
Official Election Pamphlet -- Statement in Opposition

Before voting, ask yourself:

1. If more money is needed, should ONLY Alaskans pay? Or should the more than a million tourists and thousands of non-resident commercial fisherman, pipeline and construction workers who come up here to work or play pay at least something?
2. If ONLY Alaskans pay, should all pay the same regardless of income? and
3. Do I trust government to do a better job of spending \$500 of my dividend than I would myself?

If your answer to all is "yes," you should vote for the measure. If "no," vote against it.

Passage would let politicians spend your Permanent Fund's earnings. Future dividends would then decrease, just as if taxed. Consequently, opponents term this proposal a "Permanent Fund Dividend INCOME Tax." Proponents counter it's not at all like a normal tax. Correct. It's much worse. Of all possible taxes, the Dividend "tax" is far the most regressive, unfair and economically imprudent. Children and other Alaskans with only Permanent Fund Dividend income would pay the same amount as multimillionaires. Non-residents would pay nothing.

Numerous studies show dividends provide the greatest collective economic boost to Alaska communities of any state program. Cutting dividends by the initial \$516 would reduce that prospective boost in Anchorage by a whopping \$103,000,000 per year. In Angoon, by more than \$302,000! And that's just the beginning.

Why do both liberals and conservatives oppose the proposition? Liberals realize once Fund earnings are accessed, pressure to extract new sources of wealth to offset even more regressive future dividend "taxes" will evaporate. Conservatives, on the other hand, know pressure to cut spending will disappear. Certainly most legislators won't support new income, spending cuts or more innovative approaches to balancing the budget if allowed to use fund earnings instead.

In attempting to gain your vote, advocates of the "plan" may credit it with the \$1,700 or so the dividend will be this year and next. Make no mistake, the existing law sets your current dividend amount. A "yes" vote can only decrease your dividend. That decrease is projected to be \$516 per person in 2001 and could be greater if politicians "need" to spend more of your money in the future.

Before voting, you'll likely determine which approach would cost you least: other taxes, budget cuts or a "dividend tax." If all dividend recipients, including children, could vote, this proposition would surely fail. Since many cannot, please consider other than your self interest and place statewide interests paramount. And, if that plea proves futile, ask yourself if, rather than span our "Fiscal Gap" through budget cuts and/or new sources of wealth, we should simply transfer money from our savings account into our checking account ... and hand politicians our checkbook!

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