CSHB 365 Back up Slides

House Finance Presentation 4/7/2016

Presentation prepared by the Office of Rep. Paul Seaton

CSHB365: Individual Income Tax

The next 2 slides show:

- examples from the Federal 1040 form
- how to determine the capital gains tax rate.

§ 1040		ent of the Treasury—Internal Re Individual Incor			etur	- 4000	018	ОМВ	No. 154	5-0074	IRS Use O	nly-D	o not write o	rataple in thi	я прасов.
For the year Jan. 1-Dec.		, or other tax year beginning					2015, endi							e instructi	
Your first name and in			Last n	ame		-		9		-				ecurity nur	
														1	
If a joint return, spous	se's first	name and Initial	Last n	ame								Spo	use's sock	al security n	umber
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Homo address (numb	or and s	treet). If you have a P.O. b	ov sool	netructio	rue.						Apt. no.				
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Filing Status	1 [Single					4	He	ad of h	ousehold	(with quali	fying	person). (S	e Instructio	ns.) If
i iiiig otatas	2 [Married filing jointly 	(even if	only or	ne ha	d income)		the	quality	ing persi	on is a child	i but i	not your de	pendent, en	ter this
Check only one	3 [Married filing separa	itely. Er	nter spo	use's	s SSN abo	ve	chi	ld's na	ne here.	-				
bax.		and full name here.	•					Qu	alifying	widow	(or) with d	epen	dent child		
Exemptions	6a	Yourself. If some	one car	o claim v	vou a	s a depen	dent. do	not chec	k box	6a .		. 1	Boxes	hecked	=
Exemptions	ь	Spouse										. 1	on 6a a		
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Income	7	Wages, salaries, tips,									٠ - +	7			+-
	8a	Taxable interest. Atta										8a			-
Attach Form(s)	ь	Tax-exempt interest.						8b							
W-2 here. Also	9a	Ordinary dividends. At	ttach S	chedule	Bifr	required		- , -			٠,٠ 🛓	9a			\bot
attach Forms	ь	Qualified dividends			-			9Ь			\perp				
W-2G and	10	Taxable refunds, cred	its, or o	ffsets o	fstat	e and loca	al income	taxes			📙	10			
1099-R if tax	11	Alimony received .			-						L	11			
was withheld.	12	Business income or (k	oss). At	tach Sc	hedu	le C or C-l	EZ				I	12			
	13	Capital gain or (loss).	Attach :	Schedu	le Di	f required.	If not re	quired, d	heak h	ere 🕨		13			
If you did not	14	Other gains or (losses)). Attac	h Form	4797						[14			
get a W-2, see instructions.	15a	IRA distributions .	15a				ь	Taxable	amour	t .	Г	15b	4		
acc manacacha.	16a	Pensions and annuities	16a				ь	Taxable	amour	t .	1	16b			
	17	Rental real estate, roy	alties, p	partners	hips,	Scorpora	tions, tn	ısts, etc.	Attach	Sched	ule E	17			
	18	Farm income or (loss).									1	18			
	19	Unemployment comp										19			
	20a	Social security benefits					b	Taxable	amoun		t	20Ь			
	21	Other income. List typ		_							1	21			
	22	Combine the amounts in			umn f	or lines 7 th	rough 21	This is w	our tota	lincom	• •	22			
	23	Educator expenses						23							
Adjusted	24	Certain business expens						_					_ '		Ι.
Gross		fee-basis government of						24					Ca	pita	al
Income	25	Health savings accoun						25					-	P. C.	T "
	26	Moving expenses. Att				rorm ass		26						•	
	27						· · -	_			+		Gã	iins	
		Deductible part of self-e					SE .	27							
	28	Self-employed SEP, S						28			+		li.	ne 1)
	29	Self-employed health						29			-		LII	IG T	.)
	30	Penalty on early withd			js .			30							
	31a	Alimony paid b Recip	pient's	SSN >			;	31a			\perp				
	32	IRA deduction			-			32							
	33	Student loan interest of			-			33							
	34	Tuition and fees. Attac						34							
	35	Domestic production ac	tivities o	deductio	n. Att	ach Form 8	3903	35							
	36	Add lines 23 through 3			-]	36			
	37	Subtract line 36 from I	line 22.	This is	your	adjusted	gross in	come			. ト	37			
For Disclosure, Pri	vacy A	ct, and Paperwork Re	duction	Act N	otice	, see sepa	arate ins	truction	5.	Cat	No. 1132	08	F	ım 1040	(2015)

