



REPRESENTATIVE ALYSE GALVIN

Serving Alaska House District 14 | Anchorage: Roger's Park, Midtown, Tudor, and Spenard

March 19, 2026

The Honorable Ashley Carrick
Chair, House State Affairs Committee
Alaska State Capitol Room 406
Juneau, AK 99801

Re: Follow-up to Research Request on HB 152 (Education)

Dear Chair Carrick,

Thank you for the opportunity to present House Bill 152 to the House State Affairs Committee. Below is the analysis you requested on the average tax burden for both an individual and a family of four in Anchorage, Fairbanks North Star, Juneau, Kenai Peninsula, and Matanuska-Susitna Boroughs, as well as the Bethel Census Area. The analysis compares the current tax structure (sales and property taxes only) to the projected tax burden if HB 152 were implemented (i.e. sales + property + education tax).

Methodology & Assumptions

To estimate average household tax burden, I used data from the Department of Commerce, Community, and Economic Development's [Alaska Taxable 2025 Report](#). The report provides total municipal tax collections and population figures, which allow per-capita calculations. For consistency, I focused on property and sales taxes, which comprise the vast majority of local tax revenue. I excluded "Other Taxes" (such as bed, alcohol, marijuana, and rental car taxes) because consumption of those items varies significantly and cannot be reliably standardized across households.

For each community, I calculated per-capita sales and property taxes by dividing total collections by population and summing the two to establish the current baseline tax burden. This enables a straightforward comparison with the projected impact of the HB 152 education tax. As shown in the analysis, even with the education tax included, the increase to the typical household's total tax burden remains relatively small because sales and property taxes already account for most of what families pay.

Below is a table summarizing per-capita sales tax, property tax, and total tax by community.

Community	Sales Tax Rate	Property Tax Rate	Per Capita Sales Tax	Per Capita Property Tax	Total Tax Per Capita
Anchorage	0%	1.22%	\$0	\$3,290.56	\$3,290.56
Fairbanks North Star Borough	0%	1.3%	\$0	\$1,510.93	\$1,510.93
Kenai Peninsula Borough ¹	3.85%	0.78%	\$777.89	\$1,454.53	\$2,232.42
Juneau	5%	0.98%	\$2,235.39 ²	\$2,023.01	\$4,258.41
Bethel	6%	0%	\$1,107.28	\$0	\$1,107.28
Mat-Su Borough ³	0%	1.15 %	\$0	\$1,699.88	\$1,699.88
Idaho (non-Alaska comparison) ⁴	6%	0.69% (average state-wide)	\$1,522.05	\$1,082.99	\$2,605.04 (only sales & property)

I calculated income-tax effects for earnings between \$50,000 and \$400,000. To illustrate how average tax burdens currently look—and how they would change under HB 152—I use four representative case scenarios across the five communities:

1. **Example A:** Single filer earning \$50,000
2. **Example B:** Single filer earning \$200,000
3. **Example C:** Married couple earning \$100,000 combined (\$50,000 each) with two dependents, filing jointly
4. **Example D:** Married couple earning \$400,000 combined (\$200,000 each) with two dependents, filing jointly

Before turning to the analysis, I used the [most recent IRS zip-code-level data \(2022\)](#) to estimate the share of individuals who would fall into HB 152’s 4 percent tax bracket for both single and joint filers. For joint filers, the IRS data groups all incomes above \$200,000 into a single category. To estimate how many of these households exceed HB 152’s \$300,000 joint-filer threshold, I assumed that half of filers in the “\$200,000 or more” category earn below \$300,000

¹ For the purposes of this analysis, I used the borough property and sales tax for the Mat-Su and Kenai Peninsula boroughs and did not include the additional taxes that would be levied by the cities.

² This percentage may be higher than the actual effective tax burden paid by residents in Juneau as the total sales tax receipt figure is bumped up primarily due to the high levels of tourism in Juneau in the summer (annual visitation of 2 million). In other words, tourists and visitors are contributing to sales tax receipts as Juneau residents are, however, they are not counted in the total population. As such, the per capita sales tax paid per resident in Juneau is disproportionately high.

