apparently are happy to have the wealth of those who have done well to be redistributed to those who have failed to do as well. I am not. I am totally in favor of eliminating the PFD checks, perhaps through a series of step down payments over the next few years.

I am in support of SB26, but would prefer to have the dividend based on what extra money, if any, is available after paying for the government services that Alaskans collectively deem worthy. If the wealthy are left on the hook for paying for the government that everyone wants, what is to stop those who are not contributing from demanding an ever increasing size of government? The drop in oil prices and the passage of SB21 have in effect forced the State of Alaska into early retirement. The writing was on the wall a few years ago to those who were paying attention, but the wasteful spending of monies by our legislature continued anyway. The State is now further trapped in a position where like the grandfather forced into retirement we can no longer distribute feel good checks (PFD checks) to our grandkids while at the same time providing all of the other services they demand. Perhaps some would think it is fair for us to have some of our better off grandkids to give up some of their earned income so that we can redistribute the money to those who have not done as well. I suggest that this is totally inappropriate and unfair, as would be the implementation of an income tax at this time. The PFD needs to go away before an income tax is brought forward.

Thank you for this opportunity to testify.

Don Fritz

I have been listening to your hearings on HB 115, Income Tax; PFD Payment/Credit and would like to add my voice to this bill's deliberative process. First, I do not support an income tax as a pillar of our State's fiscal fixes at this time. I believe that cost cutting in combination with use of percent of market value use

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of the Permanent Fund should be the primary solution. I think use of reserves accounts in the immediate future to balance the next State fiscal cycle is appropriate.

Thank you,
Don Habeger

I would like to submit my testimony on the proposal of an income tax for the state of Alaska under House Bill 115.

I am against an income tax for the following reasons:

1. We have not yet made meaningful cuts in our spending. Most of the cuts so far have been accounting gimmicks rather than true spending reductions. Some of the costs have been pushed into later years, which is a deferral, not a cut. We need to actually cut spending to what we can afford.

We need to take a look at locations where the STATE picks up 100% of the school costs, the police patrols and road maintenance and force localities of an agreed-upon size to form boroughs or municipalities to help pay a portion of their own way. For the state to offer such an incentive to these people is unfair to the rest of us who pay property taxes to support our schools and police and road work. All of these unincorporated areas demand 1st class schools and new buildings for a small handful of children but are unwilling to pay any portion of the costs. This is wrong, and wasteful.

We need to take a look at programs that everyone agrees are of some benefit to us, but are not CORE objectives of our government. In other words, when there is plenty of money we can expand into social programs, art support and other wonderful things, but when money is tight we need to be able to go back to what our core obligations are and cut these (otherwise worthy) programs. No one is saying this type of spending is bad, we are saying that we don't have the money for such spending. It is a truth in government spending that any group that gets free money once will demand free money forever and government agencies set up to dispense the free money will fight for their survival as well. But just because this is human nature, does not make it the right answer.

I am not a fan of "brinkmanship" I think that is one of things wrong with politics today and I am not impressed with the House press release saying it was their way or the highway. This tyranny of the few over the many is one of the things our founding fathers attempted to guard against. Perhaps our colleagues in the House should read the Federalist Papers again and consider what good stewardship actually means in the long run. We should not be interested in "besting" our political counterparts, we should be interested in figuring out how to bring Alaska's economy in line with Alaska's needs. Anyone who has watched the Greek people rebel against the reforms needed there understands that the process is hard. But even with all of the bluster and protests it is clear that Greece's economy is making some progress with the budget cuts and pension reforms. We need to take a lesson from this before we get as bad as that country, because we have the same problems. We need pension reforms to defined contribution plans and away from defined benefit plans that no one can afford anymore. We need to bring the "public" sector benefits in line with the average private sector benefits and not have the public employees feast on generous health care benefits when the rest of us pay \$30,000 a year (or

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more) for plans that pay nothing until you meet a \$2,500 deductible! We need to pare back the bloated government benefits and staff and let the private sector rise again without all that weight on their backs.

2. Setting up the infrastructure to support, process, monitor, audit and collect state income taxes will absorb millions of dollars of costs. This will have the effect of expanding our government at a time when we should be trying to reduce government and government spending.
3. An income tax never brings in as much as the “experts” say it will. In this case it will be offset by the huge up-front costs of setting up a system (#2 above) and people and business will take steps to reduce their Alaska state taxable income. I’m a CPA, I see tax planning done on a regular basis. Already companies and individuals are sharpening their pencils and making business decisions that will reduce any potential income tax. Do we really want our economy to be reacting to a tax right now? Would we not be better off taking the government’s hand out of the pockets of its citizens and businesses and let them make every effort to bring Alaska out of the recession it is barreling towards?
4. The income tax proposed, a progressively higher rate on the federal taxable income, is unfair. Those with higher income are already paying higher taxes, to then scale the rates is progressivism on steroids. If you are trying to squelch business or chase it away, this is the perfect plan. If we must ignore my comments (#1 - #3 above) and pass an income tax, then a flat rate is still progressive in that those with higher incomes will still pay the lion’s share of the tax.

Thank you for your consideration and time in reading this.

Yours,

Dori Ditmore

Please vote against an income tax and raid of the PFD. Alaska government already has the highest spending per capital in the nation without income tax and more of the Permanent Fund. Alaskans are already struggling in this economy. It is a huge mistake to add to their burden. State spending is out of control. Cut spending and inefficiency in government. I don't care how much NEA complains ! More money is not the answer to our schools poor performance. Our state spends the highest per capital on education and has the poorest performance.

We are a retired couple wanting to stay in Alaska near our children. Income tax and no PFD could force us out of the state.

Michael & Dorothy Denison

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It is ridiculous to institute a new income tax and the bureaucratic overhead while we still have the PFD. Eliminate the PFD before raising any revenues through taxes. The PFD is an unearned entitlement that anyone who calls themselves a fiscal conservative should oppose.

Doug Kelsch

As a new small business owner I am opposed to HB 115. I grew up and lived in Seattle, Washington and moved to this great state 4.5 years ago. Living in Seattle I was able to watch the growth of new industry beyond Boeing. Now Washington state is at the top for new innovative commerce. It is where Microsoft and Amazon were born. Many areas of Seattle have become thriving business live/work hubs. Since moving to Alaska I have watched its main industry decline with no plan for recruiting new business and industry. It is with innovation and industry that we can provide needed services and jobs for all. Investing in Alaska's future for its residents requires industry diversification and the state of Alaska has so far not done this. We have lived too high off the fat of one main industry. We are sadly facing what happens when a successful industry declines; we all suffer. So why not make Alaska a place for other successful industries to call home? As technology improves there is no reason we can't be a hub for industry with our strategic location near the Arctic and Asia. Creating a state income tax will create a barrier for new growth which we desperately need.

Please do not mend mistakes of the past by preventing solutions for our future

Laura Kompkoff, O.D.

I feel this is not the time for an income tax. Just like a family household, we are going to have to manage the budget we are in. "Outside" workers coming to our state will come and go depending on how tax affects their incomes...We as locals, want to stay and this tax will definitely affect us. In my lifetime, I have not seen many taxes that decrease over time. Just instituting a tax is easy...the state budget for our states future will not be, however, I'm sure most of you know what we're going to face in Juneau over the next couple of years.

Sherry Lentfer, OD

We appreciate the opportunity to write to you regarding an income tax.

There is no doubt that our state is currently facing a huge economic decline. Everyone agrees that cuts need to be made. Unfortunately, no one agrees on where the money should come from. As long as "my program" is not effected, the cuts are fine. If my program is effected, you are monsters.

I believe and propose that all Alaskans need to pay for, and take responsibility for the government and services they desire. The Permanent Fund is money that has been set aside for that purpose. Other than having a pulse and living in a place we love, none of us have done anything to deserve the money we get every year. There is NO OTHER STATE where residents get this type of entitlement program. Using the fund to pay for state services and initiating a sales tax seems like a much fairer

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approach than instituting an income tax. Why would we tax the people that are working? It seems a bit like beating dogs to get them to run faster. Every good musher knows that does not work. A cut to the Permanent Fund and a sales tax would affect every Alaskan, not just those that get up and go to work every day. If you make more money, you will spend more money, and pay more money in sales tax. However, that will be your choice. You will not be penalized for working, and get free money from the PFD back for doing nothing. Independent surveys have concluded that the majority of Alaska's support a sales tax, and oppose an income tax.

If education, health care, state troopers, and roads are important people need to know that they will have to pay for them. The PFD has been free money. This is awesome when times are plenty, but when times are tough, and you really need to pay the bills you use your savings because the program/project is worth it. I think a combination of a sales tax and a cut to the PFD is necessary for all. We are all in this together.

It will take real leadership and courage to make these decisions, and we are hoping that being re-elected is secondary to doing the right thing. We urge you to consider a more balanced approach to our state budget.

Thank you for your time.

Will and Deb Fancher

My name is Duane Christensen and I am a lifelong Alaskan of 67 years. I live in Anchor Point.

I am very, very concerned over the actions of the House in particular as it relates to their solution for the deficit by implementing taxes, dramatically changing the Permanent Fund and raising taxes on the oil industry. I have reached the age where retirement is within my grasp. At least until now.

This three-pronged attack on our economic future is so mind-numbingly short-sighted that it defies any logic, common sense, and demonstrates an incredible lack of historical reference and any degree of basic economics. Not to mention that it's intent is to extract funds from my wallet in order to fund their dreams, their ideology, their projects of interest, their pet programs that have nothing to do with the 4 essential services and purposes of government.

That the state unions will continue to get their automatic pay raises, we will continue to waste more funds on the gasline boondoggle, and that other items such as slush funds or education funding or anything that would reduce the budget cannot be discussed offends me greatly.

The impacts from this plan will have devastating long-lasting results for all Alaskans, but hardest hit will be those on fixed incomes, which should be obvious to anyone not blinded by ideology. 2016 saw a loss of 9100 jobs in Alaska, with a projection of 12,000 for 2017, so not only does that make any revenue projection from an income tax impossible to determine it makes the pool much smaller, thereby increasing the burden on those left behind. Trying to make up for a budget short-fall, especially as significant as ours, through this approach is not sustainable. With the reduction in our annual PFD, imposed income tax, and additional job losses as a direct result of imposing higher taxation on the oil industry, which will only serve to increase job losses, will also cause things like senior citizen incentives,

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such as property tax relief to go away; all of which will make it much more difficult, if not impossible, to be on a fixed income and remain in Alaska.

What is truly mind-boggling about the House plan, is that none of it is necessary. With approximately 650,000 barrels of crud waiting on the Slope to be added to our daily flow, the budget imbalance goes away. If not that then changing the Permanent Fund so that a percentage can be drawn to fund government would be all that is necessary. Painfully obvious to anyone with their head out of the sand, the best solution is to cut our budget to match our current revenue, then take a look at ways to increase revenue from our natural resources. Since we got into this pickle by tying our budget growth to oil revenue during the “good times”, then the budget needs to reflect that revenue in the bad as well.

I implore you to hold the line, Senator; our future depends on it.

Duane Christensen

SB115 is a horrible bill; it steals 2/3 of the PFD, it taxes corporations, it taxes workers and finally it taxes the estate which a worker has already paid taxes on to accumulate. It damns the living and the dead. Alaska’s economy is already challenged; businesses are leaving Alaska.

SB115 would present a real challenge to businesses, to collect the tax, certainly, but more importantly to compete with other states, to attract creative, productive workers to our state.

Some thoughts on an income tax:

- An income tax is not fair, because it doesn’t tax everyone, only those who actually earn an income.
- An income tax lessens the discretionary income which a worker has to spend in Alaska further deepening the recessionary spiral which Alaska is experiencing. Let the workers decide how and where to spend their money and support the Alaskan economy.
- If an income tax is in place, the legislature will find it easier to raise the tax than to control spending
- An income tax taxes those who are producers and gives money to bureaucrats to spend on special projects and those who don’t work, while automatically adding a hundred non-productive employees in government to administer the tax while adding to the burden on business to collect the tax.
- An income tax removes the incentive to control the state budget and also removes the incentive to work—why work harder when the state is only going to take it away?

We have the money and financial savvy in Alaska to develop a long-range business plan that builds our economy without more taxes. If we absolutely have to have a tax, then institute a sales tax so everyone who lives, works, or visits in Alaska would share the tax.

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Briefly, develop a long-term budget, cap the PFD and agree to a sales tax only if the budget can't be balanced any other way, but hold the line—**no income tax**.

Karen Lackey, CFO
Alaska Raceway Park
3900 S English Bay Drive
Wasilla, AK 99654

Please show restraint and don't raise taxes. Hard working Alaskans already bear the brunt of our budget deficit and we can't take more of the burden.

I understand there isn't a simple solution to fixing this deficit but please look to fix the government overspending in Juneau as the main fix. According to a recent Dittman poll, implementing a spending cap has bipartisan support; both the majority of Republicans and Democrats support it.

Please keep all Alaskans in mind. Thank you for your time.

Edgardo Paredes

I am opposed to a state income tax. I am asking you to please vote against a state income tax. I have read many news articles in which the author states that Alaskans should pay their fair share, and that we all need to have "skin in the game" and that this would lead to more responsible state spending, overall fairness, and a general state of bliss. However, when I heard that only a small minority of Alaskans would actually be paying the vast majority of this income tax I was surprised, to say the least. Those excluded from paying the tax are those who generally receive many government benefits, and they should be asked to contribute as well. I am going to be hit hard by this tax, but those making less than me and also those who make far more than me will not be hit nearly as hard. Is it true that a person making 3 million dollars a year will pay no more tax than someone making 250,000 dollars per year?? Is that fair? Why will households making less than 40,000 dollars per year pay zero?

Those of us who will be paying the majority of this tax will have a difficult time affording it. In order to come up with the cash to pay this tax, I will have to cut spending on my family's education, or healthcare. It is a very difficult decision to make. Which do the authors of this tax bill suggest I cut? I understand you can not cut those things from the state's budget, but I am sure you will explain to me how I can make these cuts from my own personal budget with ease. I am anxiously anticipating your wise advice.

Does this tax have any future limit or ceiling? I have read that it will be able to be raised very easily. The Anchorage Assembly just raised property taxes because they felt like it. Will the state do the same thing with this state income tax? Will it be raised whenever someone feels like raising it?

I know you lawmakers are kind of divorced from reality down there in Juneau, but this tax will determine whether or not I am able to afford to continue living in Alaska. My budget is so tight that the tax will force me to sell my house and leave the state. An alternative I am considering is keeping my

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house here, but working in an income tax free state like Washington, Wyoming, or Texas for the better part of the year and returning to Alaska just for summers.

Here are my suggestions to help with the budget if anyone is interested:

1. Seasonal state sales tax.
2. Cap the PFD to \$250.
3. Statewide property tax (Many people now pay zero property tax)
4. Personal Income tax of 1% of ALL income, no exceptions, no exclusions, and limited to 1% by law in a true and meaningful way. It might not be much, but it is more than you are getting now.

