

# ANCHORAGE LEGISLATIVE INFORMATION OFFICE

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## WRITTEN TESTIMONY

NAME: Emery Schramm

REPRESENTING: Self

BILL#/ SUBJECT: HB 115  
COMMITTEE &

HEARING DATE: 2/17/17

Taking the dividend is a tax on the Alaska people. The Alaska people have voted several times to not be touched. The dividend helps the Alaska people and the economy. The dividend is for the people not the government. An income tax only affects the people that work, there are a lot of people who do not work. A FAIR TAX would be a sales tax.

First and foremost the government needs to cut, cut, cut. The government needs to do the responsibilities it is actually suppose to do. Mission Focus. We need to help Alaska by allowing people to keep as much money as possible because we are in a recession. If you do an income tax many people will move out people are already moving out and thinking about moving out.

Vote No on HB 115

I am writing in opposition to HB115. This bill hurts hardworking Alaskans and placed the biggest burden on the middle class. Furthermore, any amount of restructuring of the PFD disproportionately affects lower income earners and drives more people below the poverty line.

Alaska is currently in a recession and the last thing the legislature should do is implement new taxes that pull even more money from the private sector.

You, the representatives, created this problem and you are capable of solving the issue without penalizing the people.

Cut government spending (cut out the layers of unnecessary directors that work in the state and get paid thousands each month) and follow Hammond's 50/50 plan for the permanent fund. Sen. Dunleavy has introduced a bill that not only balances the budget but also requires no new taxes and no PFD restructure. His bill is the best for both Alaskans and the government.

In closing, HB115 is terrible for Alaska and should not be passed out of committee.

Thank you.

Sincerely,

Meghan Nelson  
Juneau, Alaska

Dear Committee Members,

I am William Deaton here representing myself and my family, Mom, Dad, Grandmother, and two sisters. I am a 15 y.o. who goes to the Cordova Public High School. I am okay with you guys cutting my education because I know if a 15 y.o. boy wants to learn, he can learn on his own. He doesn't need a teacher to tell him what to learn. I also want to mention Planned Parenthood. I want to know where you stand, and I want to mention that Live Action sent out a report saying that Planned Parenthood doesn't provide prenatal care. They called up several Planned Parenthoods two in Alaska, Anchorage and Fairbanks. Neither of them provide prenatal care. Defund Planned Parenthood, and use that money to fund FQHC (Federally Qualified Health Centers). They out number them 20 to 1. We only have 4 Planned Parenthood's in Alaska. I also want to mention that I am against HB 115. ISER sent out a study saying that cutting, capping, or restructuring the PFD would cause 12-15,000 Alaskans to go under the poverty line. I support Sen. Mike Dunleavy's plan and support cutting the budget. Also, I noticed that HB 21 and 22 have not received a hearing from this committee. I encourage you to give it a hearing, they are the bills that will give back the PFD's that the Governor STOLE from us last year. Also, state funded travel is too costly. Cut the budget before even thinking about taxes. There are so many places in the budget that you can cut, so do it! If you do pass this bill, it MUST go before the voters. I have heard some ideas thrown around to have education live streams that are two-way. I could see the teacher and the teacher could see me. Well, if you guys are gonna talk about that, then why don't you do it instead of costing the state lots of money to live in Juneau and get paid to go into extra sessions? Instead of costing the state \$20,000 to live in a fancy hotel, why don't you stay at home and get live streamed to the capitol building? Also, tonight I have heard lots of talk of wanting to pay an income tax. If these people want to pay, make an income tax that is voluntary! They would pay you guys! An income tax criminalizes working. If they are taxed for working, then why not get unemployed and hop onto the welfare train. I also want to mention that I am strongly against the REAL ID act! I urge you to vote no and kill this in the committee. Thank you for allowing me to testify.

William Deaton

No on HB115

This bill will cripple the middle class working Alaskan and send thousands packing south. Retired people are already leaving at an alarming rate and more are planning to go. Cut government spending. No income tax.

Marty Laudert  
Fairbanks AK 99709

My name is Mike Coons from Palmer and I'm speaking for myself

Referencing page 4 line 13 "nonresident individual with income from a source in the state." and page 7 line 12 "credit for taxes paid".

As a Paramedic working the slope I have worked with out of state rough necks. Specifically on one rig the superintendent and I were the only Alaskans on the rig. All others were contractors from Louisiana. They flew up to Prudoe Bay and flew back.

Louisiana has a State Income Tax. So, the "credit for taxes paid" sounds to me like we are taking funds away from Louisiana and other states. I'm sure Louisiana and other states are not happy about that reduction in revenue to them!

So this desire to not only tax Alaskans, but having as an excuse of taxing those bad slope workers to justify this tax is ludicrous to say the least. If they don't live here and only work here, why should they pay an Alaskan Income Tax? Also, their paychecks are written in Louisiana, this adds a burden to the company to send a 15% tax to Alaska, as well as withhold their income tax. Then the worker has to use the so called tax credit in filing. If no major personal deductions, they may not be able to do that!