Form 1040 (2015	9)			Page 2
	38	Amount from line 37 (adjusted gross income)	38	
Tax and	39a	Check You were born before January 2, 1951, Blind. Total boxes		
		if: Spouse was born before January 2, 1951, ☐ Blind. checked ▶ 39a ☐		
Credits	ь	If your spouse itemizes on a separate return or you were a dual-status alien, check here > 396		
Standard	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	
Deduction	41	Subtract line 40 from line 38	41	-
for— • People who	42	Exemptions. If line 38 is \$154,950 or less, multiply \$4,000 by the number on line 6d. Otherwise, see instructions	42	
check any	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0	43	
box on line 39a or 39b or				
who can be	44	Tax (see instructions). Check if any from: a Form(s) 8814 b Form 4972 c	44	
claimed as a dependent,	45	Alternative minimum tax (see instructions). Attach Form 6251	45	
see instructions.	46	Excess advance premium tax credit repayment. Attach Form 8962	46	
All others:	47	Add lines 44, 45, and 46	47	
Single or	48	Foreign tax credit. Attach Form 1116 if required 48		
Married filing	49	Credit for child and dependent care expenses. Attach Form 2441 49		
separately, \$6,300	50	Education credits from Form 8863, line 19 50		
Margied filing	51	Retirement savings contributions credit. Attach Form 8880 51		
Married filing jointly or Qualifying	52	Child tax credit. Attach Schedule 8812, if required 52		
widow(or), \$12,600	53	Residential energy credits. Attach Form 5695 53		
Hond of	54	Other credits from Form: a 3800 b 8801 c 54		
bousehold, \$9,250	55	Add lines 48 through 54. These are your total credits	55	
φu,250	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	
	57	Self-employment tax. Attach Schedule SE	57	
Other	58	Unreported social security and Medicare tax from Form: a 4137 b 8919	58	
Other	59		59	
Taxes	60a	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	60a	
		Household employment taxes from Schedule H		
	ь	First-time homebuyer credit repayment. Attach Form 5405 if required	60Ь	
	61	Health care: individual responsibility (see instructions) Full-year coverage	61	
	62	Taxes from: a Form 8969 b Form 8960 c Instructions; enter code(s)	62	
	63	Add lines 66 through 62. This is your total tax	62	
Payments	64	Federal income tax withheld from Forms W-2 and 1099 64		—
	65	2015 estimated tax payments and amount applied from 2014 return 65		
If you have a	65 66a	2015 estimated tax payments and amount applied from 2014 return 65 Earned income credit (EIC)		
If you have a qualifying child, attach	_			_
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qualifying child, attach	66a b	Earned income credit (EIC) 66a		Federal Ta
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2016 federal income tax brackets

Tax rate on ordinary income	Single		Tax rate on qualified	C
	over	to	dividends and long term capital gains	t
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15%	\$9,275	\$37,650	0% (15%-0%=15%)	1
25%	\$37,650	\$91,150	15% (25%-15%=10%)	C
28%	\$91,150	\$190,150	15% (28%-15%=13%)	k
33%	\$190,150	\$413,350	15% (33%-15%=18%)	
35%	\$413,350	\$415,050	15% (35%-15%=20%)	
39.60%	\$415,050		20% (39.6%-20%=19.6%	6)
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15% 25% 28%	Qualifying widow or wido over \$0 \$18,550 \$75,300 \$151,900	to \$18,550 \$75,300 \$151,900 \$231,450	0% 15% 15%	

How to determine the capital gains tax "lesser of 10% or the difference between...."