Thanks for your time and attention,

EB

I'm writing to add my name to the list of those opposed to a state income tax for Alaskans. I'm retired, and I just can't see the need to impose this increased burden on me when budget cuts haven't been fully developed.

Plus imposing a tax will create an entire new field of employees for the state to manage that tax collection, which seems counter-intuitive.

Thanks for listening.

Elizabeth Arnett
3748 Glacier Highway
Juneau, AK 99801

Please DO NOT IMPOSE INCOME TAX!

Please consider Senator Dunleavy's plan again.

My husband and I are small business owners. We have homeschooled our children and lived on one income for the last 18 years.

This is really going to hurt our family if you do this.

Please do not let HB 115 pass.

Please look for other ways to make money in our state besides taking the money from our resourceful hardworking families! I pray for godly wisdom for each one of you that have to make a tough decision today.

Thank you!

Emily Florian

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As a working family a income tax would be detrimental to my family. Please find other ways of producing income for the State and reducing spending.

Regards
Catherine Shepherd

I am writing to encourage you to stay steadfast against a state income tax. Thousands of hard working Alaskans are counting on you to keep us from going in the wrong direction. Please don't let the Governor and the House bully you into caving. Alaskans are counting on you.

Best Regards,

Ethan Arndt
Anchorage

While you do not represent my district, I am writing to you as your current committee hearings on HB 115, are of great concern to me. I've already written to my district Senator, Anna MacKinnon and the Senate President, Pete Kelly. As a nineteen-year resident of Eagle River I am asking you not to support any Alaska State Income Tax Proposal and I am asking you to include this email in the record. The recent House Bill is a slap in the face to all hard-working residents of this State and once again, represents another scheme to redistribute wealth. Further, this Bill is nothing more than an attempt to require hard working Alaskans to subsidize the continuation of the dividend for lower income Alaskans all for the sake of political expediency.

Frankly, I already subsidize many State and Federal programs with a significant portion of my earnings in the form of City Property Taxes (recently again burdened with additional bonds) and Federal Income Taxes. The Permanent Fund is not an entitlement, contrary to popular belief, and to ask some to subsidize its continuation for others is simply wrong. Use the Dividend along with many other sensible proposals I've heard, including reducing the size and scope of many state run organizations, to fill current budget short falls. Please do not look to fill those shortfalls off the backs of industrious Alaskans in the form of a progressive state income tax.

My family and I have always worked hard and have always lived well below our means. I am once again asking you to support those of us who continue to work hard and live responsibly buy rejecting any and all Alaska State Income Tax Proposals.

Thank you for your time and for your service.

Sincerely,

Neil B. Friedli, Lt Col, USAF (Ret)
20434 Williamsburg Dr.
Eagle River, AK 99577

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I'm here to testify to encourage you to dismiss HB 115. Despite various attempts at modification, HB 115 fundamentally causes more problems than it is capable of solving for this state's financial woes. This legislature has not eliminated sufficient state spending that is inappropriate, so any benefit from new revenue for the state will could be negated. But beyond the issue of revenue, any new taxation of income will always diminish worker productivity in this state. As a recent UAA graduate and new business owner in Alaska, I was finally convinced I could offer both employers and employees new ways of saving money and becoming more competitive in this economy through the voluntary insurance industry, and that my decision to remain here could help my fellow citizens master their future's here as well.

HB 115 is one of the few pieces of legislation that could compromise my financial planning to remain here. After now being able to offer Alaskans more affordable means to secure their finances and their health, new taxation directly upon income may make job expansion in my business and others to halt. I am urging this Committee to see reason and allow me and other business owners to continue to afford living here to help Alaskans help themselves. I remained here to prove that to myself and to my fellow citizens. Don't add one more impediment to people's willingness to contribute to this state and soundly reject HB 115. Thank you for your time.

Kindly,

German Baquero
Palmer, Alaska

I strongly oppose a state income tax. Instituting a tax will have a severe negative impact on my budget and force me to move out of Alaska. Please stand strong and reject this short sighted proposal to fix our budget woes.

Thank You
Ginger Johnson

It is imperative in this struggling economy not to take away the benefit of home ownership. One residential home purchase injects thousands of dollars (and tax income) into the economy.

Please do not pass HB 115 which could contribute to higher interest rates, a rise in foreclosures and increased housing inventories stifling construction and bringing a slowdown in home ownership. Millionaires will continue to own the properties but the Middle class will lose a huge benefit of owning their own home. I appreciate your consideration of standing up for the Middle Class by NOT passing HB115.

Sincerely,
Ginger

Ginger Orem, CRS, ABR

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House Bill 115 – Income Tax
Opposition Email Testimony

Please reject HB115 that was passed by the house yesterday. This bill will harm Alaskans and the housing market . Do not omit the mortgage interest deduction or implement an additional capital gains tax. It will discourage buyers and sellers, leading to an increase in foreclosures, and higher housing inventory levels. Our housing market and home buyers are already faced with the probability of rising interest rates in 2018.

Do not pass HB115.

Thanks You,

Glenda Feeken

Quick fix with income tax is going to hurt AK. We already have people have moved here complaining the cost of everything. Our wages are not changing prices for water to milk have increased. There is will be more on medicaid rolls. Do the 50/50 rule by Hammond that Brad Keithley proposed to Walker. Please.. NO to HB 115!

Grace Halstead
Homer AK

Please do not support HB115. There are already plenty of adjustments the alaskan public will have to make with the looming economic shortfall, but the greatest ability people have to create and grow wealth is with an investment in real estate. And if HB115 is passed into law it will greatly hamper peoples access to financing for mortgages, decrease incentive for real estate investment by higher rates and eliminating the mortgage interest deduction, and ultimately causing a less robust real estate market in our state, and further hurting our economy. Please take this into consideration when voting on this bill, and all the negative effects it will have on our already struggling economy. Thanks.

Graham McManamin

I am writing today to thank you for your dedication this session and to let you know that I support an income tax. I know this is a very tough subject; however, I believe with the large deficit the State is currently facing I believe it is the correct course of action.

I would ask that you continue your efforts to make cuts where you can and restructure the permanent fund to use some of its yearly earnings, but based on my knowledge, those won't be enough so we will need an income tax to bridge the gap. My family is happy to pay our fair share if it means closing the budget gap.

As a constituent I look forward to seeing how the rest of the session plays out and look forward to the future. Thanks for your time.

Grant Todd

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Respectfully request that you oppose HB 115's efforts to tap the Permanent Fund Dividend for public expenditure and to impose an income tax on the financially productive members of society.

Even if the most optimistic estimates of the revenues that would come from income tax are correct, the current level of public expenditure is not sustainable.

Cutting the Permanent Fund Dividend would disproportionately harm the rural, the poor and the young. At this point in time, additional revenue sources would impede needed operational and structural reforms to the public sector in Alaska.

Grant W. Hunter
JD MLS MBA

Please DO NOT let HB 115 pass.

My husband and I are small business owners, we homeschool our children and live on one income.

An income tax at the rate HB115 is written would take our emergency medical fund for the whole year. That IS our medical insurance.

PLEASE SAY NO TO HB115.

This will really HURT business owners all across Alaska. We want people to STAY IN ALASKA. And we want to build our state for the future generations and creating an income tax will hurt us.

Heather Linden

Please show restraint and don't raise taxes. Hard working Alaskans already bear the brunt of our budget deficit and we can't take more of the burden.

I understand there isn't a simple solution to fixing this deficit but please look to fix the government overspending in Juneau as the main fix. According to a recent Dittman poll, implementing a spending cap has bipartisan support; both the majority of Republicans and Democrats support it.

Please keep all Alaskans in mind. Thank you for your time.

Herbert Howard

As a lifelong Alaskan, I have watched many changes in our state. We are now at a very serious crossroad. If we do not choose wisely, our state may never recover.

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I strongly oppose HB115. Creating an income tax will not fix anything, instead it will grow government once again by creating yet another bureaucracy and tax working Alaskans when the economy is already suffering. People don't seem to understand that small businesses are suffering. We have several friends who own small businesses and they are feeling the effects of our economy drying up. Once taxes come into play, that will put even more strain on everyone.

We are seeing more people seeing everything and leaving the state. In the last 2 weeks, 5 families that we know are putting their homes up for sale and are preparing to leave by the end of the year. If you pass legislation that punishes people for working and trying to be successful, how long do you think people will stay?

I know that my words will make no difference in your decision. Unfortunately the true "People's Voice" is overshadowed by special interests in our state. Let those people who profess that they are happy and feel it is their responsibility to pay for our bloated government put their money where their mouths are. There is nothing to stop them from donating from their own pockets to keep their programs funded. Have any of them done this? No, they want to force all working Alaskans to fund their programs.

Please do the right thing and vote No on HB115.

Sincerely,

Shannon Connelly – District 11
PO Box 172
Palmer, AK 99645

Good afternoon, Please "NO INCOME TAX". As I understand it, the original Permanent Fund was designed to be used for a rainy day. The day has arrived, and until something else can be used, please do not create more problems by taking more money from our pockets with an 'Income Tax'. Thank you for serving for the good of the people of Alaska.

Sincerely,

Roberta J Jaeger

Good afternoon, Please "NO INCOME TAX". As I understand it, the original Permanent Fund was designed to be used for a rainy day. The day has arrived, and until something else can be used, please do not create more problems by taking more money from our pockets with an 'Income Tax'. Thank you for serving for the good of the people of Alaska.

Sincerely,

Roberta J Jaeger

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I am opposed to any income tax in the state of Alaska. I am 68 years old and retired from a major corporation in 2003 prior to buying a seasonal bed & breakfast and moving to Alaska. Prospective personal and business taxation was a consideration in making my decision to move to Alaska. I moved from Texas, a state that also has no state income tax.

An income tax on earned WAGES for our seasonal business will have a negative impact on my household income. I earn my income by serving breakfast, doing laundry and cleaning bathrooms and bedrooms. Due to the nature of our seasonal business, we have imbedded expenses that must still be paid all twelve months. Therefore, our annual profit is less than 10%, Adding an additional state income tax would cut even deeper into our profits, making it questionable whether we can sustain. Also, thirteen years of my retirement savings have been spent here in Alaska. To think that this legislature is also considering an income tax on my retirement investments, profit from future sales of out-of-state properties and possible future family trust settlement ... is TOTALLY RIDICULOUS.

I have tried to follow many of the discussions throughout this legislative session as to how solutions would be develop. I watched many hours of the legislative session hearings on the Alaska channel. I also attended a recent town hall meeting with Mayor Navarre. The presentation was very informative and clearly presented. With over 80% of our state budget dedicated to supporting education and healthcare, there is little funding left to support many other critical areas.

As a single tax payer, I have always paid my share of taxes, wherever I was living. In addition, I have provided financial support and extensive volunteer hours to promote better education and healthcare for all ages in our small rural community. All Alaska taxpayers have a right to know what kind of ACCOUNTABILITY will be required by our legislature for these related agencies. As an example, how can we dedicate so much money to Alaska education and still have such poor performance and graduation ratios? I have personally observed the high quality of education in our community -- where our entire community, singles, parents, seniors and local businesses deeply support our school. Who is monitoring the shortfalls in other school districts? Critical changes are needed.

Please consider other alternatives to meet our fiscal budget targets.

Respectfully submitted,

Shirley A. Wilmoth
PO Box 649
Cooper Landing, AK 99572

I am writing to you to express my support for HB 115, the Individual Income Tax bill. The deep financial hole that Alaska finds itself in, cannot be filled by cutting the government. I am deeply concerned over the proposed action that fundamental government obligations, such as education, would be funded by a raffle, an unreliable source of income at best.

The basic tenet of a government is to provide services to the constituents (and visitors) making sure that each individual has an equal access to civic life. Cutting essential services like education, pre-K programs,

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disability services, and social services will affect the most vulnerable populations of Alaska, and create societal problems in the future. I fully support an income distribution where a tax is based on income.

I urge you to vote for HB 115 and create a sound fiscal solution by supporting the bill.

Thank you for your time,

Inari Kylanden
348 W12th St
Juneau, AK 99801

We do not support an income tax. Alaska is struggling financially because of mismanagement. Please do not tax the citizens to make up for the improper management of the state funds. Thank you.

Sincerely,
James & Shelia Isaak
P. O. Box 1341
Soldotna, AK 99669

As a small businessman in Alaska I see the direct effect an income tax would have on Alaska families, and how the PFD shrinkage will hurt their everyday finances.

No new taxes of any kind this session,

REFUSE any changes to the PFD – Gov Hammond would roll over in his grave! And Gov Hickel, too! The PFD is the people's money, not state gov'ts!

Go back and CUT MORE from state spending – especially in social programs – Alaskans are such weaklings! “bold” in the outdoors, but can't seem to adjust to changes in how much gov't can or will be a part of their lives. Where's the individual ingenuity that help found this state in the 50s?

I credit Dunleavy for his stand. I am disappointed at the rest of the Republicans so far this session with regard to the budget and PFD.

I'm a supervoter, registered Republican and an Alaska resident since 1989

JR Dailey
Sterling, Alaska

Several times during my years in Alaska, our household income fell short. So I reluctantly worked a 2nd, and at times, a 3rd job to maintain a standard. Altho' the analogy is not exact, the principle is the same. HB 115 is a badly needed "2nd job" for Alaska. Please support an income tax

Tom Nelson

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I do not support House Bill 115 and I ask you not to vote for it.

There are other, much more balanced ways of increasing state revenues.
The income tax section in this bill is so convoluted that tax lawyers will game it mercilessly.

There are much better ways of balancing the state budget. I'll mention three: reduce state spending, collect royalties on Alaska's resources, and promote gambling at the docks where cruise ships tie up.

Regards,
Bill Wiebe

We oppose HB 115. We oppose any scheme that takes money out of the private economy in order to grow government.

As our Legislators, your first priority should be developing a government that does not assault the private sector through income taxes, sales taxes, or tapping the permanent fund. Suggesting revenue streams before correcting the errors in the current budget system is how we got to where we are. Alaska is in recession. Some businesses are reporting business is down 20-30% this year over two years ago. Thousands have lost their jobs. People are beginning to migrate out of Alaska and my family may be next if this income tax is passed. Yet, the House and our Governor want to impose an income tax, reduce our PFD, add a motor fuels tax, and increase oil taxes.

As our Legislators, the last thing you should be doing is taking money out of the pockets of Alaskans. You should be doing everything you can to protect the private sector! Your first priority should be to deliver the government that "we the people" can afford. You have a choice – grow Alaska through private sector investment, or shrink it through investing in government by taxation and by tapping the PFD share that belongs to the people of this state. We oppose any scheme that takes money out of the private economy in order to grow government.

My husband and I love this State, but we must be able to afford Alaska. We are on a fixed income, so we must carefully budget our income and live within our means. And so should the State of Alaska. If the House gets its way in increasing our taxes and grabbing our PFD, you may rest assured that Alaska will have become the most expensive state in which to live. And to put it bluntly, it will be a better deal for my family and many other Alaskans to move to another state where there are jobs and where a dollar goes further.