This myth and lie about out of state workers is a poor ruse for taxation. This effort to tax the working people of Alaska, a third to maybe half of the working population, while no taxation on the lower income class is flat out wrong! We just got rid of President Obama, whom was all for redistribution of wealth, from the working man to the lazy man! This is the same, period!

The other myth and lie is that this will, along with all the other sin taxes and theft of our PFD, generate needed income to pay for progressive government! Wrong! I oppose HB 115! Return to less government!

Mike Coons  
5200 Dorothy Drive  
Palmer, AK 99645  
745-6779



# Alaska State Legislature

Please enter into the record my testimony to the WASILLA LIO  
Committee name  
Committee on HB 115, dated 2-17-2017  
Bill/Subject

I OPPOSE HB 115 IT IS A DISCRIMANT TAX  
TAKING FROM THE WORKING CLASS AND GIVING  
TO THOSE THAT DON'T. IF WE NEED A TRY  
AT LEAST A SALES TAX WOULD AFFECT EVERYBODY  
(INCLUDING TOURISTS) THAT SPENDS MONEY AT  
BUSINESSES IN ALASKA.

WE HAVE TO REDUCE EXPENSES IN THE  
BUS. MULTI MILLION <sup>HOLLOE</sup> SCHOOLS IN COMMUNITIES  
WITH 5 TO 10 KIDS.

Signed: EARL P. LACKEY  
Testifier  
ALASKA RACEWAY PARK  
Representing (Optional)  
3900 S. ENGLISH BAY DRIVE  
Address  
907 355-1541  
Phone number

I am writing to inform you of my opposition to HB 115 and any other bills that steal the PFD or any additional taxes from Alaskans. My husband and I moved to Alaska in 2006 and settled in the rural community of Tok. We like it here despite the high cost of living and obvious difficulties dealing with a harsh climate and lack of jobs. Not a lot in terms of government services and departments has changed here since 2006. And yet the cost of government has doubled and you want to take our PFD and tax us to pay for it! Your job, first and foremost is to cut the budget back to 2006 levels. You can do this by cutting education spending, both for k-12 and post secondary education. Throwing more money at the problem is wasteful. Kids don't need more tests and technology to succeed, they need parental involvement.

You also need to undo Walker's Medicaid expansion. Besides all that it has and will cost the state, it has hurt many, many people. Because you could not afford to also increase the staff at the DPA , applications and renewals are now taking nearly a year to finish and Medicaid recipients cannot get a hold of a real person to talk to when they need to discuss something and their phone calls are not returned. I know this because I work for a health care provider and every week I have patients whose coverage was dropped for no reason or cannot get their renewal processed. This includes kids and pregnant women, who used to be able to count on Denali Kid Care, but no longer can thanks to Medicaid expansion.

You also need to move the capital to somewhere on the road system. While you're at it, cut your pay and per diem before taking the PFD and taxing us. \$7,000/month in per diem for each of you! Not to mention the cost of all those plane tickets and maintaining the government buildings at a place where materials and supplies are going to cost more because it's off the road system.

Instead of taking people's money which they need to live on, if you need to generate revenue, turn instead to our state's rich natural resources. I'm not just talking about oil and gas. Foreign companies right now are taking billions of dollars in gold, copper, and coal out of our state. Why not get some more of our own mines going? What about all the forests that could be logged to generate revenue? Another idea I had to generate income for road maintenance would be to institute a small toll (\$5-10) for each vehicle entering the state at the borders. In the summer we have large numbers of tourists and the income generated would be substantial.

Please listen to real Alaskans. Thank you.

Charity Walker

To whom it may concern!

I Winona Harrop have lived here for 21 years. The last 3 years I have been a widow. It has been really a tough time without my husband. I'm on a fixed income and disabled.

The PFD has been a lifesaver. This year renters trashed my house and left me with over a thousand dollars of bills. I had to use the PFD to keep my power on. Plus some of it went to fuel oil until the Heating assistance kicked in.

Please don't cut our PFD. It helps me to survive.

Normally I use it to stock up on food for the winter. But because the PFD wasn't higher than a thousand and twenty-two dollars this year I wasn't able to get any extra food this year. It has really been hard to eat properly this year. If it hadn't been for kind people giving us Moose and turkey, I don't think we would have anything to put in our soup.

My church the Salvation Army has been a big help too. They helped with the power until I got my PFD. Plus they have been helping me with food during the month.

Please don't cut my PFD.

Without it I would have to move.

I would rather see Alaska have income tax instead.

Our PFD was designed and designated for the people! Please help me to protect it and keep it for the people.

Sincerely yours,  
Winona Harrop



**PLEASE SEND A WRITTEN REPLY!**

First of all HB115 should be renamed for what it really is: the "ROB ALASKANS BLIND" Bill.

Alaska is in a recession, you can not ignore that fact, and this would only make things much much worse.

Have you read Jay Hammond's "Diapering the Devil" which allows for the PFD to continually be paid out at 100% as the formula stands now

Have you studied the ISER model using the 50-50 plan from the Earnings Reserve to pay for essential government services after needed budget cuts, according to Hammond?