³ See Footnote 1.

⁴ Idaho was selected as a non-Alaska comparison state as it is also a Western state with a relatively low population (~2 million) and a low tax burden (3rd lowest among Western states after Alaska and Wyoming, which both do not have an income tax). I used the 2024 Annual Report from the [Idaho State Tax Commission](#) to calculate per capita tax paid. Idaho has a 5.3% flat income tax with a standard deduction of \$16,100.

and half earn above it. This assumption is conservative; in reality, the share earning over \$300,000 may be smaller.

Income and Community

Single Filers

Community	Number of Individual Filers that make under \$150,000 ⁵	Percent of Tax Filers (under \$150k)	Number of Individual Filers that Make Over \$150k	Percent of Tax Filers (over \$150k)
Anchorage	67,480	93.54%	4660	6.46%
Fairbanks	18,365	95.2%	925	4.8%
Juneau	7,050	93.87%	460	6.13%
Kenai	16,385	94.93%	875	5.07%
Bethel	1,045	97.66%	25	2.34%
Mat-Su	13,995	94.69%	785	5.31%

Joint Filers

Community	Number of Joint Filers that make under \$300,000	Percent of Tax Filers (under \$300k)	Number of Joint Filers that Make Over \$300k	Percent of Tax Filers (over \$300k)
Anchorage	39,730	88.47%	5,180	11.53%
Fairbanks	13,090	93.57%	900	6.43%
Juneau	4,115	90.24%	460	9.76%
Kenai	3,010	94.93%	210	6.52%
Bethel	820	97.62%	20	2.38%
Mat-Su	11,995	91.78%	1,075	8.22%

Across all communities, the vast majority of filers—approximately 90 to 95 percent—earn below the “high-earner” threshold. This means only about 5 to 10 percent of filers in these communities would pay the 4 percent flat tax under HB 152. Anchorage has the highest share of high-income filers (roughly 6.5 to 11.5 percent), while Bethel has the lowest (about 2.4 percent).

As such, the vast majority of Alaskan tax filers will pay only the \$150 head tax.

Results (Average Tax Burden by Community)

Individual (Single-Filer) Tax Burden

Scenario	Community	Total Current Taxes Per Person (Per	Average Tax Burden (Sales + Property)	Total Taxes with HB 152	Average Tax Burden	Difference (%) between Tax Burdens
----------	-----------	-------------------------------------	---------------------------------------	-------------------------	--------------------	------------------------------------

⁵ Not all eligible zip codes were available in the IRS data and there were gaps in some of the locations. The figures presented here are calculated from the data associated with all associated zip codes to the six boroughs of study.

		Capita Sales + Property)				
Example A (\$50,000/yr)	Anchorage	\$3,290.56	6.58%	\$3,440.56	6.88%	+0.3%
	Fairbanks	\$1,510.93	3.02%	\$1,660.93	3.32%	+0.3%
	Kenai	\$2,232.42	4.46%	\$2,382.42	4.76%	+0.3%
	Juneau	\$4,258.41	8.52%	\$4,408.41	8.82%	+0.3%
	Bethel	\$1,107.28	2.21%	\$1,257.28	2.51%	+0.3%
	Mat-Su	\$1,699.88	3.40%	\$1,849.88	3.70%	+0.3%
	Idaho (non-Alaska comparison) ⁶	\$2,605.04 (Idaho per capita sales + property tax)	5.21%	\$4,401.74 (including Idaho income tax)	8.80%	+3.59%
Example B (\$200,000/yr)	Anchorage	\$3,290.56	1.65%	\$5,440.56	2.72%	+1.08%
	Fairbanks	\$1,510.93	0.76%	\$3,660.93	1.84%	+1.08%
	Kenai	\$2,232.42	1.11%	\$4,382.42	2.19%	+1.08%
	Juneau	\$4,258.41	2.12%	\$6,408.41	3.20%	+1.08%
	Bethel	\$1,107.28	0.55%	\$3,257.28	1.63%	+1.08%
	Mat-Su	\$1,699.88	0.85%	\$3,849.88	1.93%	+1.08%
	Idaho (non-Alaska comparison)	\$2,605.04 (Idaho per capita sales + property tax)	1.30%	\$12,351.74 (includes Idaho income tax)	6.18%	+4.87%

This analysis uses total property-tax and sales-tax receipts divided by municipal population, which is the only data available in DCCED’s 2025 Alaska Taxable for estimating per-capita tax burden. As a result, it assumes all residents—regardless of income—pay the same average amount of sales and property tax. There is no data showing how these taxes vary by income bracket, and even if such data existed, sales and property taxes are largely independent of income for the purposes of this calculation. These are the primary assumptions to keep in mind when reviewing the results.

