

HB 182

Individual Income Tax

Presentation prepared by the Office of Rep. Paul Seaton

HB 182 proposes an Individual Income Tax as follows:

- 15% Federal Income Tax due
- Long Term Capital Gains- multiplying the number by the lesser of:
 - 10%; or
 - The difference between the taxpayer's federal income tax rate on ordinary income and the taxpayer's federal tax rate on long term capital gains. (Currently, 10% is the lesser of the 2 options; however if the Federal rates were ever changed, the lesser could be smaller than 10%).

The next 2 slides show examples from the Federal 1040 form and how to determine the capital gains tax rate.

For the year Jan. 1–Dec. 31, 2014, or other tax year beginning _____, 2014, ending _____, 20. See separate instructions.

Your first name and initial _____ Last name _____ Your social security number _____

If a joint return, spouse's first name and initial _____ Last name _____ Spouse's social security number _____

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). _____

Foreign country name _____ Foreign province/state/country _____ Foreign postal code _____

Make sure the SSN(s) above and on line 6c are correct. You Spouse

Filing Status

1 Single
 2 Married filing jointly (even if only one had income)
 3 Married filing separately. Enter spouse's SSN above and full name here.
 4 Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here.
 5 Qualifying widow(er) with dependent child

Exemptions

6a Yourself. If someone can claim you as a dependent, do not check box 6a.
 b Spouse

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input type="checkbox"/> If child under age 17 qualifying for child tax credit (see instructions)	Boxes checked on 6a and 6b No. of children on 6c who: + lived with you + did not live with you due to divorce or separation (see instructions)	Dependents on 6c not entered above	Add numbers on lines above

d Total number of exemptions claimed _____

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2 7
 8a Taxable interest. Attach Schedule B if required 8a
 8b Tax-exempt interest. Do not include on line 8a 8b
 9a Ordinary dividends. Attach Schedule B if required 9a
 9b Qualified dividends 9b
 10 Taxable refunds, credits, or offsets of state and local income taxes 10
 11 Alimony received 11
 12 Business income or (loss). Attach Schedule C or C-EZ 12
 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here 13
 14 Other gains or (losses). Attach Form 4797 14
 15a IRA distributions 15a
 b Taxable amount 15b
 16a Pensions and annuities 16a
 b Taxable amount 16b
 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17
 18 Farm income or (loss). Attach Schedule F 18
 19 Unemployment compensation 19
 20a Social security benefits 20a
 b Taxable amount 20b
 21 Other income. List type and amount 21
 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income 22

Adjusted Gross Income

23 Educator expenses 23
 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24
 25 Health savings account deduction. Attach Form 8889 25
 26 Moving expenses. Attach Form 3903 26
 27 Deductible part of self-employment tax. Attach Schedule SE 27
 28 Self-employed SEP, SIMPLE, and qualified plans 28
 29 Self-employed health insurance deduction 29
 30 Penalty on early withdrawal of savings 30
 31a Alimony paid 31a
 b Recipient's SSN
 32 IRA deduction 32
 33 Student loan interest deduction 33
 34 Tuition and fees. Attach Form 8917 34
 35 Domestic production activities deduction. Attach Form 8903 35
 36 Add lines 23 through 35 36
 37 Subtract line 36 from line 22. This is your adjusted gross income 37

Tax and Credits

38 Amount from line 37 (adjusted gross income) 38
 39a Check You were born before January 2, 1950, Blind. Total boxes checked 39a
 If: Spouse was born before January 2, 1950, Blind.
 b If your spouse itemizes on a separate return or you were a dual-status alien, check here 39b
 40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40
 41 Subtract line 40 from line 38 41
 42 Exemptions. If line 38 is \$152,525 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instructions 42
 43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43
 44 Tax (see instructions). Check if any from: a Form(s) 8814 b Form 4972 c 44
 45 Alternative minimum tax (see instructions). Attach Form 6251 45
 46 Excess advance premium tax credit repayment. Attach Form 8962 46
 47 Add lines 44, 45, and 46 47
 48 Foreign tax credit. Attach Form 1116 if required 48
 49 Credit for child and dependent care expenses. Attach Form 2441 49
 50 Education credits from Form 8863, line 19 50
 51 Retirement savings contributions credit. Attach Form 8880 51
 52 Child tax credit. Attach Schedule 8812, if required 52
 53 Residential energy credits. Attach Form 5695 53
 54 Other credits from Form: a 9800 b 9801 c 54
 55 Add lines 48 through 54. These are your total credits 55
 56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- 56

