



Alaska State Legislature

Representative Anna Fairclough – House District 17

House Resolution 7

“Requesting the United States Congress to permanently repeal the federal unified gift and estate tax.”

House Resolution 7 urges Congress to permanently repeal the federal gift and estate tax. Two things I fundamentally believe in are fewer taxes and smaller government. This legislation takes a step toward both of those goals.

Many people believe that the Estate Tax, or Death Tax, has already been repealed in Alaska. This is not the case. Our Death Tax is linked to the Federal Estate Tax which was changed as a result of the Economic Growth and Tax Relief Reconciliation Act of 2001. This legislation phased in a number of tax reductions over a nine-year period. Among those reductions was the change from a state estate tax credit (which our tax is based upon) to a deduction for state estate taxes.

The change from a tax credit to a deduction was phased in over a period of time, gradually reducing the amount of money that the State of Alaska collected in Death Taxes.

Like the rest of the tax reductions included in the 2001 law, the estate tax provisions will sunset in 2010, unless Congress acts to extend them. Given the current climate in Washington, DC, this is unlikely.

This Resolution is Alaska’s opportunity to declare that as a state, we are intrinsically against the death tax. Alaskans are hardworking people who deserve to leave behind whatever wealth they are able to accumulate. Families shouldn’t be forced to pay taxes on the estates of Alaska’s decedents.

I urge your support on the passage of this Resolution.