Here's the deal; the government already takes 75% of ALL mineral lease revenues and you still can't manage that well. Now you want to steal from hard working Alaskans and make tax season even more onerous.

If you can't manage 75%, of current revenues why should you be allowed to have more!??

I strongly suggest that the House Finance Committee invite Brad Keithley, Founder of Alaskans for Sustainable Budgets, down to Juneau forthwith to present the facts to you on this matter with hard core numbers and charts that clearly make a case for using the Jay Hammond plan. You need actual charts, numbers and hardcore facts in moving forward on this issue. I would think that you would want to get all the facts before making such a detrimental decision as this Bill proposes. To do any less is a disservice to the people who elected you to SERVE them.

Please do due diligence in getting all the facts...you owe it to every Alaskan to do so.

An income tax penalizes hard working producers of this state. It adds more onerous red tape to small business owners that are already in existence and will deter others from starting a small business.

The budget deficit is YOUR making, not ours, cut the pork. Walker seems determined to turn AK into a welfare state while punishing those who work to actually produce.

We have the city taxing us out of our homes and now when we are forced to sell you want to tax us on that! Government is greedy and an insatiable beast, it will never be satisfied. You treat us like slaves!

Taxation is theft!, if you vote for this bill it makes you a thief.

**Cathy Tilton** since you are my Representative, I am asking for a **roll call vote** for the record.  
Please vote NO on this Bill.

Karen Perry

Hello, my name is Michael Sheldon from Petersburg, Alaska.

I would like to testify that I am against the restructuring of the PFD and creating an income tax to our Alaskan citizens called for in HB115. As most know we the people of Alaska do not defend such actions that may cause more hardship on the working public by over taxing and robbing our PFD. We call for a sustainable budget put in place, and bills trashed that consists of continued overspending and more Government control. Our representatives need to fight to protect its constituents of Alaska and protect our concerns to stabilize our economy for the good of all Alaskans. As the days go by we see a recession in the wind and a depression on the horizon if we don't find ways to control State spending and the sort. We need to discover creative ideas to restructure economic growth in industry and not restructuring our PFD to be decimated by greedy individuals controlled by special interest groups. Our state would not be in this fiscal crisis if individual representatives would vote down foolish bills that overburden our fiscal gap and cause such compounding debt each year. I ask our Representatives of Alaska to move forward to build economic growth by constructive ideas that will bless Alaskans with stability and a future that we all can be proud of for future generations to come.

In the Alaska Constitution Article 8 Section 2 States, The legislature shall provide for the Utilization Development and Conservation of all Natural Resources belonging to the state, including land and waters, for the maximum benefit for the people. I add in regards to your constituents that elected you to represent Alaska that if it be that you may try and change the

PFD as it is written today that you respect the law of the PFD program and put a vote before the citizens of Alaska to make any revision for the matter of restructuring the PFD Fund. Thank you for hearing my testimony, Michael Sheldon, Petersburg Alaska.

Dear Sirs,

I am writing in opposition to HB115 as presently written. My opposition to the bill is with regards to the implementation of an Alaskan income tax. My belief is that a state tax (income tax or sales tax) should never be implemented in this state unless the day comes where a combination of a fair tax on our nonrenewable natural resources and the earnings from the Permanent Fund is unable to pay for the government that Alaskans collectively demand. If there comes a time for a state tax to be necessary, I believe that it is fairest to consider a sales tax rather than an income tax. Otherwise, you create the situation where those that do not pay an income tax (better than 50 percent of Alaskans) vote for the best government that they desire, all at the expense of the productive incoming earning members of our state.

While I believe that our leaders have failed over the last several decades to adequately save money for when our oil income eventually stops, and that our legislature is currently willfully failing us in collecting a fair share of oil revenue, I feel that it is absolutely wrong to tax peoples earned income while at the same time providing a Permanent Fund Dividend. It is clear to me that doing so is simply a form of wealth redistribution.

Please note that I would clearly benefit financially from the proposed wealth redistribution scheme that is HB115, yet I am adamantly opposed to HB115 and I find it deplorable that an income tax is being considered. Why should those employees in Alaska who earn income have to give up a portion of their earned income so that I and others who earn less income or no income at all can receive additional unearned monies in the form of a Permanent Fund Dividend?

The Permanent Fund Dividend is unearned income, and nobody is entitled to it. It is the result of a program that was implemented when the state had extra money, it is apparent to me that we are not currently in that situation. As such the Permanent Fund Dividend should end. I fail to see the fairness of taking earned income from one group of people to provide unearned income to another group. While this may allow some legislators to feel good about using the Permanent Fund to redistribute wealth, it is not right.

My preference is to end the current Permanent Fund Dividend Program, and to use those monies necessary to adequately fund the government that Alaskans collectively desire. All extra monies generated by the fund should be placed into the corpus of the Permanent Fund, to build the fund until it is adequate to provide for the needs of future generations of Alaskans. The entitlement mentality of many people in this era of Alaskans expecting a Permanent Fund Dividend at the expense of our government and future Alaskans should be ended.

