

From: Sen. Shelley Hughes <sen.shelley.hughes@akleg.gov>
Sent: Monday, August 9, 2021 12:52 PM
To: Fiscal Policy <fiscal.policy@akleg.gov>
Subject: FW: Alaska At A Crossroads & Alaska LP Formal Statement

From: Matt M. Maixner <[REDACTED]>
Sent: Saturday, August 7, 2021 6:47 AM
To: chair@alaskalp.org; Sen. Natasha Von Imhof <Sen.Natasha.VonImhof@akleg.gov>; Sen. Robert Myers <Senator.Robert.Myers@akleg.gov>; Sen. Jesse Kiehl <Sen.Jesse.Kiehl@akleg.gov>; Sen. Mike Shower <sen.mike.shower@akleg.gov>; Sen. Joshua Revak <Sen.Joshua.Revak@akleg.gov>; Sen. Bert Stedman <Sen.Bert.Stedman@akleg.gov>; Sen. Scott Kawasaki <Sen.Scott.Kawasaki@akleg.gov>; Sen. Click Bishop <Sen.Click.Bishop@akleg.gov>; Sen. Shelley Hughes <sen.shelley.hughes@akleg.gov>; Rep. Adam Wool <Rep.Adam.Wool@akleg.gov>; Rep. Sara Rasmussen <Rep.Sara.Rasmussen@akleg.gov>; Rep. Kelly Merrick <Rep.Kelly.Merrick@akleg.gov>; Rep. Christopher Kurka <Rep.Christopher.Kurka@akleg.gov>; Rep. Kevin McCabe <Rep.Kevin.McCabe@akleg.gov>; Rep. Jonathan Kreiss-Tomkins <Rep.Jonathan.Kreiss-Tomkins@akleg.gov>; Sen. Mia Costello <Sen.Mia.Costello@akleg.gov>; Fiscal Policy <fiscal.policy@akleg.gov>; me@michaeldukesshow.com
Subject: Alaska At A Crossroads & Alaska LP Formal Statement

The following statement is the addition of my testimony which should have been heard at the Comprehensive Legislative Work Group Hearing on Monday, August 2 2021, but was subsequently cut off due to time constraints, ill-preparedness, and a lack of communication with the hearing chairperson.

The Legislators at A Crossroads:

Pro-PFD Legislators and Alaskans today, insist that the Alaskan Permanent Fund Dividend is “The people’s money”; that deviating from the statutory formula every year is an unfair form of taxation. Perhaps an explanation of what they mean is in order:

Despite the record total Permanent Fund earnings, Legislators on the other side of the issue insist that the state can’t afford a full statutory PFD - and that paying people more than a few bucks would bankrupt us and harm the entire Permanent Fund. In their deluded minds, these politicians think they are correct in this assumption as they believe that the entire dividend (made up of “seed corn” money from oil Royalties and leases) is the government’s money and that the dividend is simply another appropriation for them to dole out - just like Medicaid or public safety - that could be increased or decreased based upon revenue and the makeup of the legislature each year.

This sad and quite pathetic philosophy, however – simply relegates the PFD to being merely an evenly distributed, oft-viewed socialist “welfare check” of what is left over, after the rest of the budget has been carved out and decided. However, pro PFD-Alaskans are correct when they state that the Permanent Fund **is the people’s money** (Looking directly at YOU, Senator von Imhoff). By direct statute written within the Constitution of the state of Alaska, all of the money that comes directly **into** the Permanent Fund (oil/gas, mining, logging, stocks, bonds, real

estate, etc.), belongs to Alaskans. That means that **ALL** the royalties, lease payments, and production taxes; including every single penny of the earnings from the Permanent Fund, belong directly to the people.

At the front end, however, there is a constitutional 75/25 ratio that splits royalties and lease payments between the government and the Permanent Fund. This year that 75% simply wouldn't have been enough to fund government due to decreases in oil revenues, during the past 6 years. At the back end, is the statutory formula for dividing the earnings from the Permanent Fund earnings between the government and dividends. That is where the PEOPLES Dividend resides. Some might say the money that shouldn't go to dividends because, it belongs directly to the government. Notwithstanding the Alaska Constitution, Article 8, section 11, what they're conveniently forgetting is that within the United States and especially in Alaska, government is consisted "Of, by and for the People" and govern by their will only (Article 1, section 2). Therefore, by inference, ALL PFD money belongs to the people, and the Constitutional Permanent Fund structure is simply a way to fundamentally explain the tax code. Let me explain that a bit:

In FY2019, the state of Alaska earned approximately \$5,980,600,000 from oil, mining, and other earnings from the Permanent Fund. If you divided this amount, by 633,243 Alaskans who received the dividend for that year, the total comes out to \$9,444 in resource income per Alaskan. The statutory PFD calculation in 2019 was \$2910, which effectively meant that there was a tax rate of 69% on each Alaskans' resource income. The actual PFD payout was \$1606. This means that each Alaskan was taxed at a rate of 83% on just their resource income alone. The actual formula is a lot more complicated, and I recognize that I am only using the earnings from just 2019, not the five-year trailing average. In FY2020, the numbers are a little different. Alaska earned approximately \$3,114,100,000 in resource income and other market-driven earnings. Dividing this by 630,937 Alaskans, comes out to \$4,877 (again, one year of earnings; not the five-year trailing average). The statutory PFD calculation in 2020 was \$3,064. This means that the tax rate on Alaskan's resource income would have been 37% if the full Dividend had been paid out. Instead, it was 80% because the unconstitutional, non-statutory dividend paid was \$992.