Information from: Charles Schwab website http://www.schwab.com/p ublic/schwab/nn/articles/T axes-Whats-New

The next slide shows:

Taxpayers can elect to
deduct their State Income Tax
on their
Federal Itemized Deductions - Schedule A
(1040 form – Line 40)

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The next 2 slides show:

Individual income tax collection per capita

State-Local tax burden for residents

	Collections			Collections	
<u>State</u>	per Capita	<u>Rank</u>	<u>State</u>	per Capita	<u>Rank</u>
U.S.	\$975		Mont.	\$1,039	19
Ala.	\$662	37	Nebr.	\$1,128	13
Alaska (a)	\$0 -	-	Nev. (a)	\$0 -	-
Ariz.	\$515	41	N.H. (b)	\$70	42
Ark.	\$877	26	N.J.	\$1,340	7
Calif.	\$1,753	4	N.M.	\$622	38
Colo.	\$1,057	17	N.Y.	\$2,176	1
Conn.	\$2,162	2	N.C.	\$1,045	18
Del.	\$1,112	14	N.D.	\$674	36
Fla. (a)	\$0 -	-	Ohio	\$726	34
Ga.	\$888	24	Okla.	\$764	32
Hawaii	\$1,229	11	Ore.	\$1,674	6
Idaho	\$818	30	Pa.	\$845	29
III.	\$1,247	10	R.I.	\$1,032	20
Ind.	\$742	33	S.C.	\$709	35
lowa	\$1,028	21	S.D. (a)	\$0 -	-
Kans.	\$865	27	Tenn. (b)	\$37	43
Ky.	\$850	28	Texas (a)	\$0 -	-
La.	\$592	39	Utah	\$981	22
Maine	\$1,063	16	Vt.	\$1,077	15
Md.	\$1,301	9	Va.	\$1,306	8
Mass.	\$1,961	3	Wash. (a)	\$0 -	-
Mich.	\$794	31	W.Va.	\$958	23
Minn.	\$1,746	5	Wis.	\$1,180	12
Miss.	\$557	40	Wyo. (a)	\$0 -	-
Mo.	\$884	25			

State Individual Income Tax Collections per Capita Fiscal Year 2014

- (a) State has no individual income tax.
- (b) State does not tax wage income but does tax interest and dividend income.



Table 1. Stat	e-Local Tax B	urden	by Rank F	iscal Year	2012 by A	laska Resid	ents
	State-Local Tax Burden as Percent of State Income	Rank	Taxes Paid to Home State	Taxes Paid to Other States	Total State- Local Tax Burden	Income	Income Rank
Alaska	6.5%	50	\$1,986	\$1,242	\$3,229	\$49,780	10





Why an Individual Income Tax?

The next 3 slides show:

- Tax nonresidents
- Tax S-corps and LLCs
- Tax all people who claim residency in the state