We urge you to say, NO to an income tax and NO to taking our PFD! Please reduce spending and reduce government inefficiencies and deliver the government that "we the people" can afford.

Respectfully,
Janet McCullough and Tim McCullough
9830 N. Buffalo Mine Rd.
Palmer, AK 99645

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I am a 33 year resident of Anchorage and have resided in the same home in Turnagain for all but 6 months of that time. I have consistently been supportive of the schools in Anchorage and the public services provided and have never complained about the amount of the yearly property taxes that are levied to support these necessities. My husband and I are now at a point where we are trying to prepare for retirement. He is a Viet Nam veteran, will be 70 soon and continues to work at least 32 hours a week so I have access to medical insurance other than Medicare, and to help us get ready for a retirement where our only sources of income will be from a retirement benefit that he has through a former employer and from our Social Security benefits.

I am 66 and am also currently working so we can have more of a cushion when we're ready to retire. We are not wealthy, but live a comfortable lifestyle that we hope to maintain. We understand the problems that the state is facing with the deficit problem, and see the need for some action to resolve it. We are in favor of a sales tax, increased gas taxes, and a restructuring of the Permanent Fund, as it would involve everyone, resident and visitor, in some manner. We are not in favor of an income tax, unless there is a significant offset in property taxes.

Going into retirement, we will be on a very tight budget, and having a state income tax of 10% of our Federal tax liability, which is a plan we have heard mentioned, will put us in a position where we will have to consider selling our home and moving out of state.

We appreciate the work you are doing in Juneau, and hope that the legislature can come up with a plan that will be fair and equitable.

Thank you.

Janine Becka
3806 Clay Products Drive
Anchorage, Alaska

Please do not pass bill hp 115! It is going to be detrimental to my job. The chances of bringing higher mortgage rates are huge. If mortgage rates go up everyone will suffer including me. Less people will buy houses, a lot less. Peoples buying power will go down, therefore people who want to upgrade or purchase their first home will screech to a halt. Which directly affects me. We are already faced with raising interest rates right now. We do not need them to go up any more. The government needs to trim up their budget some. I can't ask for more money if I overspend. I do not think the government should be able to either.

Thanks,

Jared Potter

Thank you for standing firm against an income tax. I am strongly opposed to an income tax at this time. At some point in our state's future, we may need to consider a broad-based tax. When we do, we should consider all available options, including a sales tax, wholesale tax and any other options that come

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forward at that time. Other options have not been adequately vetted. We should not presuppose that an income tax is the correct solution, especially the punitive, jobs-killing tax proposed by the House.

Given the state's savings, the precarious state of our economy and the encouraging uptick in oil production, there is no need for an income tax this year. In fact, this is the worst time for our economy to impose such a tax. Taxing what little available capital we have in this state for investment (and job creation) would only hurt Alaska's ability to grow and prosper in the future.

Finally, it is ludicrous to have a state bureaucracy pay out a dividend in one division, only to hire more state employees to collect a tax in a different division. The relationship between the Permanent Fund Dividend and an income tax must be further explored. If the justification for the dividend is that it is needed by low-income Alaskans, then we should look for a more efficient way of providing that help than a direct cash payment. We should not have an income tax that kills jobs and investment at the same time government is writing a check to all Alaskans.

Thank you for considering my thoughts.

Jeff Hultberg

Please show restraint and don't raise taxes. Hard working Alaskans already bear the brunt of our budget deficit and we can't take more of the burden.

I understand there isn't a simple solution to fixing this deficit but please look to fix the government overspending in Juneau as the main fix. According to a recent Dittman poll, implementing a spending cap has bipartisan support; both the majority of Republicans and Democrats support it.

Please keep all Alaskans in mind. Thank you for your time.

Jerry Orton

It is **not time** for a state income tax - not until the Alaska Permanent Fund reaches \$0. This is exactly the time that the Permanent fund was established for, not to pay for a hugely bloated state government, but to pay the necessary costs for a reasonably sized government. All private businesses in Alaska are cutting fat - the State of Alaska has way more fat to cut!!!

Jerry Sandstrom

Please show restraint and don't raise taxes. Hard working Alaskans already bear the brunt of our budget deficit and we can't take more of the burden.

I understand there isn't a simple solution to fixing this deficit but please look to fix the government overspending in Juneau as the main fix. According to a recent Dittman poll, implementing a spending cap has bipartisan support; both the majority of Republicans and Democrats support it.

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Please keep all Alaskans in mind. Thank you for your time.

Jim Plaquet
1444 2nd Ave
Fairbanks, AK. 99701

My wife and I have been residents of Alaska for 45 years. We voted for the constitutional amendment that created the Permanent Fund. Without the Fund there would be no \$50+ Billion savings account to help finance our state... that money would have been spent by the Legislature and Governor long ago.

In the last 10 years there has been a huge growth in government/government spending but no corresponding growth in population. There are many areas where cuts can be made. Nearly \$1 BILLION to fund the University of Alaska operating budget is too much! We have three main campuses (Anchorage, Fairbanks and Juneau) and satellite campuses all over the place. Cuts can be made here. We spend more for K-12 education per student than nearly every other state and have less to show for it. The state of Alaska has used NUMEROUS standardized achievement tests over the years to evaluate our students' progress.

The Department of Education even went so far as to develop its own test when the national tests continued to show poor performance. That test has since been abandoned (read "MORE MONEY WASTED"). Cutting money for K-12 education will help educators focus on what is important and concentrate on improving student **academic** achievement.

The solution to our TEMPORARY financial crisis:

1. Cut more / spend less!
2. Use Permanent Fund Dividend money for three years ONLY! Half was used last year, so use half or all for this year and next. Every Alaskan should feel the pain.
3. NO INCOME TAX!
4. NO SALES TAX!

The Alaska State House refuses to cut the budget. That is an outrage! It's time to return to the Alaskan values of self-reliance, personal responsibility and making things work with what is available.

Regards,

Jim and Dixie Ostlind
6754 Canaday Rd.
Salcha, Alaska 99714

I am a lifelong Alaskan testifying against implementation of a State Income Tax on behalf of my 3rd Generation Alaskan Daughter Jessica and my 4th Generation Alaskan Grand-daughter Sophie as well as

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my two other Alaskan-born daughters and four other grandchildren who I hope will someday return to Alaska.

Why?

1) Our State has become the #1 welfare State in the Nation. Taxing the productive members of Alaska and re-distributing those earnings to the non-working class provides incentive for fewer and fewer folks to produce over time. We are at a cross-roads now where already a majority of the voters are non-producers who may be able vote in a tax on only those folks who produce. This marks the beginning of the end of most civilized societies, historically speaking. It is inherently unfair to allow one class of citizen to vote to make another class of citizen give them cash.

2) Neighbors are being pitted against each other when one neighbor, who has children or whatever, gets thousands of dollars cash from the State, while another neighbor pays thousands of dollars to the State. This is unfair and bad public policy on its face.

3) Many non-custodial parents will pay tax on their income without the benefit of offsetting PFD income that will be going to custodial parents.

4) Alaskan Workers already pay comparatively high insurance rates, housing and utility rates as compared to their lower 48 counter-parts. Attracting and retaining high-quality workers will be even more difficult when an Income Tax is added.

5) Calling the Income Tax Bill an Education Bill is a misleading tactic and makes me question the pro-tax arguments by its advocates.

Thank you and good luck with your deliberations!

Best Regards,

Jim Scholz
540 L Street
Anchorage, AK 99835

We tried to call in to testify against taxes a few moments ago but testimony had been cut off. We urge you to vote NO on state income tax in Alaska!!!

Thank you!!!

Jim and Lisa Gentemann
Eagle River, Alaska

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No income tax. This state. Need to learn how to spend less. The legislator need to take a pay cut and freeze there pay before you even think of any new taxes.

Thanks,

John Harvath

I do not support a state income tax for Alaska.

John Bell

My Name is John Clonan. I am a CPA in Soldotna. I have been following HB115 and have personally spoken to the drafters of the bill and have watched much of the discussion in the House finance committee about this bill.

I am Opposed to the State Income Tax.

This bill continues the expansion of State government by creating another department. Adds \$14-20 million in cost for staff to administrate this tax.

This bill does NOTHING to address the cost of State government.

In my discussion with Clients this tax season, Not 1 of the 300 plus clients wants a Sate Income Tax. I do not want the added expense to my clients for preparing a state tax return. It will also be MUCH more expensive in Alaska to do a state income tax return as compared to other states as there are far less people/tax preparers to absorb the software development costs.

I moved to Alaska 15 years ago. One of the reasons was for the freedom from state taxes. In the current economic down turn in our State, I believe a state income tax will hasten the abandonment of our State and increase the "Brain Drain" as those with the most opportunities because of education and economic position will be the ones leaving the State.

I urge you all to vote Against this bill.

Additionally, changing the name to an "Education Funding Act". Is/was deceptive and dishonest. This type of tactic preys on the fears of the uninformed electorate. The persons suggesting this should be recalled. Specifically - Guttenberg, Gara, Seaton & Foster.

Sincerely,

John W. Clonan, Jr. CPA

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Please rest assured that you have my full and unwavering support for your efforts to stop the liberal legislators from implementing a state income tax during this economic recession, or anytime for that matter. Expanding government and increasing revenue through taxes is not the answer!

Thank you for your leadership on the Labor and Commerce committee!

Sincerely,

John Cole
Anchorage,

NO, NO, NO!!!!

No income tax. SB 26 is the answer.

KILL HB 115.

Sincerely

John Dittrich

I oppose a State Income tax. There are several reasons seniors Alaskans remain in the State. I believe one of the reasons is not having an income tax.

Also

The State now has the highest health care in the world. That is making people think twice about remaining in the State. Adding a state income tax will make many think twice why should i stay in Alaska.

I believe the best way to solving budget issues is generating more income off the natural resources The state owns. Lease more land, encourage development that produces income. Don't chase off the oil companies but make the state more attractive to them.

John J. McGrew
9831 Main Tree Dr.
Anchorage, AK 99507

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I am writing to urge opposition to a state income tax. I support the fiscal steps proposed in SB26 and if more cost savings becomes necessary then I would rather see the permanent fund dividend be further reduced to fund state government. Or if not further reduced then limited to individuals with Adjusted Gross Incomes below \$25,000.

Thank you,

Jon Agosti
Refrigeration and Food Equipment

When I moved to Alaska, I had to learn how to get along with what I had, learn to make do without, and get creative in order to make ends meet. The State is now where I was many years ago--it is time to make some difficult but necessary adjustments in spending.

I feel we have a few more places where cuts could be made. Along the way, we have created a very dependent culture; and while I believe in helping people, there needs to be an incentive to do for oneself. The State has become an enabler and that is not a good thing.

I am acquainted with several people who are leaving Alaska because they have lost their jobs. Rental property is sitting empty because people are leaving.

Now, in the midst of a recession is NOT a smart time to entertain an income tax. I have listened to hours of committee meetings and heard testimonies from experts indicating that now is just NOT the time for this tax. Taxing the oil companies is not an incentive for new companies to entertain an idea about coming to Alaska.

I am strongly against the idea of an income tax. Please do NOT impose this tax on Alaskans!

Juanita Ross
Soldotna

Thanks for you hard work. Please don't let them put income tax on us or take our PFD or run oil or the air cargo businesses our main tax base out of the state.

Judith Dixon

I am totally opposed to a state income tax. I still think there is excess spending in our government and that needs to be addressed become you look at the PDF or taxes. I know the University system has taken a hit but if the associate arts professor (and his "art work") represents the university's views then we need to make more cuts to their programs. If we really need a tax, i would support a sales tax.

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I would excluding food and medicine from the tax and have a limit on large purchases. A sales tax means everyone has a stake in the way the government spends money. It would also mean the 2 million visitors could help reduce the deficit. My bigger concern is with any tax is it the rate will only increase. I think there should be a time limit that the tax would be in effect and I think any tax should be voted on by the people.

Thanks,

Mark Risi
6311 Tay Circle
Anchorage Alaska 99502

If the HB115 bill passes, many experts believe 2018 will bring higher mortgage interest rates, a rise in foreclosures, and increased housing inventory levels throughout Alaska. The passage of HB115 will not only compound the impact on those conditions, it will also price a significant number of potential homebuyers out of the market. Additionally, omitting the mortgage interest deduction and implementing an additional capital gains tax will serve to discourage buyers and sellers and delay any recovery in the housing market.

Please urge the Senate to REJECT HB115 as drafted, and passed, by the House of Representatives.
Respectfully,

Julie Moe
Associate Broker, CIPS, CRS, ABR, SRES

Something for nothing makes absolutely no sense. We Alaskans would be so overburden trying to pay income tax to a system that does not work. We as Citizens of the state would end up paying more per capita than any other state. Making us the highest income taxes. To fund and already fat legislation and Congressional State committee that really doesn't work. How many senators, legislation members have private businesses that they claim income taxes for?

I do not agree with government pushing an income tax when they're not even willing to cut government jobs.... those in charge are running the state as if there's a money tree in the backyard that has no bottom to how much they can spend. My vote is no on an income tax!! Just like any business you have years that are lean and you have years that aren't. As we have seen we are in a lean year....

So freeze everything from travel to office expenses, unnecessary purchasing and hiring..
Use common sense thinking....

Thank you

W.Kalani Ross

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I am deeply concerned to hear that some of you feel the need to implement an income tax on us Alaskans. I feel that we are taxed enough already. Try implementing some real cuts in the budget, by limiting government spending. I am a homeowner, a rental property owner, and I run my own small business. Now is not the time to implement an income tax. You have already taken half of our dividend and now want to take even more from us hardworking Alaskans. I believe taxes on labor will hurt workers, reduced job creation, then make our struggling economy in Alaska even worse. There are other options out there that should be implemented first. By leveraging our reserve accounts wisely, Senate Bill 26, without any new taxes will fund our government beyond the horizon of reasonable predictions. Why not start there. Here is another suggestion, how about sell our clean coal to China.

Please here this from a deeply concerned Alaskan, DO NOT PASS AN INCOME TAX!!

Sincerely,

Karen Erickson

Over the past thirty decades I've sat in on a lot of legislative hearings. Last evening at the hearing on HB 115 I was impressed with the consideration given to all of the Alaskans who were online and in the room to testify on HB 115, regardless of position. You were present and appeared attentive, regardless of whether the testifier was in the room or across the state, and supporting of or opposed to imposing an income tax.

Senator Costello, I especially appreciate the way you conducted the hearing. You kept everyone informed of the number of people waiting and you let folks know who/where was going to be up next. This is so helpful for those anxious about speaking and allows all to compose and focus before going up to speak after long periods of waiting. Your facilitation also allows one to dash to the restroom without fearing your name will be called after hours of waiting, during the five minutes you are out of the room. And, allowing the woman in Juneau, there with her two young children, to speak when you did was kind.