While I clearly would financially benefit from the implementation of a personal income tax rather than using the Permanent Fund earnings for its intended purpose, my belief is that a consequence of implementing a personal income tax will be that higher wage earners will avoid moving to our State, and that it may also cause higher wage earners to leave. This is not the Alaska that we should plot for future generations. We should be proud that we do not have an income tax, and I believe that we should be ashamed of ourselves if we choose to implement an income tax while not obtaining a fair tax on our

nonrenewable natural resources AND as necessary using the Permanent Fund earnings for its intended purpose.

While I am not asking for you to ensure that my financial best interests are looked out for, I do ask that you do what is fair. Do not implement an income tax so that you can redistribute the earned income of some to others.

Thank you for this opportunity to testify!

Don Fritz

[BETH FREAD·WEDNESDAY, FEBRUARY 8, 2017](#)

This January, Senator Michael Dunleavy made two presentations explaining a 4-year plan that he had worked on for 3-4 months that allows Alaska to cut its way out of its fiscal dilemma. Last year, Senator Dunleavy consistently heard many of his constituents in the Mat-Su say, “Cut the Budget, leave the Permanent Fund structure alone, and don’t look for new revenues until you cut the budget.”

Senator Dunleavy had also heard the Governor, the unions, the Rasmuson foundation and several business leaders/ government contractors say, “Alaska can’t just cut our way out of this fiscal crisis, we need more revenues (taxes, fees and fines) as well.”

The Senator decided to test both theories. In October he went to the Legislative Finance Office and the Permanent Fund Corporation and asked them to ‘run the numbers’. After months of testing, refinement and re-confirming those analyses, he learned that we could fix the problem in 4 years through gradual cuts to the budget and using existing reserves.

If implemented for Fiscal Year 2018 (FY18), the Senator, Legislative Finance and Permanent Fund numbers crunchers, developed a 4-year reduction plan that will use existing reserves and budget reductions without any new or increased revenues out of voters’ pockets. The plan begins with \$300 million in budget reductions for 3 years (FY18, 19 and 20) and \$200 million in budget reductions the final year (FY21), to bring Alaska’s governmental spending (Unrestricted General Fund, Administrative Operational Fund and Dedicated Fund) down to about \$8.3 Billion by FY21.

The first year, the plan taps into all reserve funds (i.e., Earnings [ER], Constitutional Budget [CBR] and Statutory Budget [SBR] reserves, the Alaska Higher Education Fund, the Power Cost Equalization Fund (PCE) and Alaska Housing Capital Corporation reserve (AHCC)) for FY18. In FY19, only the CBR, PCE and the ER will be used. In FY20, only the ER will be needed to supplement the budget.

Once again, Senator Dunleavy’s plan does not include raising or adding any new revenues to government, nor does it change the purpose or calculations for the Permanent Fund or Dividends in any way. In fact, this plan doesn’t even account for the Caellus, Armstrong and Conoco Phillips anticipated revenue streams that may begin as early as 2022. As the Senator has said, “Our economy is in recession and we have the highest unemployment rate in the nation. Now is not the time to ask the private sector to give more to government while Alaskans are out of work and businesses are on the ropes.”

Governor Hammond’s ‘50/50 plan’ is the corner stone of the Senator’s plan. It does not eliminate or cap the Dividends Alaskans receive from the Permanent Fund Earnings. Since Alaska is in a recession, and UAA ISER’s report last spring indicated that the Dividends provide a stabilizing source of revenue for Alaska’s economy, the last thing the Senator wants to do is ‘play’ with the Permanent Fund. Economists like ISER’s Dr. Goldsmith and Nobel Laureate Dr. Vernon Smith report that during a recession, the more money government can leave in the private sector the better off the state’s economy is as a whole.

Senator Dunleavy has stated, “This fiscal situation we find ourselves in needs to be solved this year. We are running out of time and resources to make it happen. In doing so, all Alaskans need to pull together and make sacrifices to get us through this difficult transition. Taxing Alaskans, and/or taking the PFD to

cover the large fiscal gap is not necessary. Substantial reductions, however, are needed so existing resources currently at our disposal can be deployed to get us on a path to a sustainable budget.”

The final question to Senator Dunleavy’s presentation was, “how can we, specifically, help?” His request was that we communicate with the legislature and the Governor. Let them know that we understand there is a way out of this that doesn’t include going into the citizens’ pockets. The ‘50/50 Plan’ needs our support and cooperation. Alaska can safely and sanely trim its budget, just like heads of Alaskan households have. We need to encourage streamlining of governmental functions. We need to rally behind these efforts and let our political leaders know that we are standing behind them in fighting for affordable budgets and services.

Deborah Holland

The budget will not be balanced by taking money from people who voted for you.  
I have lived here fifty two years and living here at the poverty level has not been easy, but I never abandoned Alaska. Please abandon the poor to balance Government spending.  
This is our land too.  
Perhaps you will not be affected by robbing the PFD to pay for government spending. But how will you sleep at night knowing you took funds from fellow Alaskans?