5

Workers and Wages, Major and Selected Industry Categories

Alaska, 2014

,	T	otal		Nonre	Nonresident				
Industry	Workers	Wages (mil)	Workers	Percent	Wages (mil)	Percent			
Agriculture, Forestry, Fishing and Hunting	2,424	\$55.8	1,257	51.9%	\$27.8	49.9%			
Mining	22,316	\$2,361.9	7,690	34.5%	\$752.4	31.9%			
Oil and Gas	4,666	\$893.8	1,248	26.7%	\$237.2	26.5%			
Oilfield Services*	13,790	\$1,155.4	5,216	37.8%	\$421.3	36.5 %			
Utilities	2,580	\$188.5	142	5.5%	\$6.3	3.3%			
Construction	27,763	\$1,343.0	6,172	22.2%	\$237.0	17.6%			
Manufacturing	29,156	\$612.7	18,642	63.9%	\$277.3	45.3%			
Seafood Processing	23,957	\$398.2	17,792	74.3%	\$257.8	64.7%			
Wholesale Trade	7,318	\$346.7	688	9.4%	\$21.1	6.1%			
Retail Trade	49,196	\$1,126.9	7,629	15.5%	\$90.1	8.0%			
Transportation and Warehousing	25,147	\$1,194.6	6,488	25.8%	\$286.7	24.0%			
Air Transportation	7,349	\$317.9	1,772	24.1%	\$57.2	18.0%			
Information	7,551	\$401.8	710	9.4%	\$25.4	6.3%			
Finance and Insurance	8,049	\$430.6	637	7.9%	\$16.6	3.9%			
Real Estate and Rental and Leasing	7,025	\$216.3	712	10.1%	\$15.6	7.2%			
Professional, Scientific, and Technical Services	18,378	\$1,027.0	4,359	23.7%	\$224.6	21.9%			
Management of Companies and Enterprises	2,757	\$185.2	566	20.5%	\$25.9	14.0%			
Administrative Support/Waste Management and Remediation	17,905	\$545.3	3,923	21.9%	\$90.6	16.6%			
Educational Services	2,873	\$67.2	669	23.3%	\$7.3	10.8%			
Health Care and Social Assistance	50,708	\$2,108.6	5,101	10.1%	\$158.0	7.5%			
Arts, Entertainment, and Recreation	7,153	\$93.2	2,208	30.9%	\$20.5	22.0%			
Accommodation and Food Services	42,235	\$625.1	12,823	30.4%	\$130.0	20.8%			
Accommodation	12,523	\$200.7	5,704	45.5%	\$61.8	30.8%			
Food Services and Drinking Places	29,497	\$422.9	7,022	23.8%	\$67.6	16.0%			
Other Services	13,090	\$372.7	1,979	15.1%	\$36.1	9.7%			
Other/Unknown	428	\$7.0	156	36.4%	\$2.1	30.0%			
Local Government	49,949	\$1,808.1	3,388	6.8%	\$69.8	3.9%			
State Government	28,515	\$1,357.7	1,949	6.8%	\$47.9	3.5%			
Total 4	22,516	\$16,475.9	87,888	20.8%	\$2,569.0	15.6%			

Note: Data exclude the selfemployed, fishermen, and other agricultural workers, and private household workers. For estimates of fish harvesting employment, go to labor.alaska.gov/research/seafoo d/seafood.htm.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, 2014 Nonresidents Working in Alaska report.



Corporate Income Tax avoided by Sub S Corps and Limited Liability Corps in Alaska.

Brackets

State

Table 15.
State Corporate Income Tax Rates
As of January 1, 2015

Tax Foundation: Facts & Figures 2015

	State	Rates		Brackets	State	Rates		Brackets
	Ala.	6.50%	>	\$0	La.	4.00%	>	\$0
	Alaska	0.00%	>	\$0		5.00%	>	\$25,000
		2.00%	>	\$25,000		6.00%	>	\$50,000
		3.00%	>	\$49,000		7.00%	>	\$100,000
Ļ		4.00%	>	\$74,000		8.00%	>	\$200,000
		5.00%	>	\$99,000	Maine	3.50%	>	\$0
		6.00%	>	\$124,000		7.93%	>	\$25,000
		7.00%	>	\$148,000		8.33%	>	\$75,000
		8.00%	>	\$173,000		8.93%	>	\$250,000
		9.00%	>	\$198,000	Md.	8.25%	>	\$0
		9.40%	>	\$222,000	Mass.	8.00%	>	\$0
	Ariz.	6.00%	>	\$0	Mich.	6.00%	>	\$0
	Ark. (a)	1.00%	>	\$0	Minn.	9.80%	>	\$0
		2.00%	>	\$3,000	Miss.	3.00%	>	\$0
		3.00%	>	\$6,000		4.00%	>	\$5,000
		5.00%	>	\$11,000		5.00%	>	\$10,000
		6.00%	>	\$25,000	Mo.	6.25%	>	\$0
		6.50%	>	\$100,000	Mont.	6.75%	>	\$0