Regards,

Karla Hart

Juneau

Vote NO on HB 115. As far as I can see, it will only grow government and allow the Almighty State to rob us of more of our money, thus hurting working families even further. I can't understand why you would want to drive more people out of this state.

Katherine Hicks

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At this time I would not support an income tax. If POMV does not cover our costs, then I would support an income tax.

Thank you for your public service.

Sincerely

Kathleen Fitzgerald
PO Box 3192
Soldotna, Ak

I am the poster child for Alaska's economic future. I just started a rural, woman-owned business in remote Alaska. I am educated, motivated, and want to live and work here forever.

If you create an income tax you will keep small, diverse business from succeeding in your State; already having one of the highest costs of living in the nation. What you are doing is asking people who work to pay for those who won't.

Do not steal from your hardworking citizens! NO INCOME TAX!

The solution is to CUT wasteful spending; yes, even more...72 Million a year for Pupil Transportation! NO! School buses shouldn't cost that much. There's one place to start cutting. There are many more.

Please don't hurt your WORKERS and small business owners who drive your economy!

Respectfully,

Katie Rooks
Prince of Wales Excursion Outfitter LLC

As a lifelong Alaskan whose family has been here since 1935, I have a long view of our state's history and fiscal responsibility. I believe that an income tax is not the right way to deal with our current fiscal problems, considering the number of people in our state who do not work and the undue strain this will put on our working population, who currently struggle with the high prices of living in our state. I feel there are other ways in which our finances can be supported, including the senate plan. I would also support state sales taxes before instituting an income tax.

Thank you for your attention,

Catherine Bethune
Nikiski, Ak

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I am a Senior Citizen looking at my 73rd birthday in April. I want you to know that I do not support any Personal Income Tax bill and I particularly find this tax bill to be a nightmare to me and to any Senior Citizen who lives in the State of Alaska now or for the many years (52 years) that I have called Alaska my home. I also do not support violating the Permanent Fund or the Dividend to continue spending at the level the State thinks it needs to spend. I am for cutting spending to the bone, just as I had to do when my late husband passed away and I was left with all the bills we had created together but with 75% fewer dollars upon which to do it.

I was advised that the head of AARP is convinced that this tax will not hurt senior citizens, but I don't see it that way so I am going to give you a rundown on my personal expenses, not including anything except those expenses that I must have to live on without aid.

Gross Income: \$1800.00 My government pension

Less: Medicare: 122.00

Less: Income tax WH 144.00

Less: GEHA Health ins. 125.00

Less: Mortgage plus Ins 852.00

Less: Gas 133.00

Less: Electricity 126.00

Less: Trash 55.00

Less: Water 68.00

Less: auto Ins 46.00

Total: \$1800.00 minus \$1671.00 Living expenses equals \$129.00 to purchase Gasoline for car, groceries, clothing, and any other expenses I have. There is no room in that figure to allow for State Tax WithHolding nor did I figure in the PFD because it is volatile and may Change from year to year depending upon the whim of the Governor.

I currently have to work a part time job so that I can afford to purchase the other necessities of life like food, medications, co-pays for doctor's visits, clothing, gasoline or telephone, etc which I did not figure in because I was just showing the per month actuals that I am guaranteed for income and for expenses.

I would hazard a guess that I am not the only Senior Citizen whose income and expenses look like the above and I would be interested to see how the head of AARP and Mr. Seaton and the others in the Legislature figure out how we can take on another payment in State income tax With Holding.

--

Phylis K. Silverton
4159 N. Cambric Circle
Wasilla, AK 99654

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Anchorage just raised taxes over 5% . Not everyone pays but all receive. it's tough living here along with crime. If more taxes may have to consider alternatives. So sad!!

Ken Rocheleau
Anchorage

Alaska would be significantly harmed by an income tax. As long as Alaska continues to give huge undeserved tax breaks to the oil industry, I am opposed to any tax on individual personal income. Cut spending and raise oil taxes and leave the little folks out here alone.

Kevin Clarkson

Seeing the large audience of citizens, I opted to come home and share my thoughts via email to save you at least 2 minutes tonight.

HB115 - Do not pass.

At a minimum, I believe the bill is ill conceived and poorly researched Re: the impact it will have on Alaskans and Alaska businesses. For that reason alone I urge you to NOT support this bill. I appreciate that fact that more and true cuts are not easy to achieve, but I cringe more at the concept of having the equivalent value of my monthly cellular service or internet service bill being taken by the State before first imposing dramatic reductions to even those "third rail" services such as ferries and education funding. When the pain hits at the level where those dependent on government are feeling the pinch, the innovation begins. Necessity will drive efficiency and invention. If we turn on those already producing and contributing to give more to those who do not, I fear we are doomed to a downward spiral unlike that seen in the 1980s. This is not the solution.

Side note regarding the PFD
(especially under the lens of taxes and income).

Can we start by reaffirming the fact we're lucky to even have this "problem" to discuss?

I've refrained from commenting on this topic for quite some time to reflect and reconsider all points. I think at its core we need to decide whether we agree fundamentally to support an entitlement mindset or recognize the PFD as a dividend for citizen trustees. I believe it's the latter, and to commingle personal earnings with permanent fund dividends is wrong and misguided. We all worked the same to earn it (basically not at all) and we all deserve the same regardless of our need, want or ideological viewpoints. Those considerations should not be relevant. I also think that calling out personal income levels is a lowbrow attempt to sway public sentiment into supporting public-funded dependency disguised as sound economic policy.

Yes, the PFD should not be the proverbial low hanging fruit for politicians, Yes, the PFD is better used to fuel local spending and the private economy — but most of all, I cannot get on board with the sales job we are being delivered by many in the House, the media, conservatives and liberals, and even some in

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the Senate.

Now, on the debate of whether we, the citizen trustees, agree to fund government with a dividend...that's an entirely different conversation. But, please help put an end to the poor vs. the rich narrative. We already have enough division over single issue voters, social differences, political affiliations, etc. This isn't helping.

Godspeed to a quick end of session and wisdom in the days remaining! Thank you again for your service, personal sacrifice and dedication to our State.

Sincerely,
Kevin Kastner

My name is Kevin McCabe. I am retired military, I live in Big Lake, and am representing both my wife Linn and myself. I have lived in Alaska since 1981, my wife since 1961, but if an income tax is levied for this state - especially the tax envisioned by HB115 - and at risk of sounding like a petulant celebrity - we WILL be leaving the state permanently. According to the Senates Tax Calculator that will be over 7000 dollars removed from the coffers this tax contemplates. There are many like us.

I want to clearly go on record opposing any income tax. And, respectfully, I consider Governor Walkers removal of a portion of our PFD as theft of money constitutionally provided for the people. In my opinion It is also patently ridiculous to have a tax AND a PFD. This is redistribution of wealth on a rather large scale. I have also heard many comments describing a "broad based income tax" HB 115 is NOT, by any definition, "broad based."

Alaska's problem is that neither of the legislative bodies, nor Governor Walker, have proposed significant cuts to our budget. The state has enough money, without removing the peoples PFD or instituting a tax, to properly operate - if it is done with sound fiscal policy. Currently the policies of many departments include funding for positions that are not filled - otherwise known as a departmental SLUSH FUND, as well as other budgetary niceties such as a Knik Arm Bridge Toll Authority or the legislative chef or mail room that are totally unnecessary. Additionally, the mission creep in all of our departments is huge, yet has not been significantly addressed by any legislative body nor the governor. Consider the Anchorage School District where 44% of the budget apparently goes to administration. IF true, Why is that? Does the legislature not have any control over the use of state funding? How about our university system which is widely considered the Cadillac of universities with three full blown administrations and 13 satellite university campuses. REALLY?

We have a spending problem, NOT a revenue generating problem. In Fact HB115 is NOT an "Education Funding Act" this is an progressive INCOME TAX act perpetrated by what I consider a rouge house section of the legislature and a Governor with a PIPELINE dream. It will be used for MORE unnecessary spending. The loudly proclaimed budget cuts - by the Governor, the House, and even, respectfully, the Senate are smoke and mirrors. Let there be no mistake, we can cut the budget, but in my opinion, the Governor needs this tax, not for education, but for a gas pipeline.

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I do applaud the Senate's cuts, but they are not enough. We need another 200 Million in cuts this year alone, and in fact the Mission Critical Team has identified much more available to cut.

Finally, I urge you NOT to bow to political tantrums from the governor such as cuts to the pioneer homes, cuts to teachers, lack of plowing of the glen highway or any of the other means he (and the house) use for political pressure. I also want to remind the senators that the people have voted, I believe, a number of times, to move the capital to Anchorage. We have done this so that WE THE PEOPLE have the same access to our Senators as the special interests such as the NEA, GCI and other lobbyists do.

Due to three rouge Representatives, you are our last hope. Please vote no on HB115.

See the Dittman Poll below. Even they agree that an income tax will be horribly bad for our economy.

Cut the budget.

Thank You

Kevin McCabe

I am opposed to the progressive income tax proposed by the State House.

Jared Keyser

I believe an income tax is not necessary. It is not a fair way for only the working Alaskans to pay tax, while others that travel into the state, or none working Alaskans do not pay.

Korey Cronquist

Please do not pass HB115. HB115 will directly impact the people. My peers already find it hard to buy a houses for their families, this bill will not only make it harder for most. It will make it impossible for others. The state of Alaska is already proposing to increase taxes on a major scale and by adding a capital gains tax you are just asking for people to leave our state because it is not worth living in anymore. No matter what Politicians think an average consumer has to spend on taxes, it is wrong. Stop trying to steal money from every tiny little place you can find.

Sincerely

Kraig Mims
Soldotna, Ak

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Do not pass an income tax! You can't expect the few to pay for the many. Cut all non necessary funding.. And non necessary means any in which you take from one to give to another. Cut all welfare corporate and social. If an income tax passes I will do everything in my power to undermine the state of Alaska. Already looking at houses in other states as are many of my oilfield co-workers.

Kurt Salty

Please reject the income tax proposal from the house.

1. An income tax on top of oil money is not needed in a state that already leads the nation in per capita spending, and has \$53 billion in a permanent “rainy day” fund.
2. An income tax will further damage the depressed Alaska economy,
3. If, heaven forbid, an income tax were to be instated, it should be a simple percentage of federal tax rather than creating a whole new process and bureaucracy.

Thank you,

Kurt Smith
Douglas, Alaska

Please know that I am staunchly opposed to HB115. The language of the bill effectively writes a blank check to the State of Alaska that will be paid out of the pockets of hard-working wage earners. This bill is asking for a no-strings-attached pass to take money out of our pockets every year forever. There is no term limit, no future review period, no relief in sight. Just the promise of legal access to my bank account for the rest of my life as long as I continue to choose Alaska as my home. I would not allow my best friend this kind of license with my money, much less a monstrous bureaucratic machine! No bank on the planet would accept this deal and Alaska doesn't want it either.

This bill does nothing but levy a heavy penalty for being an Alaskan who works hard and makes good money. The more well-off you manage to be, the heavier the fine! This is not at all how I want our state to treat its residents. Making good money is not a crime worthy of punishment. In an economic downturn, the last people I want to start penalizing are the ones in the best position to keep purchasing the goods and services that keep all of the rest of us in paychecks!

I'm not politically savvy enough to understand why this bill can't have any language in it that stipulates what the money raised will pay for. I was informed that that would be illegal and have not investigated that issue further. I am, however, someone who values sound financial decisions. It is not now, nor will it ever be a sound financial decision to allow access to my hard-earned money without any clear contract as to what that money will be used for.

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I value freedom of personal choice regarding one's resources above the comfort of maintaining current levels of government services. I have far more faith in each individual Alaskan's ability to find a way and in our collective ability to come together and help each other out as needed than I do in the governmental machine's ability to spend my money wisely.

Thanks for your time and for your service.

Lalia Bunn

It is imperative that the Alaska Legislature pass a comprehensive budget of which HB 115 is a part. Enacting an income tax is key to the continuation of basic services that are being threatened due to the down turn of oil prices.

We need to keep our services funded otherwise schools, social programs and basic infrastructure will be at risk of being severely cut. With severe budget cuts our state will be depleted of what it takes to build thriving communities.

A stable budget plan is an important signal to the business sector that Alaska is a good place to invest which adds jobs and a robust economy: again part of building healthy communities and a cohesive infrastructure.

Please pass HB 115 which will work in tandem with SB 26 and HB 111 as part of a comprehensive, strategic plan that will keep our state thriving.

Thank you and kind regards,

Laura Stats
418 7th St.
Juneau, AK 99801

I am disheartened by the State Income Tax proposal on several levels. First I would much rather see a state sales tax rather than income tax which would encompass everyone including our many tourists to the state. A state sales tax is proportional to income with higher earners spending more money. I would also like to see a non-resident income tax for those folks who do not maintain residency but are earning income in our State.

Why are single people being punished with not only a higher base but also a higher percentage in the new proposed bill? The fact that I am single does not reduce my cost of living. My mortgage payment, utilities, property tax etc. are not less because I am not married.

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I have lived in Alaska for 37 years and planned to retire here but with the new proposed income tax, estate tax and the higher Alaska cost of living I am confident I would no longer be able to afford to stay in the state I love so dearly.

Please rethink this bill and please quit targeting single people.

Sincerely,
Lea Ike

I am urging you to vote NO on the state income tax. As a retiree I can barely afford to live here now. If this tax is passed, me and many other retirees will be forced to leave the state we love. Please vote NO! Thank you.

Linda Kihn
3417 Sharon Rd
North Pole, AK 99705

I am strongly opposed to an income tax, PFD grab, taxation on oil companies, and fuel taxes. Our economy is already struggling! All of these proposals will surely contribute to a crash and a mass exodus of wealth and jobs from Alaska. Government is too big and bloated, and cuts have not been made to sustainable levels.

Please vote "NO" on the implementation of income taxes. Implementing an income tax, such as the one proposed in HB 115, will further destroy Alaska's lagging economy. We already have a very high cost of living and imposition of these taxes will make Alaska the most expensive place to live. We need to encourage people to stay--not drive them away.

We (my husband and I) are among those residents considering moving out of state if this legislation passes, which is very sad because we had hoped to live out the remainder of our lives here. Taking our hard-earned income to keep a bloated government bloated is the very definition of irresponsibility. If government was down-sized and there was a shortage we would be happy to pay a fair tax which is not based on a progressive scale. There is nothing fair about a tax scheme which penalizes the higher wage earners and redistributes it; redistribution of wealth is socialism!

There are so many reasons why this proposed taxation is wrong! The first being that the necessary cuts to government have not been made. Cut the da** budget and give us a more affordable state government!!!

Thank you!