Average Tax Burden for Individual Filers (without HB 152)

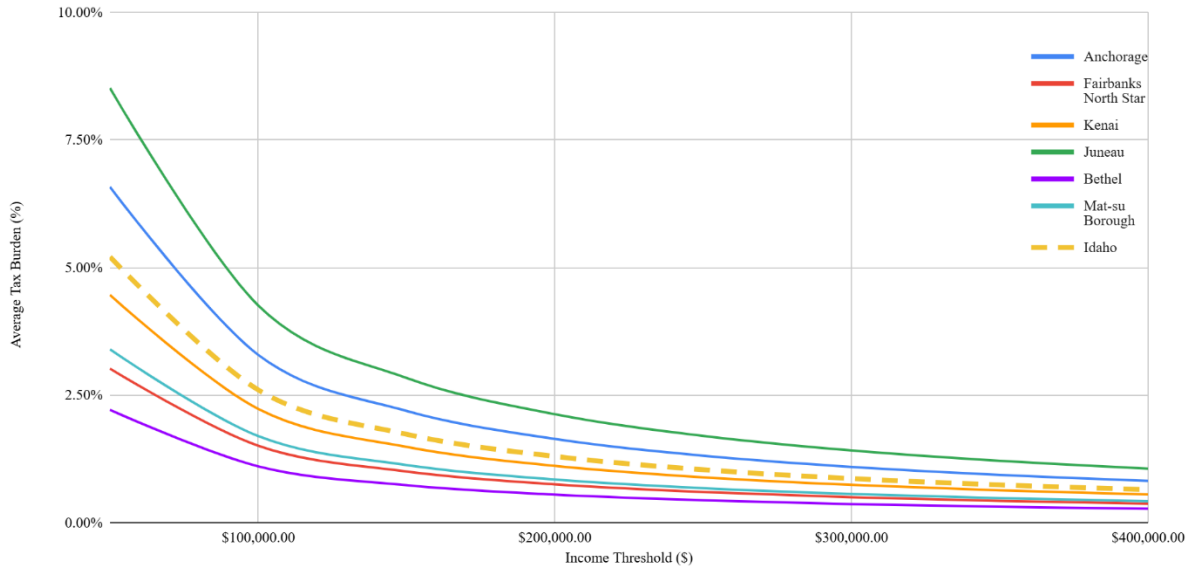


Figure 1: Individual Average Tax Burdens Without Income Tax

The average tax burden for an individual in Example A (\$50,000 annual income) is substantially higher than that of an individual in Example B (\$200,000). At the \$50,000 level, the average burden from sales and property taxes ranges from 2.21 percent in Bethel to 8.52 percent in Juneau. At the \$200,000 level, the burden falls sharply, ranging from 0.55 percent in Bethel to 2.13 percent in Juneau. The graphs show a steep decline in tax burden as incomes rise from \$50,000 to \$100,000, after which the decline levels off at higher income thresholds. Community of residence also matters far more at lower incomes. At higher incomes, the variation narrows significantly: for example, at \$300,000, the tax burden ranges only from 0.28 percent in Bethel to 1.06 percent in Juneau.

When compared to Idaho’s sales and property taxes (6 percent and 0.69 percent, respectively), Anchorage and Juneau currently have higher overall tax burdens, with the largest differences appearing at the lower income levels.