Calif.	8.84%	>	\$0
Colo.	4.63%	>	\$0
Conn. (b)	9.00%	>	\$0
Del. (c)	8.70%	>	\$0
Fla.	5.50%	>	\$0
Ga.	6.00%	>	\$0
Hawaii	4.40%	>	\$0
	5.40%	>	\$25,000
	6.40%	>	\$100,000
Idaho	7.40%	>	\$0
III. (d)	7.75%	>	\$0
Ind. (e)	7.00%	>	\$0
lowa	6.00%	>	\$0
	8.00%	>	\$25,000
	10.00%	>	\$100,000
	12.00%	>	\$250,000
Kans.	4.00%	>	\$0
	7.00%	>	\$50,000
Ky.	4.00%	>	\$0
	5.00%	>	\$50,000
	6.00%	>	\$100,000

State

Rates

Nebr.	5.58%	>	\$0
	7.81%	>	\$100,000
Nev.		Non	e
N.H.	8.50%	>	\$0
N.J. (f)	6.50%	>	\$0
	7.50%	>	\$50,000
	9.00%	>	\$100,000
N.M. (g)	4.80%	>	\$0
	6.40%	>	\$500,000
	6.90%	>	\$1,000,000
N.Y.	7.10%	>	\$0
N.C.	5.00%	>	\$0
N.D.	1.48%	>	\$0
	3.73%	>	\$25,000
	4.53%	>	\$50,000
Ohio		(c)	
Okla.	6.00%	>	\$0
Ore.	6.60%	>	\$0
	7.60%	>	\$1,000,000
Pa.	9.99%	>	\$0
R.I.	7.00%	>	\$0

Rates

Brackets

Resident is defined as an individual who:

- lives in the state for the entire calendar year;
- claims to be a resident of Alaska on their federal tax forms;
- receives an Alaska permanent fund dividend;
- is registered to vote in Alaska; or
- has an Alaska resident fishing, hunting, or trapping license during the calendar year.

CSHB365: Refundable Tax Credit

The next two slides:

- Chart: Changes to Distributable Income AS 37.13.14(b) for PFD calculation
- Charts: Examples of AK Income Tax & PFD Refundable Tax Credit for filing groups

CSHB 365 – Changes to Distributable Income A	\S 3	7.13.145(b) (Section 1,	, ver	:.P)
example calculation of PFD bas	sed	on 2015 PFD		
Calculation		Current 2015 PFD		CSHB 365 - PFD
Statutory Net Income (Earnings) from Permanent Fund for previous 5 years (2011-2015)	\$	13,077,000,000	\$	13,077,000,000
Multiply by statutory % of 5 yr earnings		21%		21%
Total	\$	2,746,170,000	\$	2,746,170,000
Multiply by statutory % to determine earnings income available for distribution for dividend (or tax credit)		50%		25%
total	\$	1,373,085,000	\$	686,542,500
, , , , , , , , , , , , , , , , , , , ,		11,600,000	\$	11,600,000
Subtract prior year obligations, expenses and cost of operating the PFD division	\$	1,384,685,000 48,300,000	\$	698,142,500 48,300,000
total Subtract reserves for payment of prior year dividends (dividends for people who received application extensions, etc.)	\$	1,336,385,000 900,000	\$	649,842,500 900,000
total	'	1,335,485,000	\$	648,942,500
Divide by the est. number of eligible dividend applicants		644,511		644,511
Individual PFD (could be used for Tax Credit)	\$	2,072	\$	1,007
Total amount paid out for PFDs / Tax Credits	\$	1,335,485,000	\$	648,942,500