Linn McCabe
Big Lake

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I would respectfully ask for your time to hear my voice. I believe I represent thousands of Alaskans in the Valley where I was born and raised. My grandfather homesteaded here back in the early 1950's. We have a long history in Alaska. My family, friends, coworkers and church family oppose HB115 adding a high income tax to hardworking Alaskans. I am a teacher and my husband is a radiation therapist in Anchorage. We work over 100+ hours a week together. Families like mine are being hit so hard. We pay federal income tax, ss, medicare, health insurance, high Mat-Su borough property taxes and high cost of simply living in Alaska. We are still raising and feeding 4 children here. The tax proposed would take approximately \$541.25 from my families pocket each MONTH. That is a HUGE bill for us each month. That would be like buying a new Trans Am we couldn't afford. We don't do things like that. That amount is what I need at Costco to feed my family for maybe 8-10 days.

The working Alaskans simply can't pay for this deficit. We won't have anything left. We are the people that support local businesses, give to our church and pay 100% of everything we get. Our children aren't getting grants or work studies in college because we work HARD and earn money. We have to save for that. Our jobs didn't come without sacrifice. My husband served in the U.S. Airforce for 4 years and we spent a total of 8 years together in college. We paid our own way and we have debt too.

This is the first time in my life that we have openly talked about leaving Alaska. What a heartbreaking decision that would be. Even with taxes in other states the lower cost of living more than makes up for it. Not to mention we wouldn't need studded tires (which you are now wanting to tax at \$75.00 per tire). Our family responsibly used our dividends last year to purchase 3 sets of studded tires so our teenager daughter will be safe and others on the road would be safe from us. We aren't going to the Bahamas with the dividends, we are trying to just make it up here. It costs us upwards of \$2,000.00 to even leave the state as a family. Moving would mean for just a tank of gas (which costs less) we could take a road trip. Food costs are lower, gas prices are lower, even property taxes are lower in the SEATTLE area of all places! Trust me, we are looking.

*Please work hard to cut big government. Cut non-essential programs. Once you institute this tax, you will never repeal it.

*Put an income tax only on those that work on the North Slope and don't support anything but the Anchorage Airport food courts.

*Add a sales tax.

*Cut entitlement programs. I personally know teachers that are offered and deny excellent school district insurance because they qualify for Denali Kid Care. That program's income limits are TOO high. How much does the state match the federal government for the \$1 cell phones? There was a day not that long ago that having a cell phone wasn't equivalent to breathing air and having food and water. Not everyone needs it and the state should NEVER have gotten involved in that. Meanwhile, the rest of us pay hundreds of dollars a month for cell service (which is 1/2 the price in the lower 48).

I have hope that Alaska will recover. We will explore, develop, cut non-essential programs, limit handouts and recover. Panicking and taxing those that are still supporting the economy right now is going to only make things worse. Create a budget on what we have and raise the budget as we get more. Our small population can't cover this nonsense.

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These decisions made in isolation in Juneau where we can't even drive too is absurd. The working families are busy working during the day. I've tried to call in and get put on hold so long that I don't get a chance to speak.

Feeling frustrated,
Lisa Short

Unfortunately I will be on a plane tomorrow so won't be able to testify. I want you to know so many support the senate majority sticking to it's opposition of the income tax as required as part of the house bill. Do not pass a budget or else the senate will be having to deal with these house bully attics year after year.

We do not need an income tax. A 5% withdrawal in the form of POMV is the answer next year along with incremental REAL cuts and requiring departments to stop padding their budgets.

Do not be fooled because unions and democrats are better organized when it comes to testifying; research shows the majority of Alaskans do not support the income tax.

The decisions you make in the next months will determine how deep and how long our recession will last. I feel we are at the tipping point in this state and it takes courage and strength of convictions to do the right thing for those you represent. You and all your colleges are in our hearts and prayers as you face this challenge.

Thank You In Advance,

Lorie Hardin, MBA

This is a revision of my letter to all Alaska State Legislatures of 3.9.17. I now propose an easier and more transparent plan. First, rescind any laws requiring the state to pay a dividend from the Permanent Fund. Then, because the Legislature can tap into the earnings unabated, use those earnings to balance the State's budget, which it can do for several years down the road. If the people want a dividend from the State, let the Legislature approve dipping into the PF principle and put it on the ballot. Let the people vote for it as a specific amount for a specific purpose each year.

I still say no new taxes. Because another state has certain taxes is no excuse to tax us. Do the other states have sixty billion dollars laying around? The excuse that we need to be taxed so we have a vested interest in the state is ridicules, we are Alaskans because we love Alaska and don't need to be like the other states. Again, if we can't trust the State with our wealth, how can we trust it with our tax money? Also, the people should be able to vote on whether or not to be taxed. Just saying that we voted for you to make these kinds of decisions does not hold water. Give the people a better choice, develop a better plan than taxing us just because it is the easiest thing to do.

Lyle Winter
Kasilof, AK

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Please do not set an income tax until you repeal and replace all oil tax incentives to the oil companies! They do not deserve any help from us! They deserve to pay their fair share like the rest of the other industries.

When everyone is chipping in then consider an income tax if the budget can not be balanced.

Thank you.

Mark Browne

Please reject HB 115. The permanent fund had been set up as a "rainy day" account to fund state government. Well, it's raining. Please look to cut government spending across the board - 10-20 percent to every department and program, 10-20 percent cut to social programs, implementing strict limits on how long any Alaskan can utilize any social program, use the permanent fund to fill in the gap, eliminate the PFD to all Alaskans, renegotiate the oil tax to a lower rate to expand exploration and production, and work with US Senator Sullivan to open ANWAR. Do NOT implement a state income or sales' tax.

It's time for all Alaskans to step up - not just the working class. The PFD has become just another entitlement in an exhaustive list of entitlements that ruin the lives of those enslaved to them. Taxation strips investment capital from all communities which further opens the state's fiscal gap. This is a vicious cycle that continues until there's not enough revenue through taxation. What's your plan then? Cuts are a tough job and it will hurt everyone. But it's the job that you had signed up for. I look forward to your response.

Thank you.

Mark Frentzel
Keller Williams Realty

I have concerns about the income tax bill. I see that the income tax percentage is based on the amount of income; the higher the income, the higher the percentage is that is proposed to be paid. However, I do not see any consideration for cost of living in rural Alaska. Our salaries are higher in rural Alaska to support the higher cost of living. The income tax will put an undo burden on people living in rural Alaska. Our cost of living on the North Slope is over twice that of living in Anchorage. Our pay reflects the higher cost of living, paying \$11/gallon for milk, gas at \$6 per gallon. If the income tax is implemented, and I am not saying that I support an income tax, then it should take cost of living as a factor for determining taxable income. As an example, just for one person to fly from my village of Atqasuk to Anchorage cost about \$900 round trip. To fly to Barrow is \$350 round trip. The income tax as written puts an unfair burden on people living and working in rural Alaska. Please include cost of living as a factor for determining taxable income.

Thank you for your consideration,

Mark Roseberry

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Hardly a week passes and there are several articles in the ADN on why there should be No personal income tax. The latest article exposes the "Cadillac" Medicaid program adopted by Governor Walker paying for airline tickets, hotels, restaurants, taxis and elaborate dental procedures. Very few if any working people have such expansive benefits. As of January 2017, there are reportedly 177,000 enrolled under Medicaid with the unexpected enrollment of everyone previously covered by IHS. With the US Government supposedly paying 100%, Governor Walker's budget shows the state still paying \$600 Million of the \$1.75 Billion total.

Anyone with any economic sense knows that this is unsustainable when the US Government starts shifting the cost to the state. Obviously this state already has far more money than it deserves to spend when it takes on these programs. Clearly there should be No personal income tax.

This week's ADN article also discussed the Point MacKenzie Port, paid for with \$Millions of state monies, that is on the verge of being mothballed. A clear example that this state has more money than it needs since it just throws it away. Clearly there should be No personal income tax.

This week's ADN article also discussed the Point MacKenzie rail extension, paid for with \$Millions of state monies, that has been and needs to be abandoned. A clear example that this state has more money than it needs since it just throws it away. Clearly there should be No personal income tax.

Last week's ADN article discussed the all expense contract to "study" a rail extension to Canada. Based upon the \$10 million per mile for the Point MacKenzie project and 1500 miles, the cost would be \$15 Billion. Spending money on this "project" is a clear example that this state has more money than it needs since it just throws it away. Clearly there should be No personal income tax.

And any day now, an investigative article on the Interior Energy Project is expected. Should it show that a \$Billion of state funds is being spent to truck natural gas to the Interior at more than the cost of fuel oil, it will be yet another clear example that this state has more money than it needs since it just throws it away. Clearly there should be No personal income tax.

Mark and Lucy Teitzel

I write this email to express my disgust with the House income tax bill that is being proposed.

I am the owner of several Alaska based business that would all be adversely affected by and income tax. We have already had to lay off people in our construction related businesses and delay spending and improvements across the board. An income tax at this time will only make the situation worse.

We are a state that has some \$58 Billion in the bank and still pays every resident \$1,000.00 per year to be alive. Why is the gift of a dividend now considered vital income in Alaska? Does it really make sense to tax people and then turn around and give out a \$1,000.00 gift? What about cuts? While it is true that you cannot fix the budget gap with only cuts, you can certainly reduce the size of the government we have. For the past 30+ years we have lived in la la land. A place where we could spend

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money without concern because no individuals had to pay for the largess. So now we have a gold plated, unsustainable state government.

I will give you two examples. If you go on the University of Alaska website, there you will be able to find the 22 different campuses that are part of the University of Alaska system. Seems astonishing to me that a town, Alaska is like a small town, of 700,000 people needs 22 University Campuses. Of course many of these are not very big, but still you get the point. For 30 years legislators looked for ways to deliver the largess to their constituents. Clearly one way to do that was get a UA facility in your district. Another way to support this largess is to offer free tuition to the top 10% of every High School class. Can we really afford that? How about reducing the number of campuses to 3. I would argue 2 would be enough. Instead of making these decisions the UA system is absorbing cuts system wide. Would it not be better to consolidate and concentrate efforts at two universities instead of 22? Why don't we concentrate on making two great universities rather than 22 subpar ones?

My last example is for the public school system. From this website https://education.alaska.gov/alaskan_schools/public/DistrictandSchoolIDs.pdf you can see that Alaska has 54 different school districts. If you dig a little deeper you will see that each district has a superintendent and or staff. If you dig still deeper you will see that we have 133,000 kids enrolled in all public schools in Alaska. If you subtract the top four districts, Anchorage, Fairbanks, Matsu and Kenai you are left with 43,000 students spread across the 50 remaining districts. So we need 50 superintendents to look after 43000 kids? You need to cut the per pupil funding to reduce some of the overhead. You also need to consolidate districts to get rid of the waste and thirdly you need to raise the minimum number of kids required to have a school. My own kids high school in Anchorage has 4 principals and or vice principals? Is this really necessary? Does it make any financial sense to pay \$23 million dollars to remodel a school on Diomedes to serve a hand full of kids? The state needs to stop subsidizing people that choose to live in very remote expensive areas without the tax base to support the infrastructure provided.

According to the Kaiser foundation <http://kff.org/other/state-indicator/per-capita-state-spending/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D> for 2015 the State of Alaska was again the state that spend more per capita, \$18,196 than any other state. In fact we spend more than three times the national average of \$5,777. If you listen to half of Juneau talk you would think that we have cut everything we can already. Cutting the capital budget to nothing is not cutting the budget. Capital budget cuts just stop the increases in government spending. Cutting the operating budget is the only thing that will reduce the size of government. If you take our \$6 billion general fund budget and divide that by 328,000 jobs in Alaska you still get \$18,000+ per employed person spending. Given these number it is hard to argue that Alaska has only a revenue problem. Any way you look at the numbers Alaska has a serious spending problem.

If you look to the near future there are 3 large oil prospects on the north slope that could double our production and increase state revenues dramatically. There is hope in the future, but an income tax is a job killer.

In many ways I am fortunate, I choose to live in Alaska when I can probably live anywhere. If the State of Alaska chooses to tax my income, it creates an incentive for me to move to Washington. In

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the end I think the tax is unnecessary and hurts our economy that is already struggling. I urge the Senate to hold fast and deny all efforts to pass an income tax.

Jeff Wilson

Please do not pass the house version of income tax. Make cuts first.

Melinda and Albert Hofstad
Petersburg, Alaska

Please vote no on HB115. It is not fair to tax hardworking Alaskans and business owners to fund education in the state. I suggest greater cuts to education and a reduction in the PFD to zero. The PFD is a handout that is given on the number of people in your household. It incentivizes reproduction.

The incentive to reward people who reproduce and then make the workers of the state pay for the children of these individuals is wrong. First people who have children get rewarded with their PFD. Then HB115 has the audacity to give the reproduces a 4000\$ deduction off their tax for each extra child they produce. Finally, they turn to the taxpayer for the education costs of their child at 5200\$ per year as the final slap in the face to the taxpayer. This is grossly unfair to hardworking single people. It is the responsibility of each parent to raise and educate their children, not society. They should think long and hard about child raising expenses before reproducing. This bill rewards people who have the most children in every possible way and punishes workers who choose not to reproduce or families with only one child.

There are many options of what brings fulfillment to people in their lives. Pets, travel, cars, airplanes or kids. There are already enough humans on this planet. If people wish to have children for their pleasure that is their right. But they should not be subsidized by the government and tax single people for their education. They should not place the financial burden of these children on society.

Please vote a strong and resounding NO On HB115! It is a money grab by education and parents to finance the raising of their children.

Thank you

Michael Connors

I would rather give up the ENTIRE PERMANENT FUND DIVIDEND than pay an INCOME TAX.

My family and I loose more money by reducing the PFD to \$1,000 than we would pay in Income tax under the House plan. (I think that is HB115) which shows you how much we would loose if the PFD were eliminated or put on hold for a few years.

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I understand you need more money to run the State and I'm willing to do my part. I just believe an Income-tax is abhorrent.

If you must have a "broad based tax" then please create a sales tax. It can be set up faster than an income tax because retail cash register systems come prepared loaded with tax software. Even the low end non computerized registers are pre set to add a sales to tax to a purchase. I know this for a fact as I was a retail manager for over 20 years.

A sales tax will also collect money from the more than 2 million "visitors" who will travel up here this year. AEDC, Visit Anchorage and AITA agree we will have more than 2 million visitors this year. Currently the State gets very little if anything from tourists. Take their money in a sales tax. Except Food and medical care so residents can choose how much to pay in taxes by what they purchase.

Personally I don't believe you need to impose a broad based tax, eliminate the PFD, or "restructure the Permanent Fund". The current system allows you to use Permanent Fund earnings if you can all agree to do so.

I believe you can also save the State money by eliminating all refundable tax credits currently in place, including Oil Exploration credits. Pay what the State owes now but eliminate refundable credits going forward. Any business tax credit should only be taken as a credit on taxes owed. That way you don't pay for dry holes.

I am sorry I couldn't get to the LIO to testify on the income tax. I started a new job this week and couldn't leave to testify.

Please let me know if you read this message.

Michael Jesperson

I have over the years been truly perplexed and amused by the drama of political theater. We have come to a point where our State House majority and the Governor want to tax the public by implementing an income tax and steal the public's PFD to pay for an increase in the size of state government before even attempting to reduce its size.