The money you feel you need can be found elsewhere. You could initiate a sales tax or an income tax.

VOTE NO ON house bill 115 income tax PFD cut VOTE NO Oppose the PFD and fund restructure VOTE YES on house bills 21 and 22, Senate bill 1 and 2 to pay back Alaskans 670 million you took from them in 2016

And most importantly  
Support Public Vote YES to pass legislation requiring a 2017 PFD advisory vote by the people of Alaska to decide if PFD WILL BE USED FOR GOVERNMENT SPENDING THIS YEAR

NO PFD CHANGE WITHOUT THE PEOPLES CONSENT.  
Sincerely, Ruth M Bueneman

WE WILL REMEMBER WHO GAVE US A VOICE AND WHO IGNORED US



When you tax something you get less of it. HB 115 would tax all Alaskans and result in fewer people living in this state and thus less revenue than is expected to be generated by it. Since the fiscal crisis began I have been telling my state representatives to reduce the size and scope of the state government to a sustainable level within the current level of revenue. That has not been done.

I have gone to the website [alaskapolicyforum.org](http://alaskapolicyforum.org) and educated myself on this issue. There are two articles there A Budget Plan for Alaskans, which is a summary of Senator Dunleavy's path to a sustainable budget, and Ordinary Alaskan Citizens Challenge Legislators with Specific Budget Cuts with an attached form called FY2017.Solutions. Every Alaskan should read them. They both show how we can get to a sustainable state budget without taxing every Alaskan.

HB 115 seeks to tax our way out of the fiscal crisis. There are not enough people living in this state to accomplish this. The consequences of the bill's enactment would be a reduced state population and weakened economy.

We have foolishly spent an estimated 500 million dollars on the Alaska LNG Project when it will not be economically feasible for another 2 or 3 decades. The private sector should pay for and build it. We should not waste one more dollar on the LNG project. That is why when you come to me and tell me to open my wallet and give you my money my answer is NO! You were sent to Juneau to get the size and scope of state government down to a sustainable level. Do your job.

Stephen Arthur Senisch  
Wasilla, Alaska 99623

To whom it may concern:

Please stop talking the PFD...PERMANENT fund. Taxes that all pay even if visiting here is more helpful. But taking away something that helps us get through the winter and puts money back in the economy is like cutting off your nose to spite your face. We also shouldn't be doing both of those things. Cut out raises for legislature, reduce programs, cut out frivolous flights for the governor. He needs to halt more of his spending too help reduce this gap in spending and the budget.

Sincerely,

Nancy Wold  
Wasilla, Alaska

Dear Sirs,

I am writing in opposition to HB115 as presently written. My opposition to the bill is with regards to the implementation of an Alaskan income tax. My belief is that a state tax (income tax or sales tax) should never be implemented in this state unless the day comes where a combination of a fair tax on our nonrenewable natural resources and the earnings from the Permanent Fund is unable to pay for the government that Alaskans collectively demand. If there comes a time for a state tax to be necessary, I believe that it is fairest to consider a sales tax rather than an income tax. Otherwise, you create the situation where those that do not pay an income tax (better than 50 percent of Alaskans) vote for the best government that they desire, all at the expense of the productive incoming earning members of our state.

While I believe that our leaders have failed over the last several decades to adequately save money for when our oil income eventually stops, and that our legislature is currently willfully failing us in collecting a fair share of oil revenue, I feel that it is absolutely wrong to tax peoples earned income while at the same time providing a Permanent Fund Dividend. It is clear to me that doing so is simply a form of wealth redistribution.

Please note that I would clearly benefit financially from the proposed wealth redistribution scheme that is HB115, yet I am adamantly opposed to HB115 and I find it deplorable that an income tax is being considered. Why should those employees in Alaska who earn income have to give up a portion of their earned income so that I and others who earn less income or no income at all can receive additional unearned monies in the form of a Permanent Fund Dividend?

The Permanent Fund Dividend is unearned income, and nobody is entitled to it. It is the result of a program that was implemented when the state had extra money, it is apparent to me that we are not currently in that situation. As such the Permanent Fund Dividend should end. I fail to see the fairness of taking earned income from one group of people to provide unearned income to another group. While this may allow some legislators to feel good about using the Permanent Fund to redistribute wealth, it is not right.

My preference is to end the current Permanent Fund Dividend Program, and to use those monies necessary to adequately fund the government that Alaskans collectively desire. All extra monies generated by the fund should be placed into the corpus of the Permanent Fund, to build the fund until it is adequate to provide for the needs of future generations of Alaskans. The entitlement mentality of many people in this era of Alaskans expecting a Permanent Fund Dividend at the expense of our government and future Alaskans should be ended.

While I clearly would financially benefit from the implementation of a personal income tax rather than using the Permanent Fund earnings for its intended purpose, my belief is that a consequence of implementing a personal income tax will be that higher wage earners will avoid moving to our State, and that it may also cause higher wage earners to leave. This is not the Alaska that we should plot for future generations. We should be proud that we do not have an income tax, and I believe that we should be ashamed of ourselves if we choose to implement an income tax while not obtaining a fair tax on our nonrenewable natural resources AND as necessary using the Permanent Fund earnings for its intended purpose.