CSHB 365: Income Tax & PFD Refundable Tax Credit Estimated Federal and State Income Tax for Year 2016

Married with No Children

Α	Gross Income	\$ 20,000	\$ 30,000	\$ 40,000	\$ 50,000	\$ 60,000	\$ 70,000	\$ 80,000	\$ 90,000	\$:	100,000
В	Less Standard Deduction	\$ 12,600	\$	12,600							
С	Less Personal Exemptions	\$ 8,100	\$	8,100							
D=A-B-C	Taxable Income	\$ (700)	\$ 9,300	\$ 19,300	\$ 29,300	\$ 39,300	\$ 49,300	\$ 59,300	\$ 69,300	\$	79,300
E	Tax Before Credits	\$ -	\$ 930	\$ 1,968	\$ 3,468	\$ 4,968	\$ 6,468	\$ 7,968	\$ 9,468	\$	11,368
F	Less Child Tax Credit	\$ -	\$	-							
G=E-F	Total Federal Tax	\$ -	\$ 930	\$ 1,968	\$ 3,468	\$ 4,968	\$ 6,468	\$ 7,968	\$ 9,468	\$	11,368
H=G x 15%	Total Alaska Income Tax	\$ -	\$ 140	\$ 295	\$ 520	\$ 745	\$ 970	\$ 1,195	\$ 1,420	\$	1,705
1	PFD - Refundable Tax Credit x 2 Adults*	\$ 2,014	\$	2,014							
J=H-I	Refund	\$ 2,014	\$ 1,875	\$ 1,719	\$ 1,494	\$ 1,269	\$ 1,044	\$ 819	\$ 594	\$	309

Row I assumes a person is applying all of their PFD as a Refundable Tax Credit.

Married Couple with 2 Children

		_						_				
Gross Income	\$ 20,000	\$	30,000	\$ 40,000	\$ 50,000	\$ 60,000	\$ 70,000	\$	80,000	\$ 90,000	\$:	100,000
Less Standard Deduction	\$ 12,600	\$	12,600	\$ 12,600	\$ 12,600	\$ 12,600	\$ 12,600	\$	12,600	\$ 12,600	\$	12,600
Less Personal Exemptions	\$ 16,200	\$	16,200	\$ 16,200	\$ 16,200	\$ 16,200	\$ 16,200	\$	16,200	\$ 16,200	\$	16,200
Taxable Income	\$ (8,800)	\$	1,200	\$ 11,200	\$ 21,200	\$ 31,200	\$ 41,200	\$	51,200	\$ 61,200	\$	71,200
Tax Before Credits	\$ -	\$	120	\$ 1,120	\$ 2,253	\$ 3,753	\$ 5,253	\$	6,753	\$ 8,253	\$	9,753
Less Child Tax Credit	\$ -	\$	120	\$ 1,120	\$ 2,000	\$ 2,000	\$ 2,000	\$	2,000	\$ 2,000	\$	2,000
Total Federal Tax	\$ -	\$	-	\$ -	\$ 253	\$ 1,753	\$ 3,253	\$	4,753	\$ 6,253	\$	7,753
Total Alaska Income Tax	\$ -	\$	-	\$ -	\$ 38	\$ 263	\$ 488	\$	713	\$ 938	\$	1,163
PFD - Refundable Tax Credit												
x 2 Adults*	\$ 2,014	\$	2,014	\$ 2,014	\$ 2,014	\$ 2,014	\$ 2,014	\$	2,014	\$ 2,014	\$	2,014
Refund	\$ 2,014	\$	2,014	\$ 2,014	\$ 1,976	\$ 1,751	\$ 1,526	\$	1,301	\$ 1,076	\$	851