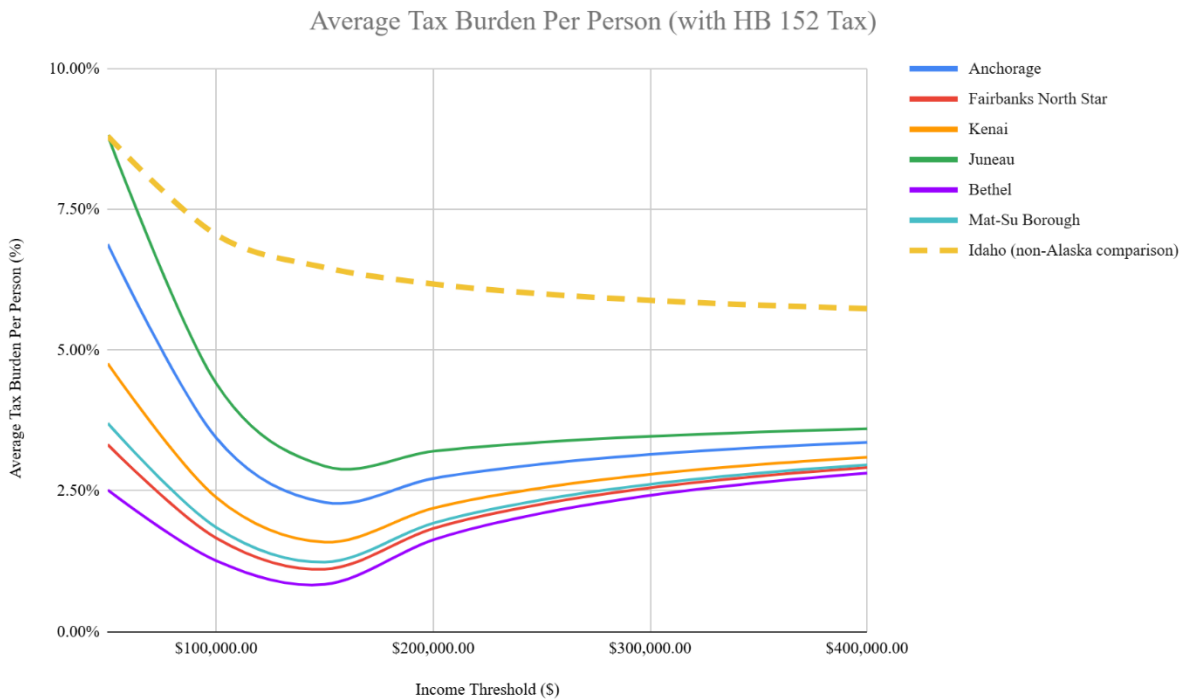


Figure 2: Individual Average Income Tax Burden With Income Tax

Under HB 152, the additional tax burden beyond existing sales and property taxes depends on whether an individual’s income is above or below the \$150,000 standard deduction. Individuals earning \$150,000 or less would pay only the \$150 head tax, resulting in an increase of no more than 0.3 percent to their tax burden. In Bethel, this means Example A—an individual earning \$50,000—would see their burden rise from 6.58 percent to 6.88 percent. In Juneau, that same individual’s burden would rise from 8.52 percent to 8.82 percent. The effect tapers as income approaches the \$150,000 threshold: an individual earning \$150,000 would see only a 0.1 percent increase. In Bethel, this raises their burden from 2.19 percent to 2.29 percent; in Juneau, from 2.84 percent to 2.94 percent. Even with HB 152 applied, all six Alaska communities maintain lower tax burdens across all income levels than Idaho, the model comparison state.

Once income exceeds \$150,000, the 4 percent flat tax applies and increases the overall burden more noticeably. An individual in Example B earning \$200,000 would experience a 1.08 percent increase due to HB 152. This raises their tax burden in Bethel from 0.55 percent to 1.63 percent, and in Juneau from 2.13 percent to 3.20 percent. As income rises, the increase grows only modestly: an individual earning \$400,000 would see a 2.54 percent increase attributable to HB 152.

When comparing total taxes paid—including Idaho’s income tax and Alaska’s HB 152—five of the six Alaska communities studied still show lower overall tax burdens than Idaho. The sole exception is a Juneau resident at the \$50,000 threshold, whose burden would be 8.82 percent under HB 152, slightly above Idaho’s 8.80 percent for the same income. However, at higher income levels, Juneau’s tax burden declines sharply and remains below Idaho’s at equivalent thresholds.