While I am not asking for you to ensure that my financial best interests are looked out for, I do ask that you do what is fair. Do not implement an income tax so that you can redistribute the earned income of some to others.

Thank you for this opportunity to testify!

Don Fritz

Attention Alaska Finance:

Please restore the PFD to the Alaskans! Many of us rely on that annual money in order to pay our bills, keep a roof over our heads, buy medications we need to survive and purchase food and other personal items. Without the PFD, much of the population will be forced to relocate to the lower 48 where retail items and other services are nowhere near as expensive as they are here in the great state of Alaska. I love this area, but my family and I will no longer be able to afford to live in Alaska if the PFD is not reinstated. Please return to the people what is rightfully theirs!

In deep sincerity,

Jennifer Clinton

# WORD CLOUD / > STATEMENT LIST

MAY 10, 2016

- "EVERYTHING IS ON THE TABLE !"

ALL GOVERNMENT IS BASED SOLEY ON THE WILL OF THE PEOPLE !

ALASKA HAS A CHANCE TO LEAD THE WAY FOR THE REST OF USA

THIS IS A BIG STAKES ENGAGEMENT

SYMPTONS, SYMPTONS, AND SYMPTONS,,,

DRIVER, CAUSATION, SOURCE,

RESOLUTION AND PREVENTION

WHERE IS OUR \$2 BILLION DOLLAR ITEMIZED BUDGET MODEL

----- - 90 DAY PEOPLES CONGRESS IN ANCHORAGE ON CAMERA

UNHURRIED, EDUCATIONAL, AUDIT, REVIEW AND DISCUSSION OF ALASKA FUTURE – ALL ASPECTS --- ALL  
22 AGENCIES + -- PERS AND TERS , ETC..

DRILLED DOWN AND SOURCE VERIFIED DATA !!!

ACCOUNTS PAYABLE

ALL RETIREMENT PAYOUTS

ALASKA AIRLINES PAYOUTS FOR ALL PUBLIC FINANCED TRIPS

YOU CANNOT EAT THE MONEY !

THEY / WE HAVE LOST THE MISSION

WHAT IS THE MISSION

FOUNDATIONS COME FROM UNDENIABLE PRIORITIES

WE HAVE TO RECONSTRUCT /

LIFE ESSENTIAL ENERGIES / SERVICES

ESSENTIAL SERVICES

AMENITIES > NEEDS AND WANTS

SOURCE OF ALL COMMERCE + = 2 ENTITIES

SINGLE FAMILY DWELLING / HOME

SINGLE FAMILY DWELLING / RENTAL

PUBLIC EMPLOYEES AND SERVICES

PUBLIC EMPLOYEES AND COMPENSATIONS

\$10.00 \$15.00 OR \$20.00 PER HOUR ONLY

TERM LIMITS ON PUBLIC EMPLOYEES

FREE ENTERPRISE SYSTEM DEFINITION

ALL BUSINESS IS A PRODUCT, SERVICE OR SOLUTION !

THE SINGLE FAMILY DWELLING TAXES FOR MATERIAL COSTS ONLY !

CAPITAL MOVE TO ANCHORAGE NOW – NO LONGER IN JUNEAU

GOV SHOULD JUST LIVE THERE FROM NOW ON ,, HOWS THAT WORK

THE PROCESS OF ELECTING OUR PUBLIC LEADERS IS BROKEN

REMOVING  
ACCOUNTABILITY OF

THE PUBLICS BUSINESS IS PUBLIC,,, PERIOD.. NO MORE SECRETS  
TRUE AND ACTUAL IMPACT COST ACCOUNTING  
COMPLETE AND UNDENIABLE TRUTHS,, NOT PARTIAL TRUTHS

INDIVIDUAL FREE WILL AND FREEDOMS  
MANDATES VERSUS,,CURRENT AND FUTURE REALITIES

## PERMANENT FUND AND OUR DIVIDEND

1977 ? 35 YEARS,,,STATE GOV HAS TAKEN %70 OF THE OIL REVENUE  
PUBLIC EMPLOYEES ARE OUT OF LINE,, OFF THE EDGE  
COLATERALIZE OUR PERMANENT FUND FOR SOME PROJECT

TAXES  
OIL TAX CREDITS  
RESTRUCTURE OUR PUBLIC EMPLOYEE SECTORS TO FLAT WAGES  
BANISH CRIMINALS  
STOP ALL WELFARE OR CONTRACT OUT  
EDUCATION SYSTEM IS OUT OF LINE

ENABLERS COLUSION, CO COLABORATORS  
CIRCULAR POINTING ENTITIES  
PAUL KENDALL



Stop trying to steal from the citizens of Alaska.

The PFD is my share of the royalties.

Vote NO on HB 115.

Cut non-essential services.

Stop catering to lobbyist.

Balance the budget by cuts and monies from the Reserve of the Permanent Fund.

Do not restructure the PFD.