Other Taxes

57 Self-employment tax. Attach Schedule SE 57
 58 Unreported social security and Medicare tax from Form: a 4137 b 8919 58
 59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 59
 60a Household employment taxes from Schedule H 60a
 b First-time homebuyer credit repayment. Attach Form 5405 if required 60b
 61 Health care: individual responsibility (see instructions) Full-year coverage 61
 62 Taxes from: a Form 8959 b Form 8960 c Instructions; enter code(s) 62
 63 Add lines 56 through 62. This is your total tax 63

Payments

64 Federal income tax withheld from Forms W-2 and 1099 64
 65 2014 estimated tax payments and amount applied from 2013 return 65
 66a Earned income credit (EIC) 66a
 b Nontaxable combat pay election 66b
 67 Additional child tax credit. Attach Schedule 8812 67
 68 American opportunity credit from Form 8863, line 8 68
 69 Net premium tax credit. Attach Form 8962 69
 70 Amount paid with request for extension to file 70
 71 Excess social security and tier 1 RRTA tax withheld 71
 72 Credit for federal tax on fuels. Attach Form 4136 72
 73 Credits from Form: a 2439 b Refined c Refined d 73
 74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments 74

Refund

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid 75
 76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here 76a
 b Routing number c Type: Checking Savings
 d Account number
 77 Amount of line 75 you want applied to your 2015 estimated tax 77

Amount You Owe

78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions 78
 79 Estimated tax penalty (see instructions) 79

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete below. No

Designee's name _____ Phone no. _____ Personal identification number (PIN) _____

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature _____ Date _____ Your occupation _____ Daytime phone number _____

Spouse's signature, if a joint return, both must sign. _____ Date _____ Spouse's occupation _____

If the IRS sent you an Identity Protection PIN, enter it here (see instr.): _____

Paid Preparer Use Only

Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check if self-employed PTIN _____

Firm's name _____ Firm's EIN _____

Firm's address _____ Phone no. _____

Capital Gains
Line 13

Federal Tax
Due
Line 63

2015 federal income tax brackets

<u>Tax rate on ordinary income</u>	Single		<u>Tax rate on qualified dividends and long term capital gains</u>
	over	to	
10%	\$0	\$9,225	0% (10%-0%=10%)
15%	\$9,225	\$37,450	0% (15%-0%=15%)
25%	\$37,450	\$90,750	15% (25%-15%=10%)
28%	\$90,750	\$189,300	15% (28%-15%=13%)
33%	\$189,300	\$411,500	15% (33%-15%=18%)
35%	\$411,500	\$413,200	15% (35%-15%=20%)
39.60%	\$413,200		20% (39.6%-20%=19.6%)
	Married filing jointly / Qualifying widow or widower		
	over	to	
10%	\$0	\$18,450	0%
15%	\$18,450	\$74,900	0%
25%	\$74,900	\$151,200	15%
28%	\$151,200	\$230,450	15%
33%	\$230,450	\$411,500	15%
35%	\$411,500	\$464,850	15%
39.60%	\$464,850		20%

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

Information from: Charles Schwab website
<http://www.schwab.com/public/schwab/nn/articles/Taxes-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)

Form **1040** Department of the Treasury - Internal Revenue Service (90) **2014** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only - Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2014, or other tax year beginning _____, 2014, ending _____, 20

Your first name and initial _____ Last name _____ Your separate instructions _____
 If a joint return, spouse's first name and initial _____ Last name _____ Spouse's social security number _____
 Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____
 City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). _____
 Foreign country name _____ Foreign province/state/country _____ Foreign postal code _____

Filing Status
 1 Single
 2 Married filing jointly (even if only one had income)
 3 Married filing separately. Enter spouse's SSN above and full name here. ▶
 4 Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
 5 Qualifying widow(er) with dependent child

Exemptions
 6a Yourself. If someone can claim you as a dependent, do not check box 6a.
 b Spouse
 c Dependents:
 (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) If child under age 17 qualifying for child tax credit (see instructions)
 d Total number of exemptions claimed