HB 115 is truly silly proposal yet effectively a death knell for our liberty, which all of you in the State Legislature and the Governor have sworn an oath to protect.

HB 115 will effectively price a significant number of home buyers, especially first time home buyers, out of the market, because it will lower debt to income ratios. It will omit the mortgage interest deduction and implement an additional capital gains tax which will serve to discourage buyers and sellers and delay any recovery in the housing market.

HB 115 will remove income from the public which best generates small community economic stability and diversification, especially in the Bush where all money is precious for lifestyle. The state of Alaska household median income for 2015 was \$73,355. Under this tax plan, the House and Governor will deprive the average Alaskan household of almost \$2,000 per year in a time where economic hardships

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are still a reality.

HB 115 taxes trusts, S Corps, and estates. Many of the elderly have their future tied up in these entities and, yet, the legislative majority is telling people it reduces the impact on the most vulnerable in our society, and helps reduce our reliance on the oil industry. What a crock of crap!

Let's be realistic, the cost alone to operate and manage this new arm of governmental intrusion will require increases to this extortion against the public within the first five years of its operation, because government is a selfish, self interested perpetual money pit, when left undisciplined and unguarded. This is the current state of our state government.

We all know the histrionics and perpetual drama on stage at this point is stressful, but will pass with time. We also know that we are about to engage in a new potential era of meaningful resource development for our state because of changes in the federal government. Calm thoughtful deliberation to this task is required.

Yes, the budget needs to be cut significantly. Most of you can recall our state operating budget in 1977 was \$400,000,000. Now it is significantly many times that amount, yet in 1977, the people of this State made things work with less.

Please consider making things work with less. We will be stronger and better for it.

Please kill this bill!

Best Wishes,

Michael Tavoliero
24618 Wilma Circle
Eagle River, Alaska 99577

I work hard for the money that I earn. I would propose a state sales tax over an income tax. It would better serve Alaskans with the amount of tourists that spend their money in Alaska who also use and put stresses on Alaska resources.

Low income families who have a hard time making ends meet now, may not be able to survive if this passes. As a woman who raised three kids and often worked two or three jobs to do it, I can speak from experience.

If my pleas are not heard and Alaska does do an income tax, please make sure large companies whose corporate headquarters are in another state (BP, Vigor, Conaco, Fairweather, boats working in Alaska waters but registered out of state) are not able to circumvent the tax somehow. That means ANYONE who is working in Alaska pays the state income tax, NO EXCEPTIONS!!!!

Michelle Swartz

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I find the misleading label attached to this bill to be insulting and deceptive. People reading over the testimony list would easily be misled by this intentional mislabeling and miss their opportunity to be heard. Perhaps that is what the House was looking for in order to get this bill passed. As legislators, your promise was to represent the people of Alaska. With regard to this mislabeled bill, the public is overwhelmingly opposed to an income tax and somewhat supportive of a sales tax. Keeping with the spirit of deception, perhaps the sales tax bill could be labeled as the Help Starving Puppies Bill.

I do not support an income tax in any way shape or form. I want you all to vote against it.

Among other parcels, the University of Alaska pulled some of its most popular land in the Wrangell mountains off the market as you all headed into budget discussions in order to maintain a facade of insufficient funding. Since they are unwilling to sell land we give them, I think the state should take it back and sell the land in order to provide revenue for education. Take back all unsold UAA parcels and land auction them. This would encourage development and growth while raising revenue.

Our state has the most generous TANF program in the United States, allowing people to ride public assistance for 5 straight years without working.

Denali Kid Care has no income limits and seasonal workers who make hundreds of thousands of dollars qualify their children by applying for the program the month after they stop working for the season. This qualifies their children for the next 12 months. Program managers acknowledge this fact while refusing to modify criteria to prevent this misuse of our financial resources.

Our state government hemorrhages money into subsidizing Juneau just because many legislators hold investments there and because legislators enjoy operating without constituents watching. Supporting offices for you all in home districts plus Anchorage plus Juneau is absolutely ridiculous and expensive.

Should we discuss the millions of state dollars that pay ghost workers for the state or do we really need to?

Our budget needs citizen oversight. I would be happy to participate in such a committee and help those Representatives who claim there is no place to cut from our bloated budget. Not one cent of tax should be levied until you get your spending under control. The excuse for refusing to cut the budget is that lobbyists show up in Juneau and urge you not to cut. If regular citizens had reasonable access to our legislature during session, you could hear from us too so that excuse carries no weight with me.

Stop spending in such an out of control manner. It won't work to continue to reward the unemployed and punish the workers. Do not push hard working Alaskans elsewhere. Top earners will move from state or just find creative tax dodges and the burden will fall as always onto the exhausted middle class for as long as we are foolish enough to keep working to support your bloated budgets all while we have no access to you.

Please vote no on this misleading bill. Vote no to income tax.

Michelle Latham

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I am beyond words when it comes to opposing HB 115!

I have used the Senate Majority tax calculator to determine what my and my wife's taxes would be based on our 2016 federal tax. Our tax payment would be \$954! So much for the PFD at maybe \$1,250! If one takes what is projected for the PFD, a strong probability of \$2,500 add the loss of PFD income, if SB 26 and HB 115 pass, my wife and I will be out \$3,454!

On top of that, both of us are considered seniors with fixed income. Since we are responsible people, based on this theft, if passed, that means that to be able to pay the State Income tax, we will have to set aside in our budget \$79.50 per month just to meet the projected \$954! To be more prepared with our budget, I would set aside more likely \$90 a month.

That is \$90 dollars not spent at Lowes, WalMart, gas station, Fred Meyer, Carrs, etc. That is \$90 a month not going into the Alaska economy and not going toward business' being able to hire a worker, much less causing the loss of an employee!

Now add in the loss of taxes with the PFD. That equates to \$300 a month not spent in the Valley and Anchorage economy. Beyond Lowes, Walmart, etc., that means no flight to seeing my Mom, round trip about \$500-\$600. At least another year to save for a ATV, or Jeep, both in the \$20-25,000 cost into the economy!

Lastly, look at California with the people that left to go to Texas! That will happen to Alaska! No and hell No to HB 115 and SB 26!

Mike Coons
5200 Dorothy Drive
Palmer, AK 99645

My name is Carla Milburn. I live on the South Peninsula and have worked as a Fisheries Technician for over 20 years. I have a small home which I have lived in for over 30 years. I live a simple life, no extravagances, well managed and frugal.

I believe that an income tax on working Alaskans, especially mid-range earners is not the answer. I am against HB115.

Please do what you can to prevent this from happening.

Many who live simply as I do will feel the ramifications, to no good. It changes my mind about Alaska being the place to live out my life.

Thank you for considering my opinion,

Carla J. Milburn

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Please do not punish the workers of Alaska by imposing a unfair income tax. I already pay \$5000/yr dollars in property tax in Wasilla. It is not fair that because I have a good job and own a home, I pay more than others for failing programs and policies the politicians will not cut. An income tax would cost me 1700 dollars additionally which will impact my family greatly.

The income tax targets a select few and leaves out those who are most likely to benefit use tax dollars in the form of welfare and healthcare programs.

I also am against the taking of the PFD without sufficient attempts to curb spending for obvious reasons.

When sufficient programs are cut from the budget, I am open to a small sales tax across the state or a flat income tax that everyone who works in the state pays. If there is an income tax, then everyone must pay it. I trust my Senator Shelly Hughes to negotiate the will of her constituents, I do not trust the Governor to enforce his will on the state.

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Respectfully,

Montana Alexander
Wasilla, AK

I understand that you are in a difficult position, in trying to find a workable solution to the state's financial crisis. I'm sure you have heard from many people who oppose levying any sort of tax. But, realistically, we cannot solve our problems simply by cutting the budget.

Even if we could, doing so would be devastating. We all rely on crucial government services, and if we cut those services, we will undermine our communities and our future. We need to fund public health and safety, law enforcement, and the shared resources such as State Parks and libraries that make living here wonderful and enriching. More than anything else, we need to invest in the future by funding education, including tertiary education. The fairest long-term way to do this is to levy an income tax. I am Alaskan. I am proud of this state. I want my children to be proud of this state, too. I am lucky enough to earn decent wages. Please tax me.

Respectfully,

Nancy Fresco
93 Roxie Road
Fairbanks AK 99709

From the information I have read about HB 115, it implies that the proposed state income tax would be applied to "working Alaskans." So how does that affect retired senior Alaskans? Are our pensions, social

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security, and investment income subject to be taxed by the state also? They are all included in our federal tax adjusted income.

Alaska is one of seven states that doesn't impose an income tax on its residents, but many more states give their seniors exemptions on income received from state, federal, and military pensions. From the little bit of information that I can find about HB 115 it appears that Alaska is preparing to move to the top of the list of states that hit their senior citizens the hardest!

Sincerely,

John VanderHoff
A Cooper Landing Alaskan senior

If this bill passes, many experts believe 2018 will bring higher mortgage interest rates, a rise in foreclosures, and increased housing inventory levels throughout Alaska. The passage of HB115 will not only compound the impact on those conditions, it will also price a significant number of potential homebuyers out of the market. Additionally, omitting the mortgage interest deduction and implementing an additional capital gains tax will serve to discourage buyers and sellers and delay any recovery in the housing market.

Nicole Harrell

When I finally completed public testimony for HB74 in House Finance, the line to testify for HB115 was so long the LIO offices stopped taking callers. I was able to listen to the testimonies via LIO telephone lines (listen only) which finished around 10:30pm.

Thank you for allowing so many to speak their thoughts and heart.

Attached is a very brief version of my testimony. Please submit it for legislative review and input.

Kind regards,

Pamela goode

Alaska does not need an income tax. It probably doesn't even need to reduce our PFD. When a household loses part of its revenue it has to reduce spending to make sure that the mortgagee gets paid and the kids get fed. Having said that, the only bill that makes sense is HB 26, unfortunately it takes part of our PFD, but it doesn't take part of our PFD and then tax us also.

Patrick S. & Myrna K. Cowan
42337 Sterling Hwy / Box 828
Soldotna, Alaska 99669

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Please reject HB115 as drafted and passed, by the House of Representatives.

Patti Coleman

I am opposed to an income tax. I do not believe redistribution of wealth is the answer to the state's financial problems. There will be unintended consequences that will not be good for Alaska. Take the entire permanent fund if necessary. I don't see why, if we are in such dire circumstances, that we need to continue with the great Alaska give away. This is a better solution than to tax hard **working** Alaskans. And to falsely present HB 115 as an education tax is so very disingenuous. I don't think you would have support for this bill if Alaskans really understood what all it contained. For instance, taxing a profit on the sale of your home. Taxing trusts. Etc. At the very least be open and honest about all this bill contains.

STOP moving in this direction. Look for other ways to reduce costs and look to new ways to generate and encourage revenue sources.

Patti Carlson

Adding a state income tax is not solving the spending problem. It just creates an additional new revenue stream that will be abused by the powers that be.

I suggest continuing efforts to reduce spending. "So what" if this takes time. It is quality time for all of us. And, we will grow from this and growth is what we continually need as people and as a State.

As spending reductions truly occur, it would be great increasing the oil flow. The new oil finds will increase the current revenues to the State. There should be real efforts to bring them on line immediately.

Thank you from an Alaskan resident of 41 years.

Paul Moore

I strongly urge you to vote NO on any income tax proposal. The state spends more than \$10,000.00 per Alaska resident. This is by far the highest of any state and is an obscene amount of money by any measure. With the reduction in oil prices we have seen the oil companies and contractors lay off thousands to right size for the new economy. The state needs to do the same and drastically cut number of state employees, state programs, and entitlements. No one has laid a glove on the unions yet. Under these circumstances levying any sort of tax on those that are gainfully employed would be criminal. Cut the state budget. No on any income tax.

Regards,

Paul Wharton

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I believe that If this bill passes, 2018 will see higher mortgage interest rates, a rise in foreclosures, and increased housing inventory levels throughout Alaska. The passage of HB 115 will not only compound the impact of negative market conditions, it will also price a significant number of potential buyers out of the market. Omitting the mortgage interest deduction and implementing an additional capital gains tax will also serve to discourage buyers and sellers and delay any recovery in the housing market.

Thank you for the opportunity to advocate for defeat of this bill.

PeggyAnn

PeggyAnn E. McConnochie, DSA, DREI
REAL ESTATE BROKER
ACH CONSULTING LLC
3172 Pioneer Ave, Juneau, AK 99801-1962

I encourage you to please defeat HB115 at the Senate level. Thank you.

Dale Price
Escrow Operations Manager

Thank you for taking citizen input on the income tax proposal. I am strongly opposed to the House proposal. The workforce needed by the state to implement it is grossly underestimated and we will spend hundreds of millions to collect very little. I have a good job but I can do my job for the same company living elsewhere and if the tax is implemented I will move out of Alaska thereby depriving

Alaska of all I currently spend here. Many of my friends will do the same.

Joe Ralston
Anchorage

I am against an income tax before deploying a sales tax in Alaska.

I'm against an income tax AND sales tax in Alaska before seeing true and viable cuts to your government spending.

- Excess per diem
- Excess moving costs
- Excess travel (hello, Skype?)
- Excess travel costs (luxury hotel rooms)
- Double dipping with per diem by also funding a subsidized café on our dime
- Over spending on buildings and office décor (OMG – WHAT and WHY?)
- Slush fund and campaign fund spending on whatever. I rarely get a letter or flyer from the “office funds” you guys get. Also, no email responses! What is that office slush fund funding?

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- And the paltry excuses given for why these things are “needed”. I’m assuming you have watched yourselves in the news and read your quotes in the Alaska Dispatch on this topic??
- You guys make more in 90 days than many do in one year of work as well as have health care and retirement on our dime and want MORE of our money to fund this frivolity so that we can have plowed roads, teachers, law enforcement, proper paving of our FEW roads, the AMHS... You must understand how frustrating this is for us. Our money is funding YOU, not us who were hired (voted in) by us to manage our money for our needs. Or, maybe you don’t which is a scary thought...

A sales tax on everything except food would enable ALL Alaskans (INCLUDING YOU) and visitors to the state the ability to contribute to the mess our finances are in due to state miss-management of our tax dollars over the years and bad decisions on taxing the, seemingly, only revenue source the state congress believes we have here – oil. A reasonable sales tax would be a good start. Kind of like starting an IV in the hand instead of the aorta right off the bat and blowing the whole thing. Let’s work our way up, right?

The number of working Alaskans is small – it’s only a state of 700,000 people.

- Many are truly medically disabled or too old to work. They have done their time.
- Many others live in areas where there isn’t any work such as in villages.
- Many, MANY others work in very low-paying jobs like retail, food, service, etc.
- Many work seasonally only and take their dollars out of state.
- Frustratingly, many just choose not to work and live off of entitlement programs we workers contribute to.
 - Social Security, Medicare, and unemployment are not entitlements – we invest into these programs by working for our future benefits – it’s like insurance. Let’s all be clear on that.