Simply put, deviating from the statutory PFD formula is not just an unfair, unconstitutional tax on every Alaskan citizen; it is unlawful and deliberate **THEFT**. Some in the legislature call this the "surplus" method of paying the PFD. Alaskans, who are supposed to get "first call" of their "fraction of a fraction" of the Permanent Fund earnings, get the leftovers – the scraps off an ever increasingly big government table; even if it's not within the bounds of the statute. It would be the same equation if the federal government withheld whatever amount they deemed necessary from our paychecks regardless the tax code. Just because the PFD goes through an appropriation in the budget (which, truthfully speaking it shouldn't), doesn't mean that the elected state Legislature can take "what it needs or wants" each year. Consequently, the Permanent Fund Dividend and its earnings *are not* government earned revenues. Truly, if the state wants the money – then

change the law. Pass a bill that would effectively tax every Alaskan's resource earnings – if you think you can. But good luck in the attempt. You'll need it!

So, herein lies the fundamental disagreement: Who does the money/resource belong to? The people? Or the government? The statehood compact said the state collectively owns the resource. Governor Jay Hammond interpreted this compact to directly mean that the people own the resource; being effectively consistent with our “Of, by and for the People” government model. The question is - are we going live up to those constitutional words, or are we going to be a government “Of, by and for the GOVERNMENT” and those that have the resources and influence to control it? SJR6 and the 50/50 split of the 5% Percentage Of (shared)Market Value is NOT a starting point for compromise. It IS, in fact, the compromise – upon our values.

PAY THE FULL AND STATUTORY PERMANENT FUND DIVIDEND – or continue to face the full and direct ire of the Alaskan people!

Have a nice day!
Matthew M. Maixner
Juneau AK

Enclosure: Alaska Libertarian Party Statement dated

Sent from [Mail](#) for Windows

The Alaska Libertarian Party resolves that the Permanent Fund Dividend will be restored. The below resolution will be forwarded to all legislators in the upcoming special session in October.

RESOLUTION ON THE RESTORATION OF THE PERMANENT FUND DIVIDEND FOR ALL ALASKANS

Whereas Alaskans' resources rights have been held in common in exchange for Statehood.

Whereas apportion royalties from these resources pay the owners of those resources, Alaskans, dividends under the Permanent Fund Dividend.

Whereas the statutory disbursement required of these funds – essentially rent on Alaskans' property – go unpaid in favor of money to special interest groups.

Whereas the Permanent Fund Dividend is a bulwark against irresponsible expansion of state government.

Whereas Alaska Libertarians were instrumental in getting the Permanent Fund Dividend established and are determined to preserve that legacy.

Whereas numerous Alaskan statesmen, elected leaders, and governors have upheld the precept that each resident is in fact a co-owner of state resources held in trust, that these joint holdings earn royalties that are in fact the property of each Alaskan.

Now, therefore, be it resolved, that the Alaskan Libertarian Party (ALP):

1. urges all state legislators to restore and return all dividend payments that have been wrongfully taken.
2. urges that all future payments be disbursed using the current statutory calculation formula.
3. urges that an amendment to the Alaska Constitution be written and passed forever protecting and establishing these property rights for all Alaskan residents.
4. supports all efforts toward this end, be they executive, legislative, or citizens' referendum.

From: Karl Schleich <[REDACTED]>
Sent: Tuesday, August 10, 2021 1:24 PM
To: Fiscal Policy <fiscal.policy@akleg.gov>
Subject: It's time for a long-term, sustainable fiscal plan!

Dear Fiscal Plan Working Group,

Thank you for your efforts to develop a plan, long-overdue in Alaska.

I recently send a concise message to my Representative and Senator, referencing an opinion piece by Cliff Groh that generally captures my thoughts for your consideration. It appears below.

Thank you! Let's get a plan, without opening up the Constitution! A balanced approach is called for here, and within our grasp! Every other state in the nation would love to have our problem! Don't be afraid to use the earnings reserve, but keep that fund in tact for the future....don't be afraid of new revenue sources....yes, it's time we Alaskans taxed ourselves (and corporations) for the services we receive and want.

Here's the message sent a couple weeks ago:

Dear Senator Holland and Representative Snyder,

I trust you saw this morning piece in the ADN by Cliff Groh. I think it is an accurate description of our fiscal plan dilemma. And I concur with Mr. Grohs' conclusion in terms of the solution being a balanced approach using the PMOV as a cornerstone of a fiscal plan.

Good luck in the consultations that are eminent around a fiscal plan. Perhaps it is time for all elected officials to detach from their constituents and come to an agreement about what can be done that is fair, just, sustainable and that makes sense in the long term. While the situation is complex, we are so blessed to have the tools to create a long term plan (e.g. The Permanent Fund and the lowest taxes in the nation).

Good luck! Were watching with a degree of optimism!

Follow the link below to view the article.
<http://adn.ak.newsmemory.com/?publink=04aea652c>

Respectfully,

Karl Schleich
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