Income
 7 Wages, salaries, tips, etc. Attach Form(s) W-2 7
 8a Taxable interest. Attach Schedule B if required 8a
 b Tax-exempt interest. Do not include on line 8a 8b
 9a Ordinary dividends. Attach Schedule B if required 9a
 b Qualified dividends 9b
 10 Taxable refunds, credits, or offsets of state and local income taxes 10
 11 Alimony received 11
 12 Business income or (loss). Attach Schedule C or C-EZ 12
 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here 13
 14 Other gains or (losses). Attach Form 4797 14
 15a IRA distributions 15a Taxable amount 15b
 16a Pensions and annuities 16a Taxable amount 16b
 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17
 18 Farm income or (loss). Attach Schedule F 18
 19 Unemployment compensation 19
 20a Social security benefits 20a Taxable amount 20b
 21 Other income. List type and amount 21
 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶ 22

Adjusted Gross Income
 23 Educator expenses 23
 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24
 25 Health savings account deduction. Attach Form 8889 25
 26 Moving expenses. Attach Form 3903 26
 27 Deductible part of self-employment tax. Attach Schedule SE 27
 28 Self-employed SEP, SIMPLE, and qualified plans 28
 29 Self-employed health insurance deduction 29
 30 Penalty on early withdrawal of savings 30
 31a Alimony paid b Recipient's SSN ▶ 31a
 32 IRA deduction 32
 33 Student loan interest deduction 33
 34 Tuition and fees. Attach Form 8817 34
 35 Domestic production activities deduction. Attach Form 8903 35
 36 Add lines 23 through 35 36
 37 Subtract line 36 from line 22. This is your adjusted gross income ▶ 37

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2014)

State
Income Tax
Refund
Line 10

Form 1040 (2014) Page 2

Tax and Credits
 38 Amount from line 37 (adjusted gross income) 38
 39a Check You were born before January 2, 1950, Blind. Total boxes checked ▶ 39a
 If: Spouse was born before January 2, 1950, Blind. checked ▶ 39a
 b If your spouse itemizes on a separate return or you were a dual-status alien, check here 39b
 40 **Itemized deductions (from Schedule A) or your standard deduction (see left margin)** 40
 41 Subtract line 40 from line 38 41
 42 Exemptions. If line 38 is \$152,525 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instructions 42
 43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43
 44 Tax (see instructions). Check if any from: a Form(s) 9814 b Form 4972 c 44
 45 **Alternative minimum tax** (see instructions). Attach Form 6251 45
 46 Excess advance premium tax credit repayment. Attach Form 8962 46
 47 Add lines 44, 45, and 46 47
 48 Foreign tax credit. Attach Form 1116 if required 48
 49 Credit for child and dependent care expenses. Attach Form 2441 49
 50 Education credits from Form 8863, line 19 50
 51 Retirement savings contributions credit. Attach Form 8880 51
 52 Child tax credit. Attach Schedule 8812, if required 52
 53 Residential energy credits. Attach Form 5695 53
 54 Other credits from Form: a 9800 b 9801 c 54
 55 Add lines 48 through 54. These are your total credits 55
 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
 58 Unreported social security and Medicare tax from Form: a 4137 b 8919 58
 59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 59
 60a Household employment taxes from Schedule H 60a
 b First-time homebuyer credit repayment. Attach Form 5406 if required 60b
 61 Health care: individual responsibility (see instructions) Full-year coverage 61
 62 Taxes from: a Form 9899 b Form 9800 c Instructions; enter code(s) 62
 63 Add lines 56 through 62. This is your total tax 63

Payments
 64 Federal income tax withheld from Forms W-2 and 1099 64
 65 2014 estimated tax payments and amount applied from 2013 return 65
 66a **Earned income credit (EIC)** 66a
 b Nontaxable combat pay election 66b
 67 Additional child tax credit. Attach Schedule 8812 67
 68 American opportunity credit from Form 8863, line 8 68
 69 Net premium tax credit. Attach Form 8962 69
 70 Amount paid with request for extension to file 70
 71 Excess social security and tier 1 RRTA tax withheld 71
 72 Credit for federal tax on fuels. Attach Form 4136 72
 73 Credits from Form: a 2439 b Refined c Refined d 73
 74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments 74