No new taxes are needed at this time.

Government needs to shrink.

Senator Dunleavy has presented a reasonable plan. Give it a chance.

I HAVE TO LIVE WITHIN MY MEANS, SO SHOULD THE STATE OF ALASKA.

Angry in Anchorage,

Deborah Holland

Re: "An Act relating to the permanent fund dividend; relating to the appropriation of certain amounts of the earnings reserve account; relating to the taxation of income of individuals; relating to a payment against the individual income tax from the permanent fund dividend disbursement; repealing tax credits applied against the tax on individuals under the Alaska Net Income Tax Act; and providing for an effective date."

My name is William Topel from Anchorage, but I have lived and traveled in other parts of Alaska. I'm an Alaskan resident since 1966, having graduated from the University of Alaska Anchorage in 2016, and I'm representing myself today. I'm testifying today regarding HB 115. I urge a NO vote on this and will explain why, given the time constraints.

We need a vision to get us through this fiscal crisis. The first part of that vision is the Sustainable Budget macroeconomic approach conceived by Alaska's own ISER (Institute of Social and Economic Research) and Prof. Scott Goldsmith with no need for taxes or a cut to the PFD or a change to the Permanent Fund. A second part of that vision is zero-based budgeting that prioritizes essential services first while making spending cuts as explained in the microeconomic approach by the citizen groups United For Liberty and the Alaska Policy Forum. A third part of that vision is implementing Gov. Jay Hammond's 50/50 approach for the continuance of the Permanent Fund and the use of part of the Permanent Fund Earnings Reserve AFTER Permanent Fund Dividend (PFD) distribution. That way, essential government services will be paid along with the peoples' PFDs. The PFDs belong to the people of Alaska, not state government. State government already has access to 75% of all income into Alaska while depositing 25% into the Permanent Fund. There should be NO modifying of the Permanent Fund without a vote of Alaskans, since the Permanent Fund is enshrined in the Alaska Constitution in Article IX Section 15, and that document also tells us that all political power is inherent in the people in Article I Section 2. After all, the Musk Ox Coalition, with some of its members present today, in May 2015 advocated a vote of the people before tampering with the Permanent Fund. A fourth part of that vision is promoting economic development of our natural resources which will produce more tax revenues, so let's get more oil into our pipeline, not less by "killing the goose that laid the golden egg," so to speak.

This bill has many problems and will create an economic divide during this recession in Alaska. ISER's study from March 2016 showed that capping the PFD has the most damaging effect on the overall Alaskan economy. ISER's study from October 2016 revealed that the cap "will likely increase the number of Alaskans below the poverty line by 12-15,000 (2% of Alaskans)." Reducing the PFD last year not only withdrew over \$650 million from the Alaska economy, but, due to the economic multiplier effect of 1.4, also took almost \$1 billion from the Alaska economy, which hurt many retail businesses resulting in thousands of jobs lost. When combined with income taxes, you will be hurting those Alaskans who are the working poor in the private sector, many in rural Alaska, and the elderly on fixed incomes. When combined with capital gains taxes too, then you will be hurting many in the middle class who would sell their homes, businesses, or stocks and mutual funds. These taxes will mean less money in the pockets of the people, which will mean less private sector jobs. The affluent, including most government employees, will be the only ones who will not have their lifestyles altered dramatically should HB 115 pass. Where is the fiscal note for the cost of an Alaska IRS with more state employees to monitor both state and federal income taxes on Alaskans? This bill does NOT consider BOTH income and jobs impacts but further exacerbates economic disparity while maintaining government largesse.

Let me quote from the Alaska Department of Labor's Alaska Economic Trends, January 2017 issue, from the article "More Job Losses Are Expected in 2017" by Caroline Schultz:

“More downstream job losses are expected this year. After a 2.0 percent employment decline in 2016, the state is forecasted to lose 2.3 percent, or about 7,500 jobs, in 2017. (See Exhibit 1.) This reflects decline in nearly every major industry, but while the net loss will likely be bigger than in 2016, direct oil-related losses are expected to slow. This year will be characterized by widespread reductions in the service industries that depend on consumer spending, which will be dampened by lost wages and lower confidence.” (<http://labor.alaska.gov/trends/jan17.pdf>).

The State of Alaska has a bad track record of managing its spending over the past decade. Don't continue that trend by shifting the burden to the average citizen through taxes and tampering with the Permanent Fund. Please don't pass HB 115 out of committee. Thank you for your time.

**WILLIAM M. TOPEL  
6707 MINK AVE.  
ANCHORAGE, AK 99504  
(907)333-1234, wmtopel@yahoo.com**

**TESTIMONY TO HOUSE FINANCE COMMITTEE OF ALASKA LEGISLATURE**

**February 17, 2017**

Re: "An Act relating to the permanent fund dividend; relating to the appropriation of certain amounts of the earnings reserve account; relating to the taxation of income of individuals; relating to a payment against the individual income tax from the permanent fund dividend disbursement; repealing tax credits applied against the tax on individuals under the Alaska Net Income Tax Act; and providing for an effective date."