The pool of working Alaskans who can REALLY contribute to the deficit is very small. We already subsidize those above to include you. An income tax is an additional burden working Alaskans are not willing to agree upon until the above is addressed FIRST.

So, why don’t you guys work on decreasing your embezzlement issues, make sure state healthcare is secure and adequate so more can work longer and not get mired in medical debt, create jobs throughout the state (EDUCATION for better jobs, clean energy, tourism, small business startup and support, medical professional support to draw high earners, etc.), increase worker’s rights for a livable wage and work on decreasing the reasons (drugs, too little/poor education, too little law enforcement, lack of detox, FRAUD, etc.) that allow so many to skirt being good, working citizens that suck up resources?

Until I see these things sincerely worked on, I ABSOLUTELY do not support an income tax. Even though I know a sales tax will increase the burden for villagers who have no income resources (maybe you guys could work on that for them...?), I still do not think that, yet, ANOTHER burden on the working population is proper.

Figure out the flaws before more, and especially income, taxing!

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I work full time in a good job, make little money - actually poverty level L and live below (BELOW being key – take a page from that book) my means but do alright and stay out of debt. Please do not make my good choices a harder struggle. I'm sure many others share that plea.

Respectfully,

Rebekah (a proud veteran of 8 years of Army service and happy civilian)
Wasilla

As a life long Alaskan, I am very concerned what an income tax will do to our economy. I am not opposed to a sales tax. Let visitors help pay for our government if implementing a tax is absolutely necessary. I do not believe that enough spending cuts have been made before looking to implement any tax. Please, NO INCOME TAX!

Thank You,

Rhea Bromley
Ketchikan

I do not support a state income tax nor will I support anyone that does. I also want my full PFD from last year returned to me. I do not support any modification to the fund what so ever for state use. Here is what needs to be done with the state budget, and its the same thing I had to do after loosing my job on the North Slope. CUT THE BUDGET. Another thing stop funding stupid projects like rail roads, natural gas lines, prisons, and on and on and on. Stop looking for new funding to keep the bloated budget in place. The State needs to live within its means with the income it has just like me. I am a life long Alaskan of 63 years born in Fairbanks so I know what a State income tax would do to us. Its time for the State to get down to just the basics and let the whiners cry all they want its time to get tough.

Rick Scott

It is a time for spending cuts not income tax. You are trying to match a permanent solution to a temporary problem. Tax paying citizens are tired of working morew and longer only to see how our money is wasted.

It is time for restraint not more taxes.

Sincerely,

Robert McMorrow, Sr.
3630 W 79th
Anchorage, AK

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I have lived in Anchorage and Soldotna for 66 years. I have been there since before Statehood and have watched many events evolve over those years. Our family has been a part of and been active in many of those events since 1951.

In 1982 Lee Fisher followed me as President of the Anchorage Chamber of Commerce. He is the one who initiated the idea to eliminate the State income tax, and that effort was successful. At the time I argued to pass a law putting it in abeyance for an indefinite period of time, but the decision was made 'for no more income tax'

The Legislature is making a serious mistake in initiating an income tax without properly judging all the consequences of doing so. Who has made an analysis of what the impact might be? I know 10 to 20 well to do folks, and I assure you, there will be hundreds to thousands more who will move their residences to Texas or Nevada or elsewhere that has no state income tax. The impact will be the loss of some very well to do folks who will not live in Alaska any more. They can afford to live where ever they wish. They give a big boost to our economy by living here. Also, many of us have used the incentive of 'no income tax' to encourage folks to move here.

Alaska has one of the very best laws of any state in our nation to assist and give benefits to estates and beneficiaries. We should be taking advantage of these special enactments and encouraging people to have their residences here and not running them off.

And, it makes no sense and will look foolish to many people else where when we give residents a dividend and then tax it? Has any one ever heard of such a thing?

As no one has made a proper analysis of the 'other' side of enacting an income tax, the very least the Legislature should do is to put off an income tax until next year. In the mean time, someone should study both sides of the consequences of such a tax. We owe it our citizens to do so.

Robert Penney

Please show restraint and don't raise taxes. Hard working Alaskans already bear the brunt of our budget deficit and we can't take more of the burden.

I understand there isn't a simple solution to fixing this deficit but please look to fix the government overspending in Juneau as the main fix. According to a recent Dittman poll, implementing a spending cap has bipartisan support; both the majority of Republicans and Democrats support it.

Please keep all Alaskans in mind. Thank you for your time.

Robin Hershberger

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My name is Rodney Dial, I am a lifelong Alaskan living in Ketchikan and am representing myself (although I am a current Ketchikan Gateway Borough Assembly Member).

I am opposed to HB115 and do not feel it is appropriate to ask Alaskans for an income tax for the following reasons:

1. Massive tax disparity exists now between the incorporated areas of Alaska and the unincorporated areas. It is very clear that the democrats and house majority members want to force Alaskans who are already paying property taxes ... *to pay more...* all so that the areas of the state currently receiving services for free, can continue to receive all basic services for free. This is not acceptable, is discriminatory, and divides Alaska. This discrepancy needs to be addressed before an income tax.

Although there may be a limited tax base in rural Alaska, this does not relieve them from the need for shared responsibility (statistically there are more poor people in the incorporated areas and they already are subject to taxes that residents in unincorporated areas do not pay).

Many unincorporated areas have the ability to tax private property and have conducted feasibility studies regarding borough formation (Prince of Wales Is. prime example). Do not ask some to pay more so that others can continue to pay nothing. Consider an unincorporated area service tax, assessed against each PFD received in an unincorporated area. Dear Democrats... less free money IS NOT contributing!

2. An income tax is not a broad based tax and is discriminatory. First, native dividend income is not taxable under 43 U.S. Code § 1620. With some native dividends exceeding \$20k per year, an income tax that excluded income from 20% of the population would be discriminatory and a violation of the state constitution.

3. The income tax proposal has increased from \$200 million (Gov. Walker) to over \$670 million now. Great example of how the democrats will destroy the economy of the state if an income tax is ever allowed. They will raise it again, and again forever (why they voted against a spending cap).

4. An income tax will drive money and people out of the state. The moment that an income tax combined with our higher cost of living, exceeds the cost to finance a snowbird home in a cheaper state, is the moment many change residency. They can still come back to Alaska whenever they want.

5. Thousands of Alaskans own homes in the lower 48 and snowbird. For these people they can nearly instantly change residency to avoid an income tax.

6. An income tax will encourage future retirees to leave the state.

7. Out-of-state workers will not pay anywhere near the \$85 million amount claimed (reg income tax), because the largest group of out of state workers is the military... and the military can avoid 100% of an income tax by simply changing their home of record to a state with no income tax (same reasons they do not have to register their cars or get AK drivers licenses).

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8. Violation of State Constitution to impose an income tax and hand out a PFD. Violates equal protection and amounts to redistribution of wealth.

9. An income tax grows state government. 60-120 employees, not acceptable.

Senate members please stand strong and oppose an income tax, working Alaskans will support you.

Sincerely,
Rodney Dial
Ketchikan Alaska

Please show restraint and don't raise taxes. Hard working Alaskans already bear the brunt of our budget deficit and we can't take more of the burden.

I understand there isn't a simple solution to fixing this deficit but please look to fix the government overspending in Juneau as the main fix. According to a recent Dittman poll, implementing a spending cap has bipartisan support; both the majority of Republicans and Democrats support it.

Please keep all Alaskans in mind. Thank you for your time.

Roger Jones

Plain and simple, a State Income Tax means I start the process of selling all my rentals and heading south to a state that's cheaper to live in. I have been in the workforce since I was 14 and have been buying and managing rentals since I was 24. I'm currently 47, born and raised in Alaska, been here for 47 years and might not make the next 5. I work 7 days a week to provide for my family and the future of MY family, not to pay income taxes that allow continued spending for the politicians in Juneau. I would support a sales tax that fairly distributes the tax burden across all citizens and including the visitors to our state, after all when we go vacation in these other states we are paying their sales taxes.

Ron Fiscus

I strongly oppose a income tax and ask for your support in opposing it too.

I don't agree that it is equitable. I feel that once again, people who are cogs in this this society are going to be penalized by having to pay again for the smooth wheels in the state. If you have managed to buy property, if you manage to have a job and support yourself and your family, you will again have to pay for smooth wheels, and they don't have to pay anything because they conducted themselves in a way where they don't own property or have a job, for whatever reason. If you wonder why people are tired of being taxed in this manner, it is because that is the choice that always comes up, let's tax the doers in

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the state, let's penalize the workers and the property owners, they can carry the rest of the smooth wheels! It's not like I make such a sizeable income and I am not a land baron, but what little I have and have worked for, I'd like to keep, please.

Interestingly enough, the smooth wheels will still get their dividend and will bear none of the burden of the financial condition of the state. I am a supporter of a sales tax and a reduction to the dividend, and for all I care, you can take the whole dividend, I never worked a minute for that handout and if it were gone tomorrow, I wouldn't care. But I do care when things I have worked for are taken from me and not all to support the state's mismanagement of money.

So I would appreciate your support in voting no, absolutely no income tax. I appreciate that perhaps the legislature has done as good of a job as possible in their reductions to the budget considering the amount of pressure from special interest groups, so I guess reductions are off the table and so I'd like to see income tax off the table too. Put that damn dividend that never belonged to Alaskans for personal consumption on the table right after the deepest budget cuts you can do.

My two cents for all the good it does in this political environment.

Sheila Garrant
PO 107
Kasilof, Alaska 99610

At first I was in favor of HB 115 but **now am totally opposed because.**

1) House finance took a simple idea [AK in tax as a % or federal tax] and made it complicated. I like simple.

2) I don't want it to be called the "Education Funding Act". It was bad enough that House finance tried [and maybe did] take ~ \$ 700 M from the PF earning acct [earning maybe 7 % interest] and put it into the education fund [maybe 1 % interest]. What were they thinking?

--

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

2113 Jack St
Fairbanks, AK 99709

Thank you for taking the position against implementing an income tax on Alaskan residents. Creating new Alaska government IRS division for purposes of taxing Alaskans to create revenue to flow into one government pocket just so the State can continue to pay out dividend checks out of the other pocket seems absurd.

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We have plenty of other options at our disposal, up to and including changing the way we pay out dividend checks to our residents in general. Rather than impose an income tax on residents, I personally would recommend we choose to pay dividend checks out only to people who met the following criteria:

1. Children / Youth: (Through the age of 18 years old)
2. All other residents, regardless of age, whose income falls below the Federally mandated poverty guideline for the State of Alaska

Alaskans who do not meet the criteria for the two above groups should not receive a PFD check. Use all remaining funds that would have otherwise been paid out in PFD funds to help bridge the fiscal gap we are facing instead of imposing an income tax. The House's plan to implement an income tax while insisting we continue to pay out a dividend check is incredibly short-sighted and would cause irreparable damage to Alaska's economy.

No other country in the world forces it's residents to pay a tax, in order to allow the government collect funds so it can pay out cash subsidies to those same residents.

Thank you for holding the line on this important issue.

Rudi von Imhof

President-- Delta Leasing, LLC

I am VERY OPPOSED to HB 115. In fact I'm opposed to any bill that institutes a state income tax, but HB 115 sounds horrendous!

Sally McIntire

I have been a small business owner for almost 9 years in the Valley. I am barely making ends meet. Lately I have been considering taking on a FT job in order bridge my own income gap. I am STRONGLY against this Income Tax bill! It seems that our representatives have become more actively engaged in pleasing lobbyists rather than their constituents. My representatives in the Wasilla area have been awesome and really "lone wolf" voices for We the People. PLEASE DO NOT PASS THIS BILL. It's bad for business, bad for our economy, and bad for the state. Shame on all of you who so desperately want to take the easy way out of this and put the burden of funding a obscenely overextended state government on our backs! It's "hard" to make cutbacks.... well, guess what... that's what you MUST DO! It will be hard, but it's the right thing to do. Consider privatizing large portions of our state government. Get the lobbyists & unions out of it. VOTE NO!

Thank you,
Sandi Williams
Wasilla, AK

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Alaska does not need an income tax! Shrink government and use the permanent fund as it was originally designed rather than instituting an income tax.

Please do not create yet another government agency to manage an income tax on Alaskans.

Sincerely,

Sandy Blomfield

...as well as a promise to campaign to elect NO one who votes in favor of it.

Alaska is strong because the government has trusted us to spend our own money better than the government does. Actually, you'd be hard pressed to find anyone who says government spends money wiser than the one who earns it.

Please wake up and don't slow the velocity of money by taking it into your coffers to squander.

Scott Rees
Anchorage

I am submitting this email testimony to state my opposition to House Bill 115.

Now is the worst possible time to impose an income tax on hard-working Alaskans. With many Alaskan families still reeling from losing one half of their Permanent Fund Dividend payments, the government's response should not be to reach into their pockets again.

Being income tax free is a huge competitive advantage for Alaska. Young people starting out on their first jobs are not burdened by oppressive state taxes like their peers in other states. They have the freedom to devote their incomes to starting families, buying houses, or becoming entrepreneurs. Military retirees, whose pensions would be especially hit hard by HB 115, come to Alaska to start new lives. Why would the sponsors of HB 115 want to create obstacles for military retirees?

The title of HB 115, the Education Funding Act, is especially misleading. There is no language in the Bill limiting the use of collected taxes for education. The obfuscatory title alone should cause your Committee to explore the true motivations behind this grab for our hard-earned money.

Thank you for the opportunity to provide testimony.

Sincerely Yours,

Brian T. McTague
2986 Foster Ave
Juneau, AK 99801

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Please vote no on HB 115. There are better ways to balance the budget than by continuing to raid the pockets of working (and voting) Alaskans. Thank you so much.

Sincerely,

Shannon Guerra

Our unique and inherently restricted real estate markets do not need more red tape, rigmarole, or obstacles to affordable housing. Keep interest rates low.

Sharli Arntzen, Broker
Providence Properties
2206 Tongass Ave.
Ketchikan, AK 99901

I am writing with my personal request that you **DO NOT** vote to implement a State of Alaska income tax. An income tax would add yet another financial burden which will heavily affect my life. I am a small business owner (State Licensed Massage Therapist) and home owner in Eagle River. I have lived in Alaska for over 40 years - as of May 2017.

I am looking to retire within the next 5 years. As my plans evolve, so moves my plans whether to stay in Alaska or move to a state where my retirement income (which will be meager) can sustain my cost of daily living.

Consider this:

The people of the state are the hosts of government. If working people and retired people are forced to accept another tax – (adding to the high cost of living in Alaska) - they will move on. They will be forced to take their income to a more affordable place to live.

Alaska's government will have NOTHING to feed on.

Here's a story:

There was a tic looking for a host. There were plenty of sources for the tic to feed on, and soon it grew fat and happy. But it grew greedy and didn't know when to stop eating. Soon the tic found it needed more hosts as its appetite became insatiable. It didn't matter that the tic's body grew and grew and threatened to burst – which would kill the tic – but it just could not stop itself from over eating. Soon it began looking for more hosts, and sucked each host dry. The cycle continued as the tic refused to adjust its appetite, which would shrink its body to a reasonable healthy existence within its living environment.