Refund
 75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid 75
 76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here 76a
 b Routing number ▶ c Type: Checking Savings 76b
 d Account number ▶ 76c
 77 Amount of line 75 you want applied to your 2015 estimated tax ▶ 77

Amount You Owe
 78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions ▶ 78
 79 Estimated tax penalty (see instructions) 79

Third Party Designee
 Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete below. No

Sign Here
 Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
 Your signature _____ Date _____ Your occupation _____ Daytime phone number _____
 Spouse's signature. If a joint return, both must sign. _____ Date _____ Spouse's occupation _____
 If the IRS sent you an Identity Protection PIN, enter it here (see instructions): _____

Paid Preparer Use Only
 Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check If self-employed PTIN _____
 Firm's name _____ Firm's EIN ▶ _____
 Firm's address _____ Phone no. _____

www.irs.gov/form1040 Form **1040** (2014)

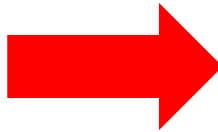
State Income
Tax Deduction
Line 40

The Problem

The next 2 slides show:

- Individual income tax collection per capita
- State-Local tax burden for residents

State	Collections Per Capita	Rank
U.S.	\$983	
Ala.	\$664	36
Alaska. (a)	\$0	--
Ariz.	\$516	41
Ark.	\$897	25
Calif.	\$1,750	4
Colo.	\$612	37
Conn.	\$2,174	1
Del.	\$1,227	13
Fla. (a)	\$0	--
Ga.	\$881	27
Hawaii	\$1,242	12
Idaho	\$806	32
Ill.	\$1,285	10
Ind.	\$759	34
Iowa	\$1,115	17
Kans.	\$1,023	21
Ky.	\$849	29
La.	\$594	39
Maine	\$1,153	14
Md.	\$1,302	9
Mass.	\$1,931	3
Mich.	\$833	31
Minn.	\$1,658	5
Miss.	\$587	40
Mo.	\$892	26



State	Collections Per Capita	Rank
Mont.	\$1,035	20
Nebr.	\$1,129	16
Nev. (a)	\$0	--
N.H. (b)	\$75	42
N.J.	\$1,363	7
N.M.	\$595	38
N.Y.	\$2,051	2
N.C.	\$1,130	15
N.D.	\$901	24
Ohio	\$854	28
Okla.	\$761	33
Ore.	\$1,599	6
Pa.	\$844	30
R.I.	\$1,036	19
S.C.	\$707	35
S.D. (a)	\$0	--
Tenn. (b)	\$41	43
Tex. (a)	\$0	--
Utah	\$991	22
Vt.	\$1,059	18
Va.	\$1,326	8
Wash. (a)	\$0	--
W.Va.	\$968	23
Wis.	\$1,261	11
Wyo. (a)	\$0	--

Table 13.
State Individual Income Tax Collections
Per Capita
Fiscal Year 2013

Table 1. State-Local Tax Burden by Rank Fiscal Year 2011							
	State-Local Tax Burden as Share of State Income	Rank	Taxes Paid to Home State	Taxes Paid to Other States	Total State-Local Tax Burden	Income	Income Rank
Alaska	7.0%	49	\$2,109	\$1,210	\$3,319	\$47,354	8



Chart from Tax Foundation website:
<http://taxfoundation.org/article/annual-state-local-tax-burden-ranking-fy-2011>