Family of 4 Tax Burden

Scenario	Community	Total Current Taxes (i.e. NO HB152) Per Family (Per Capita Sales + Property, 2 adults, 2 dependents)	Average Tax Burden (Sales + Property)	Total Taxes, including HB 152	Average Tax Burden	Difference (%) between Tax Burdens
Example C (\$100,000/yr Combined Income)	Anchorage	\$13,162.23	13.16%	\$13,462.23	13.46%	+0.3%
	Fairbanks North Star Borough	\$6,043.73	6.04%	\$6,343.73	6.34%	+0.3%
	Kenai Borough	\$8,929.67	8.93%	\$9,229.67	9.23%	+0.3%
	Juneau	\$17,033.63	17.03%	\$17,333.63	17.33%	+0.3%
	Bethel	\$4,429.10	4.43%	\$4,729.10	4.73%	+0.3%
	Mat-Su	\$6,799.53	6.80%	\$7,099.53	7.10%	+0.3%
	Idaho (non-Alaska comparison)	\$10,420.18	10.42%	\$14,866.88	14.87%	+4.45%
Example D (\$400,000/yr Combined Income)	Anchorage	\$13,162.23	3.29%	\$17,462.23	4.37%	+1.08%
	Fairbanks	\$6,043.73	1.51%	\$10,343.73	2.59%	+1.08%
	Kenai	\$8,929.67	2.23%	\$10,118.12	3.31%	+1.08%
	Juneau	\$17,033.63	4.26%	\$12,392.05	5.34%	+1.08%
	Bethel	\$4,429.10	1.11%	\$8,729.10	2.19%	+1.08%
	Mat-Su	\$6,799.53	1.70%	\$11,099.53	2.77%	+1.08%
	Idaho (non-Alaska comparison)	\$10,420.18	2.61%	\$30,766.88	7.69%	5.09%

