

SB 227 Version I

Senator Cathy Giessel

SB 113 makes two reforms to bring Alaska's tax apportionment system into the 21st century

Market-based sourcing to ensure Alaskan sales are properly apportioned to the state

Single sales factor for highly digitized businesses

- SB 113 makes no changes to corporate income tax rates or brackets.

SB 92

Corporate Income Tax for Oil & Gas S-Corporations Making > \$1M:

- \$1M-2M: 5% of income over \$1M
- \$2M-3M: 6% of income over \$2M + 5% of income between \$1-2M
- \$3M-4M: 7% of income over \$3M + 6% of income between \$2-3M
- \$4M-5M: 8% of income over \$4M + 7% of income between \$3-4M
- \$5M: 9.4% of income over \$5M + 8% of income between \$4-5M

Education Head Tax

If income is:

Then tax is:

- | | |
|-----------------------|--------|
| • <\$30k/year..... | • \$10 |
| • \$30-90k/year..... | • \$15 |
| • \$90-150k/year..... | • \$20 |
| • >\$150k/year..... | • \$30 |

6% “Hard” Floor

- Version A changed floor from 4% to 6% of Gross Value
- “Hardens” floor by adding that credits can’t be used to reduce taxes below 6% floor

SB 112

Current Structure

\$8/barrel at less than \$80;

\$7/barrel at \$80 to less than \$90;

\$6/barrel at \$90 to less than \$100;

\$5/barrel at \$100 to less than \$110;

\$4/barrel at \$110 to less than \$120;

\$3/barrel at \$120 to less than \$130;

\$2/barrel at \$130 to less than \$140;

\$1/barrel at \$140 to less than \$150;

\$0/barrel at more than \$150

Proposed Structure

\$5/barrel at less than \$80;

\$4/barrel at \$80 to less than \$90;

\$3/barrel at \$90 to less than \$100;

\$2/barrel at \$100 to less than \$110;

\$1/barrel at \$110 to less than \$120;

\$0/barrel at more than \$120