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, 2013

Industry	Total		Nonresident			
	Workers	Wages (mil)	Workers	Percent	Wages (mil)	Percent
Agriculture, Forestry, Fishing and Hunting	2,340	\$53.5	1,172	50.1%	\$25.7	48.0%
Mining	22,193	\$2,151.1	7,509	33.8%	\$674.5	31.4%
Oil and Gas	4,581	\$790.2	1,248	27.2%	\$215.3	27.3%
Oilfield Services*	13,361	\$1,067.7	4,781	35.8%	\$367.7	34.4%
Utilities	2,641	\$189.6	200	7.6%	\$11.7	6.2%
Construction	26,801	\$1,220.4	5,602	20.9%	\$196.3	16.1%
Manufacturing	28,781	\$594.9	18,503	64.3%	\$274.5	46.1%
Seafood Processing	23,777	\$391.5	17,631	74.2%	\$257.2	65.7%
Wholesale Trade	7,550	\$343.9	759	10.1%	\$21.5	6.3%
Retail Trade	48,107	\$1,065.9	7,472	15.5%	\$83.0	7.8%
Transportation and Warehousing	24,760	\$1,167.8	6,142	24.8%	\$278.3	23.8%
Air Transportation	7,050	\$305.2	1,524	21.6%	\$52.7	17.3%
Information	7,365	\$378.4	737	10.0%	\$23.3	6.2%
Finance and Insurance	8,193	\$421.6	724	8.8%	\$17.9	4.2%
Real Estate and Rental and Leasing	7,072	\$210.5	785	11.1%	\$14.9	7.1%
Professional, Scientific and Technical Services	18,355	\$999.6	4,116	22.4%	\$201.7	20.2%
Management of Companies and Enterprises	2,618	\$176.7	511	19.5%	\$27.2	15.4%
Administrative Support/Waste Management and Remediation	17,901	\$506.9	4,266	23.8%	\$89.4	17.6%
Educational Services	2,795	\$67.2	621	22.2%	\$7.0	10.5%
Health Care and Social Assistance	50,975	\$2,051.9	5,219	10.2%	\$154.7	7.5%
Arts, Entertainment and Recreation	7,151	\$90.5	2,148	30.0%	\$19.4	21.4%
Accommodation and Food Services	41,757	\$589.6	12,336	29.5%	\$117.4	19.9%
Accommodation	11,985	\$186.4	5,198	43.4%	\$53.4	28.6%
Food Services and Drinking Places	29,527	\$401.9	7,056	23.9%	\$63.7	15.8%
Other Services	12,872	\$363.5	1,899	14.8%	\$39.9	11.0%
Other/Unknown	755	\$13.1	239	31.7%	\$2.5	19.3%
Local Government	50,171	\$1,776.4	3,407	6.8%	\$68.3	3.8%
State Government	28,312	\$1,324.4	1,924	6.8%	\$46.3	3.5%
Total	419,465	\$15,757.4	86,291	20.6%	\$2,395.4	15.2%

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

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, 2013 Nonresidents Working in Alaska report.

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

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

Tax Foundation: Facts & Figures 2015

State Rates Brackets State Rates Brackets

State	Rates	Brackets
Ala.	6.50%	> \$0
Alaska	0.00%	> \$0
	2.00%	> \$25,000
	3.00%	> \$49,000
	4.00%	> \$74,000
	5.00%	> \$99,000
	6.00%	> \$124,000
	7.00%	> \$148,000
	8.00%	> \$173,000
	9.00%	> \$198,000
	9.40%	> \$222,000
Ariz.	6.00%	> \$0
Ark. (a)	1.00%	> \$0
	2.00%	> \$3,000
	3.00%	> \$6,000
	5.00%	> \$11,000
	6.00%	> \$25,000
	6.50%	> \$100,000

State	Rates	Brackets
La.	4.00%	> \$0
	5.00%	> \$25,000
	6.00%	> \$50,000
	7.00%	> \$100,000
	8.00%	> \$200,000
Maine	3.50%	> \$0
	7.93%	> \$25,000
	8.33%	> \$75,000
	8.93%	> \$250,000
Md.	8.25%	> \$0
Mass.	8.00%	> \$0
Mich.	6.00%	> \$0
Minn.	9.80%	> \$0
Miss.	3.00%	> \$0
	4.00%	> \$5,000
	5.00%	> \$10,000
Mo.	6.25%	> \$0
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
Ill. (d)	7.75%	> \$0
Ind. (e)	7.00%	> \$0
Iowa	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

Nebr.	5.58%	> \$0
	7.81%	> \$100,000
Nev.	None	
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