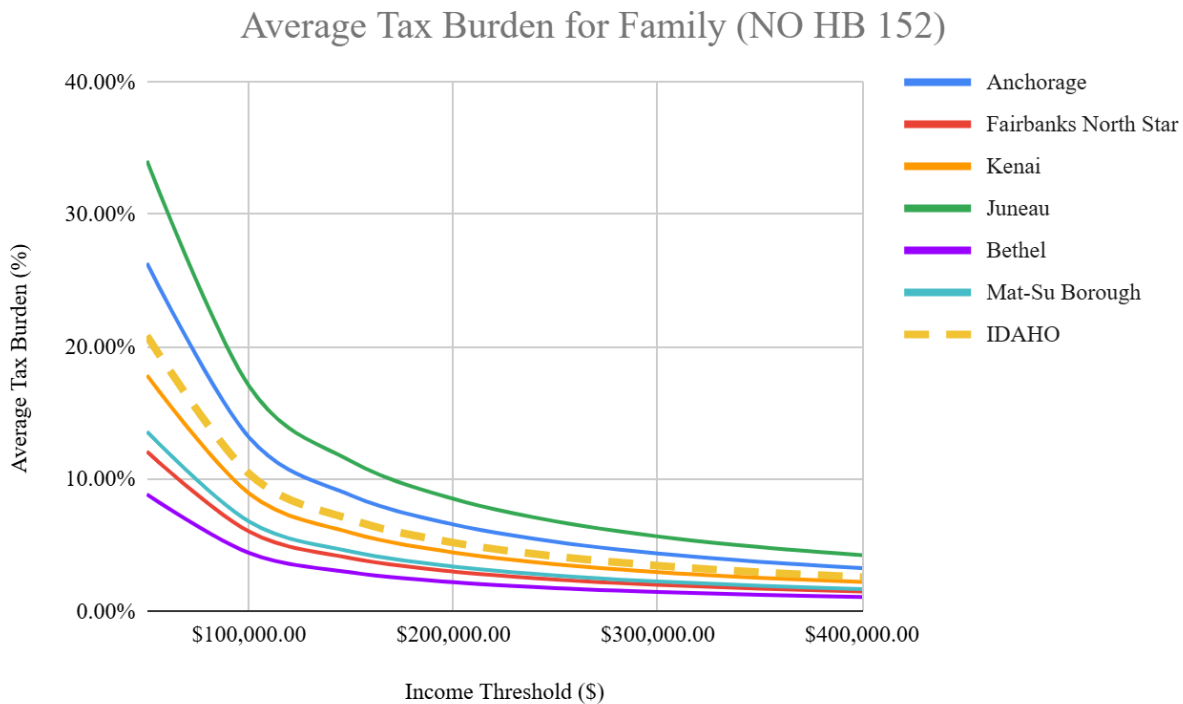


Figure 3: Family Average Tax Burden Without Income Tax

As noted earlier, to calculate the current tax burden for a family of four—two wage-earning adults and two dependents—I multiplied the per-capita sales and property taxes by four. Because per-capita figures represent the average amount paid per individual, this approach assumes equal consumption and equal property-tax liability across residents for simplicity. I applied the head tax only to the two wage earners, meaning families earning a combined \$300,000 or less would pay a total of \$300. The standard deduction for families is \$300,000, so only income above that level—combined across both adults—is taxed at 4 percent.

The average tax burden for a family in Example C (earning \$100,000 per year) is substantially higher than for a family in Example D (earning \$400,000 per year). At the \$100,000 income level, the average family burden from sales and property taxes ranges from 4.43 percent of income in Bethel to 17.03 percent in Juneau. At the \$400,000 level, the average burden falls sharply, ranging from 1.11 percent in Bethel to 4.26 percent in Juneau. As shown in the graphs, there is a steep decline in average tax burden as combined income rises from \$50,000 to \$100,000, after which the burden levels off at higher income ranges. This pattern mirrors the individual-filer scenario, though families face higher percentage burdens at the lower income levels.

Under HB 152, the additional burden beyond existing sales and property taxes depends on whether a family’s income exceeds the \$300,000 standard deduction. A family in Example C earning \$100,000 annually would see only a 0.3 percent increase from the \$300 head tax. In Bethel, this raises their tax burden from 4.43 percent to 4.73 percent; in Juneau, from 17.03

percent to 17.33 percent. The average combined sales-and-property-tax burden for a family of four is higher in Anchorage and Juneau than the average burden statewide in Idaho.

With HB 152’s tax, the additional tax burden on top of the amount families would already be paying from sales and property tax depends on whether the individual’s income is above or below the standard deduction of \$300,000. The family in Example C making \$100,000 per year would only see a 0.3 percent increase to their tax burden from the \$300 head tax, In Bethel this means that the family in Example C would have a tax burden of 4.73 percent whereas before they would have paid 4.43 percent of their income. In Juneau, the highest tax community, would see a tax burden of 17.33 percent (17.03 percent before). The average burden from combined property and sales tax for a family of 4 is greater in Anchorage and Juneau than in Idaho statewide.