Single with No Children

								_		_	
Gross Income	\$ 20,000	\$ 30,000	\$ 40,000	\$ 50,000	\$ 60,000	\$ 70,000	\$ 80,000	\$	90,000	\$	100,000
Less Standard Deduction	\$ 6,300	\$	6,300	\$	6,300						
Less Personal Exemptions	\$ 4,050	\$	4,050	\$	4,050						
Taxable Income	\$ 9,650	\$ 19,650	\$ 29,650	\$ 39,650	\$ 49,650	\$ 59,650	\$ 69,650	\$	79,650	\$	89,650
Tax Before Credits	\$ 984	\$ 2,484	\$ 3,984	\$ 5,684	\$ 8,184	\$ 10,684	\$ 13,184	\$	15,684	\$	18,184
Less Child Tax Credit	\$ -	\$ _	\$ _	\$ -	\$ -	\$ -	\$ _	\$	-	\$	-
Total Federal Tax	\$ 984	\$ 2,484	\$ 3,984	\$ 5,684	\$ 8,184	\$ 10,684	\$ 13,184	\$	15,684	\$	18,184
Total Alaska Income Tax	\$ 148	\$ 373	\$ 598	\$ -	\$ 1,228	\$ 1,603	\$ 1,978	\$	2,353	\$	2,728
PFD - Refundable Tax Credit					·						
x 1 Adult*	\$ 1,007	\$	1,007	\$	1,007						
Refund	\$ 859	\$ 634	\$ 409	\$ 154	\$ -	\$ -	\$ -	\$	-	\$	-

Single with 2 Children

		_										
Gross Income	\$ 20,000	\$	30,000	\$ 40,000	\$ 50,000	\$ 60,000	\$	70,000	\$ 80,000	\$ 90,000	\$:	100,000
Less Standard Deduction	\$ 9,300	\$	9,300	\$ 9,300	\$ 9,300	\$ 9,300	\$	9,300	\$ 9,300	\$ 9,300	\$	9,300
Less Personal Exemptions	\$ 12,150	\$	12,150	\$ 12,150	\$ 12,150	\$ 12,150	\$	12,150	\$ 12,150	\$ 12,150	\$	12,150
Taxable Income	\$ (1,450)	\$	8,550	\$ 18,550	\$ 28,550	\$ 38,550	\$	48,550	\$ 58,550	\$ 68,550	\$	78,550
Tax Before Credits	\$ -	\$	855	\$ 2,120	\$ 3,620	\$ 5,120	\$	6,620	\$ 8,935	\$ 11,435	\$	13,935
Less Child Tax Credit	\$ -	\$	855	\$ 2,000	\$ 2,000	\$ 2,000	\$	2,000	\$ 1,750	\$ 1,250	\$	750
Total Federal Tax	\$ -	\$	-	\$ 120	\$ 1,620	\$ 3,120	\$	4,620	\$ 7,185	\$ 10,185	\$	13,185
Total Alaska Income Tax	\$ -	\$	-	\$ 18	\$ 243	\$ 468	\$	693	\$ 1,078	\$ 1,528	\$	1,978
PFD - Refundable Tax Credit							Г					
x 1 Adult*	\$ 1,007	\$	1,007	\$ 1,007	\$ 1,007	\$ 1,007	\$	1,007	\$ 1,007	\$ 1,007	\$	1,007
Refund	\$ 1,007	\$	1,007	\$ 989	\$ 764	\$ 539	\$	314	\$ -	\$ -	\$	-

- PFD Refundable Tax Credit based on 2015 permanent fund amounts = \$1007 per person (slide 15).
- Row I: Assuming a child's PFD Refundable Tax Credit would not be used towards payment of their parent's taxes and so not included in Row I.
- Rows A-G based on Dept. of Revenue chart created for SB 134 Income Tax bill presentation to Senate Labor & Commerce committee 2/23/16.
- Assumptions: Single parent qualifies as "Head of Household". Married couple files "Jointly". Children are under 16 yrs of age and are the only dependents.
- Gross income is from wages. Standard deduction is greater than Itemized Deductions. The only credit the filers qualify for is the Child Tax Credit