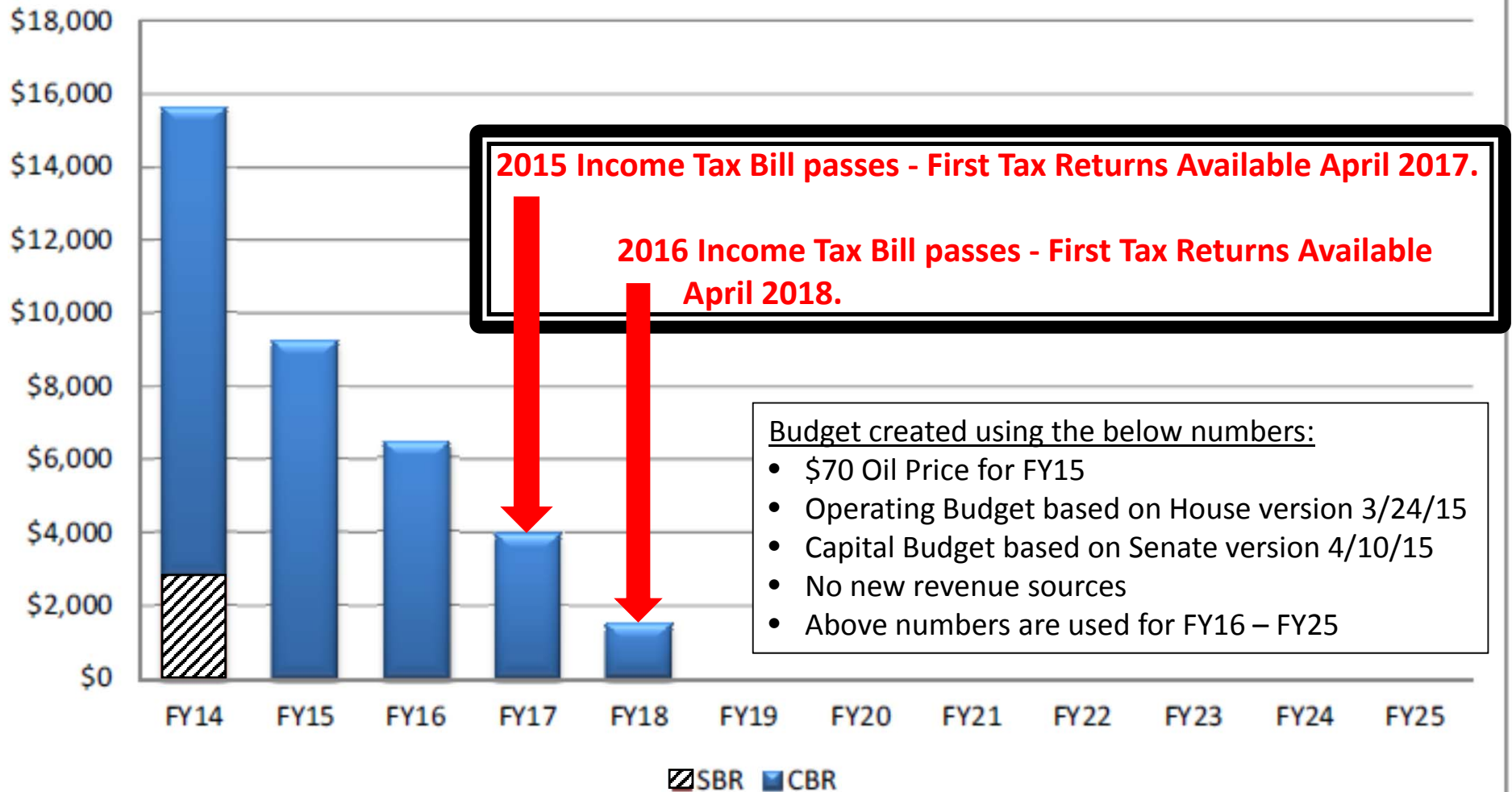
Resident is defined as an individual who:

- 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.

The next 2 slides show:

- Fiscal Deficit concerns
- Estimated revenue from Individual Income Tax

Budget Reserves: Constitutional Budget Reserve (CBR) & Statutory Budget Reserve (SBR) (millions)



Graph prepared by David Teal, Legislative Finance 4/13/15.

Estimated Revenue*:

- 15% Federal Liability \$500 million
- 10% Long Term Capital Gains \$ 85 million
- Nonresidents \$ 70 million
- Total estimated revenue \$655 million

*Dept. of Revenue fiscal note estimates 4/15/15.