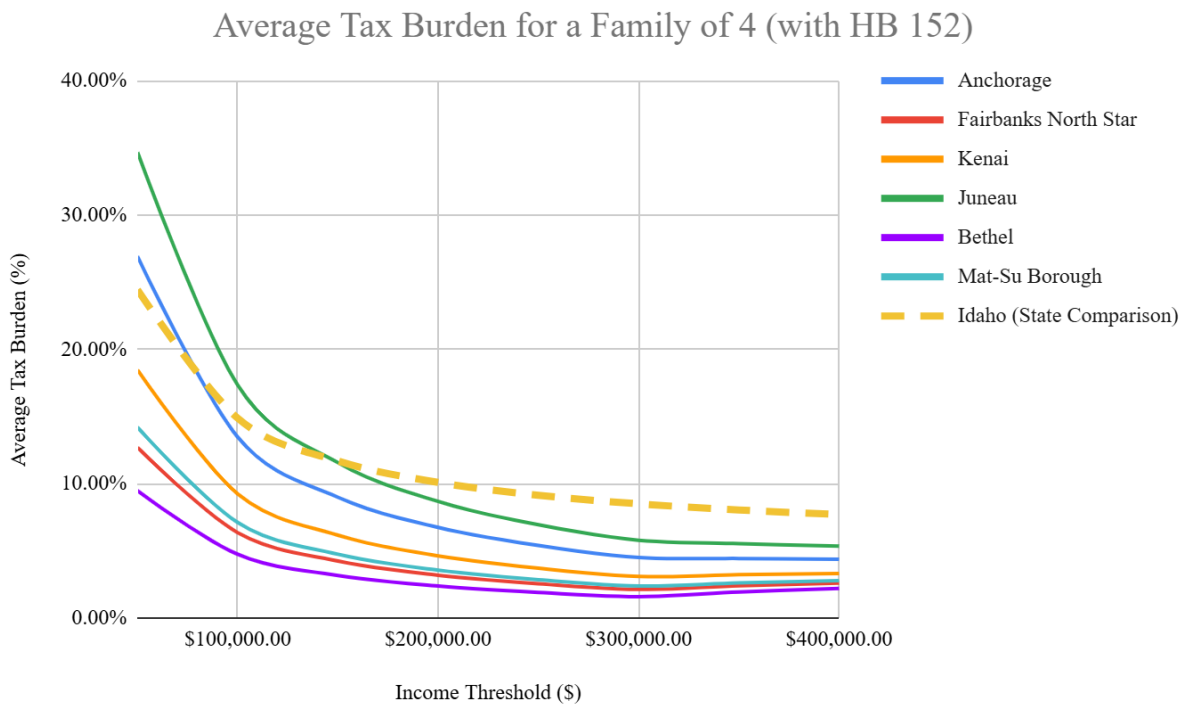


Figure 4: Family Average Tax Burden With Income Tax

For families earning more than \$300,000 per year who would be subject to the 4 percent flat tax, the resulting tax burden is slightly higher than for families earning at or below \$300,000. This explains the modest uptick in the trend lines beyond the \$300,000 threshold. For example, a family earning \$400,000 annually (Example D) would see its tax burden increase by only 1.08 percent across all communities. By comparison, a family earning exactly \$300,000—paying only the head tax—would see an increase of just 0.1 percent.

Conclusion

While concerns about the additional tax burden House Bill 152 may place on Alaska taxpayers are valid—especially in communities where average tax burdens are already high, such as the Kenai Peninsula Borough and Juneau—the analysis shows that the bill adds only a small increase to current levels. Furthermore, at the higher income levels, the average tax burden of adding House Bill 152 in all six communities would be lower than that of nearly all Western states.

For taxpayers who would only pay the HB 152 head tax, the additional burden ranges from 0.1 to 0.3 percent for individuals earning \$50,000 to \$150,000 and for families earning up to \$300,000. For high earners subject to the 4 percent flat tax, the increase ranges from 1.08 to 2.54 percent above standard deductions. While low-income Alaskans do face high overall tax burdens, those burdens stem primarily from sales and property taxes; the proposed education tax adds only a relatively minor amount on top of existing obligations. Among the communities analyzed, Bethel has the lowest overall average tax burden for both individuals and families, while Juneau has the highest. Bethel is the only community without a property tax. Anchorage and Fairbanks, which have no sales tax, nonetheless experience higher average burdens due to above-average property taxes.

It is also important to note that relatively few taxpayers in any of the six communities would pay the 4 percent flat tax. In Bethel, fewer than 2.5 percent of individuals and families qualify for the flat tax. Anchorage has the highest share of high earners in the state, yet only 6.13 percent of individuals and 11.73 percent of families meet the respective thresholds. These households would see their total tax burden increase by only 1–3 percent. In other words, about 90 percent of Alaskan taxpayers would pay only the \$150 per-person head tax, resulting in an average tax burden increase of just 0.1 to 0.5 percent.

Attached to this letter is the data spreadsheet containing the full results. Please feel free to contact me at 907-465-6443 or david.jiang@akleg.gov with any questions or for further clarification.

Sincerely,

David Jiang
Legislative Aide to Rep. Alyse Galvin