Other hosts noticed the tics continuous feeding and the effects left behind. They realized they needed to leave the area as it was obvious that they were the tic's next victim.

Soon the tic had no hosts to feed on – it began to starve. It suffered greatly and died.

Moral of the story – NO INCOME TAXES.

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Cut bloated spending. Consider how fat Alaska Government has gotten and find ways to diet – to cut back to a more reasonable level to exist in this recession environment.

You are killing your major hosts (the oil industry) in the State by over taxing them.
Your next hosts are your own citizens?

What will stop you?

Sherie Crosby, LMT/CMT

I am certain you are getting a lot of grief over HB 115 and I, unfortunately, am no different. I am a realtor in the area and if this tax bill is imposed it will have a huge, long-term negative effect on the economy. Many of my colleagues have out of state clients holding off on buying in the Anchorage area until there is resolution on this bill. My husband is a pilot with UPS and I have multiple clients that are pilots as well. UPS, FED EX, Alaska Airlines, Cathay, Delta, and many other airlines have pilots that spend 1/2 the year based in Alaska and have the desire to purchase a 2nd home or establish a primary residence here; however, that WILL change if this bill is passed. I fear it will also deter many from staying here in the long run. This bill will have a negative impact on our economy and establish the opposite of the desired outcome.

We all enjoy the PFD but we can cease that for as long as it takes, but overtaxing will thwart economical growth in Alaska. I am out there in the field, so to speak, and I see first hand the impact it is already having on the housing market.

Sincerely,

Sherilynn Bare

As Alaskans we have had to tighten our belts in recent times. Now is not the time to tax hard working Alaskans to pay for irresponsible actions by our governor to expand Medicaid benefits to able bodied working adults. Let's not penalize those who work hard in our state to further grow and perpetuate the welfare state. It's time for government to get lean and mean and focus on it's essential functions, just like We do at my own dining room table. Please oppose any income tax.

Stacey Stone Semmler
Matthew Semmler

This is not the time for a income tax. I support continued reduction in the cost and size of state government. Holding spending is the single biggest contribution to the problem that I see.
I support the POMV modifications proposed in SB-21-2017

I think eliminating Oil Cash credits is timely.

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We need to see how SB-21-2016 version is working before any new revenues are agreed.

Thanks for your service.

Steve Carhart
3324 Knik Ave
Anchorage, Ak

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Thanks for your service.

Steve Carhart
3324 Knik Ave
Anchorage, Ak

I do not support a state income tax in any form.

What I do support is cutting the state budget till we can live on \$50 a barrel oil. \$100 a barrel is probably never coming back.

Walker already cut my throat with the slime-ball move on the PFD. Does he even have a clue how much he hurt the economy now that fewer businesses will offer no PFD specials? This is just my opinion but I think Walker will be blown out of office next election. I can hardly wait. Please cut the budget, not my throat.

Thank you for your time and service,

Susan and Buzz Kelley
Wasilla, AK

Please show restraint and don't raise taxes. Hard working Alaskans already bear the brunt of our budget deficit and we can't take more of the burden. I understand there isn't a simple solution to fixing this deficit but please look to fix the government overspending in Juneau as the main fix.

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According to a recent Dittman poll, implementing a spending cap has bipartisan support; both the majority of Republicans and Democrats support it. Please keep all Alaskans in mind. Thank you for your time.

-Suzanne Garnetr

As a registered voter and a small business owner an income tax will damage the fragile working class. A sales tax would be fair across the board. Do not make it impossible for those of us who make almost no profit to keep people employed have to close.

A sales tax will help from all avenues and it isn't going to hurt people who come here to shop and visit because they already probably pay one now.

To pass this bill will create undue pressure on the working class. It will also affect future elections.

Tammy L. Krous

I would like to express my strong opposition to a proposed state income tax in HB 115. This would only be paid by a portion of Alaskans, given that it will be tied to taxable income on the federal filing (roughly half of federal filers do not pay income taxes). Moreover, as with the federal income tax, this one would be progressive and tax those who work harder and are more successful at a higher rate (a pet peeve of mine, regardless of how entrenched it has become since the income tax began in 1913...). Short story: this would be a tax paid by those who actually work and earn already (contributing to Alaska's economy), while those who do not do so appreciably would effectively be exempt. Not only does this send the wrong message, but it will be counter-productive by dis-incentivizing some residents from working – particularly those towards the lower end of the income spectrum.

Please understand that I'm not in favor of any new taxes or revenue sources until the State gets its budget-house fully in order by further reducing spending. To say, as the House majority does, that there's really nothing left to be trimmed is ridiculous on its face... At any rate, instituting new revenue sources (a.k.a. taxes) and tapping the Permanent Fund at this moment will completely remove any remaining motivation on the State's part to reduce spending to a sustainable level. Moreover, tapping the Permanent Fund as a way around having to negotiate with the House minority in order to tap the CBR is both manipulative and insulting to those who voted for representatives now in the minority. As I recall, it was not long ago when the House minority Democrats themselves used access to the CBR as leverage in their budget/spending negotiations. But I digress.

When the time does come for a new broad-based tax, a much more reasonable solution (in part, of course) would be a sales tax. This will more fairly fall upon all of the state's residents as a function of their consumption. Even lower income residents would have to share in the burden as they purchase soda and cigarettes, or TVs and snow machines come PFD season. A sales tax would capture some additional revenue from visitors during the peak tourist season, while it would be unlikely to have any appreciable impact on visitor numbers given that most will already be accustomed to living in states with similar taxes. A sales tax would also capture a small amount of additional revenue from workers

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who live outside of Alaska and are not residents – yet consume and benefit from Alaska’s infrastructure while they’re here or passing through.

I recognize these are challenging times for the State, but after years of mismanagement of significant funds and saying “yes” to so many constituents’ pet projects and services, it is unfair to suddenly ‘get serious’ about the matter and place the burden squarely on working residents in an inequitable way. The proposed income tax is an ill-conceived idea that, per economists, will take the current economic situation from bad to worse. I strongly oppose HB 115.

Best regards,

Ted Jensen
10201 Hillside Dr
Anchorage, AK 99507

Now is the time for government to tighten its belt, eliminate waste, and focus on its essential functions.

Now is NOT the time to strangle the Alaskan economy, grow the size of government, and establish a whole new bureaucracy in order to collect a tax that will not even collect enough to close the gap in the bloated House budget.

An income tax will hurt working Alaskans and damage an already slumping economy.

This Alaskan does not support an income tax in any form. I implore you to find fiscal solutions that limit the size of government and do not put an undue burden on the hardworking people of our great state.

Tiffany Cook
PO Box 5911
Ketchikan, AK 99901

I oppose an income tax. It is estimated, based on those who earn enough to pay a Federal Income tax, that only ~50% of Alaskan wage earners would pay. That is not fair. All Alaskans benefit and utilize state services and all Alaskans should help pay for those services.

Tim Brady

Please do all you can to Kill HB 115. This job and opportunity killing income tax will be devastating to small business owners in Alaska and the employees that rely on them.

Most small business owners are Sub chapter S corporations with all taxes flowing through to the individual business owner each calendar year. A state income tax will drastically reduce the amount of income available for reinvestment by removing funds through a steep tax.

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This tax is directly targeted at the job creators and eventually will be very damaging to all Alaskans.

Thank you for your consideration.

Respectfully,

Timothy J Cashman Jr.
Soldotna

As a father of 4 here on the Kenai Peninsula, I am opposed to a State Income Tax.

Things are difficult enough right now, and any added tax will be a burden for me and my family.

Thank you,

Tim Berg
720 K-Beach Road
Soldotna, Ak. 99669

This is the most ridiculous tax of all, hitting those who "work", which is a small percentage of Alaskans! The amount that we will spend on workers, systems and such to support this will most likely cost more than what we will take in. Really! We need a new Head for the state systems!? Where does the big dollar state hiring stop? Why aren't the village schools being consolidated with low populations? How about cutting the Education funding for State workers, many of whom are in their late 50's and 60's being paid for their high cost out of state tuition for Masters and PHD degrees that will not benefit the state at all. There are many areas to cut, and each waste of funding in these areas will contribute to the spending problem. Again the issue is the funding shortfall by itself, it is the wasteful spending in many areas.

Time for me to sell out and move down south, Alaska is losing its flavor for what it was. We are not SAN Fran, Seattle, Portland, etc!

Thank you,

Tom Martin
Independent Conservative living in a more liberal Anchorage.

Thank you for great public process of such long duration last evening. I have never seen anyone run a better public hearing. While the testimony was passionate it was orderly, concise and polite. As tedious as a hearing of that length is for you hardly anything surpasses it for grass roots participation in democracy. Your genuine interest in what Alaskans have to say was continually evident throughout the hearing. This was I believe the very first public hearing on this income tax legislation as the public

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participatory hearings in the House Finance Committee were on an entirely different bill. I have attached a copy of the testimony I presented in your hearing.

I have also attached a paper I prepared earlier in the year and likely sent to you at that time. It was fun to write but is too long for your busy schedule. I sometimes like to look at complex problems using the case method that was a common teaching tool in business schools when I attended the University of Oregon School of Business. The case method originated at the Harvard University MBA Program. I have often found that how a question is asked can be the key determinant of what information is sought, and that information can define and lead to at least a clearer understanding of the problem if not an agreement on a particular conclusion.

As Alaskans we have tools and resources to solve this state fiscal problem. However the gap between what our economy is producing right now to sell to the rest of the world and the aggregate expectations we have as consumers is a different and more demanding problem which will not be completely solved, and probably cannot be solved at all by government. Canada experienced a decline in its important petroleum sector and one of its governmental responses was to allow a currency devaluation so that consumption, including payments to government employees and contractors, declined. The State of Alaska has neither its own currency nor any monetary policy tools. Canada has important and sizeable manufacturing, agricultural and financial sectors that we lack of course.

Greece experienced economic dislocation associated with misuse of debt and output declines. Having switched from its own currency to the Euro it didn't have the monetary tools that Canada has. Greece hasn't recovered but one tool it is employing is having its young adults, especially professionals, relocate to work elsewhere in the Euro-zone and send part of their earnings back to families in Greece. I do not know if Alaskans should expect a similar practice to help our economic situation. My wife and I have no children, and even if we had children I don't know that we would count upon them sending money back to us in Alaska.

Venezuela experienced negative economic outcomes somewhat associated with petroleum industry declines. A gross devaluation of its currency ensued to an extent that economic dislocation was exacerbated. Recently Venezuela made passports almost impossible to obtain in an effort to keep workers from leaving. That is also a tool that Alaska doesn't have, and we are better off for it.

As we know Alaska has been successful using oil tax policy to incentivize both near term oil production enhancements and also exploration, which has had some success. Separately, the problem of meeting expectations for government services previously funded by oil income has been met through spending one-time cash reserves. Since those cash reserves are finite there is an obvious inevitableness at the end of that road. For me the confusion of the problem of a state fiscal gap with the very different problem of a severe decline in state economic output has been unhelpful to allowing elected officials to find a solution to the first problem. Taxing our economic output – an income tax – to fix the state fiscal gap to the detriment of our economic output would bring extreme economic dislocation. The apparent belief that we can hold state and municipal government harmless from statewide economic change is very wrongheaded.

For an extended period of time state government produced two revenue forecasts rather than one. Lawmakers budgeted on a 30th percentile revenue case rather than the mean case which we now use.

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The 30th percentile case was calculated to be conservative in that there was a 70 percent chance revenues would be higher. Use of this simple, inexpensive operations research tool was lauded by the credit rating agencies by the way.

I won't try to take any more of your time. Thanks again and congratulations on such an excellent hearing. Thank you for all the hard work you do for me and for all Alaskans every day. Your diligence and dedication are humbling.

Tom Boutin

Juneau

The question was asked on the news tonight if people would leave because of an income tax. My wife and I are doing an initial search in June, outside. We will not stay in Alaska if an income tax is reinstated.

Tom McGrath

I do not support an income tax.

When the oil tax credits are no more and the Permanent Fund is empty, then I'll agree with an income tax.

And then, only when oil is low enough that we still have a deficit. When the deficit goes away so should the income tax.

It's years too early to start taxing the 50% of Alaskans who work for a living. Have the people won't pay taxes anyway because they live off my federal income taxes already.

I will retire next year in 2018. That will make a total of 50 straight years that I've worked. That is since I was 16 years old and still in high school.

I've not been without a job in 50 years and I've never accepted handouts.

And no one is entitled to anything that I have earned. Others are only entitled to what they have earned.

I's rather shutdown government than to pay income tax. Senate, hang tough.

Just needed to let you know.

Tom Sullivan

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I am sorry not to get this to you sooner. However, We wanted to let you know we are NOT in favor of an income tax. This feels like a knee jerk reaction instead of long term fiscal responsibility.

To have the house vote for an even larger budget with plenty of special interest funding at the same time as asking for more is silly.

This budget crisis came in smaller increments over a long period of time and can be cut back in increments over time. It is nonsense to think the public doesn't get it that the government always comes after needed infrastructure when they want to increase the budget on smaller special interest things. Defund planned parenthood for example. Other agencies that are part of the existing health care facilities and other privately funded non-profits already do more for our community. Encourage entrepreneurs to do business here and allow the resources we have to be developed by the private sector with a royalty.

That's my two cents.

Thanks for all you do to here your constituents.

Troy and Linda Jones

I am writing to oppose an Alaska Income Tax.

Why would an Income tax be instituted when it is not required? Please don't fill the gap with yet another tax when other solutions are available.

We will be burdened for years to come, probably forever.

Start up costs for implementing an income tax are estimated at \$14 million.

People will be penalized for having a job.

Employers will find it difficult to grow and maintain their businesses.

The Senate has a plan that will work without adding a burden to all Alaskans.

Please stand firm.

Sincerely,

Rita Jensen
1210 2nd Street
Douglas, AK 99824

I oppose HB115 , look at the out of control state government, last year Governor Walker wanted a state income tax to bring in 400 million , today's Alaska House of Representatives has put forward a bill to bring in nearly 700 million ! , what a ridiculous increase in just 1 year.

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There will not be any more expansion of State government ! , we the people can't afford the state government we presently have .

Again , I say NO ! to HB115 .

William M Luttrell Jr,
PO BOX 331 ,
Willow, Ak. , 99688

I'm a NO ON HB115.

I'm a cash and carry guy!

This bonding I warned many Community Councils about so many sorry pathetic Snowflakes with little to no restraint.

When the budget crashes over and over you would think you "pick me" candidates would get it. But Nooo you bring the liberal socialized brainwashing with you to the budget process.

Get your DG hands out of my pockets! The biggest bunch of deadbeats per-capita in the country and you want to propitiate this nonsense! You pay!

No on HB115.

Bill Reiner