To: Representative Neal Foster (Co-Chair), Representative Paul Seaton (Co-Chair), Representative Les Gara (Vice Chair), Members Representative Jason Grenn, Representative David Guttenberg, Representative Scott Kawasaki, Representative Dan Ortiz, Representative Lance Pruitt, Representative Steve Thompson, Representative Tammie Wilson, Representative Cathy Tilton, Representative Mark Neuman (Alternate), Representative Louise Stutes (Alternate). (Email: [house.finance@akleg.gov](mailto:house.finance@akleg.gov)).

My name is William Topel from Anchorage, but I have lived and traveled in other parts of Alaska. I'm an Alaskan resident since 1966, having graduated from the University of Alaska Anchorage in 2016, and I'm representing myself today. I'm testifying today regarding HB 115. I urge a NO vote on this and will explain why, given the time constraints.

We need a vision to get us through this fiscal crisis. The first part of that vision is the Sustainable Budget macroeconomic approach conceived by Alaska's own ISER (Institute of Social and Economic Research) and Prof. Scott Goldsmith with no need for taxes or a cut to the PFD or a change to the Permanent Fund. A second part of that

vision is zero-based budgeting that prioritizes essential services first while making spending cuts as explained in the microeconomic approach by the citizen groups United For Liberty and the Alaska Policy Forum. A third part of that vision is implementing Gov. Jay Hammond's 50/50 approach for the continuance of the Permanent Fund and the use of part of the Permanent Fund Earnings Reserve AFTER Permanent Fund Dividend (PFD) distribution. That way, essential government services will be paid along with the peoples' PFDs. The PFDs belong to the people of Alaska, not state government. State government already has access to 75% of all income into Alaska while depositing 25% into the Permanent Fund. There should be NO modifying of the Permanent Fund without a vote of Alaskans, since the Permanent Fund is enshrined in the Alaska Constitution in Article IX Section 15, and that document also tells us that all political power is inherent in the people in Article I Section 2. After all, the Musk Ox Coalition, with some of its members present today, in May 2015 advocated a vote of the people before tampering with the Permanent Fund. A fourth part of that vision is promoting economic development of our natural resources which will produce more tax revenues, so let's get more oil into our pipeline, not less by "killing the goose that laid the golden egg," so to speak.

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including most government employees, will be the only ones who will not have their lifestyles altered dramatically should HB 115 pass. Where is the fiscal note for the cost of an Alaska IRS with more state employees to monitor both state and federal income taxes on Alaskans? This bill does NOT consider BOTH income and jobs impacts but further exacerbates economic disparity while maintaining government largesse.

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The State of Alaska has a bad track record of managing its spending over the past decade. Don't continue that trend by shifting the burden to the average citizen through taxes and tampering with the Permanent Fund. Please don't pass HB 115 out of committee. Thank you for your time.

To whom this may concern:

Hi,

My name is Dustin Scalisi. I have lived in Palmer Alaska for 12 years now. I'm writing this email to express my frustration with the PFD cuts. All I hear is the State of Alaska constantly complaining that they are out of money. Then the day after I see a plow truck plowing and sanding an already plowed and sanded road. Mind you it's 40 degrees above zero out side. Every where I look I see the State wasting money. Please don't take my money if the plan is to continue to waste it. Why not figure out a way to cut the budget in areas that it's currently being wasted? Please reconsider your idea before you take money away from thousands of Alaskans who, like me, have disabled family member and are barely making it by.

Sincerely,

Dustin Scalisi

To: Representative Paul Seaton, Chair, and the House Finance Committee Members,

From: Juanita Cassellius, Eagle River, Alaska

2/17/2017

Dear House Finance Representatives,

NO TO HB115. NO TO A PFD CAP IT IS A REGRESSIVE TAX. NO TO RESTRUCTURING THE FUND WITHOUT PUBLIC CONSENT.

If you want to vote on taxes and fees, do not connect this legislation to a PFD cap. Any vote on new revenue from Alaskans has the best possibility to pass if the Legislature approves a vote for a Constitutional Amendment to guarantee the PFD (SJR1).

You have a difficult job, and I appreciate your effort to serve ALL Alaskans (including future generations) with the solutions you support. Only by engaging Alaskans for their consent on a budget plan can you succeed with a budget plan. The Permanent Fund belongs to Alaskans, we have a right to approve changes such as a POMV and restructuring the PFD. If you think it is time to use Fund earnings for government, then pass SJR1 to give Alaskans a vote to guarantee a PFD. We need this protection for the PFD.

Attached below is a petition located at Change.org with almost 1300 signatures against restructuring the PFD and Fund without a public vote. Also, these Alaskans support SJR1 for a PFD guarantee to protect Alaskans from a regressive tax, a PFD cut.

Thanks to House Finance Staff for getting this testimony on record,

Juanita Cassellius

Petitioning Alaska Legislature

**DEFEND Our PFD and Fund NOW**



I am against the state using the PFD for stating spending. The state needs to cut back on their spending.

--

Thank you!

LaVerne Pettigen  
Assistant: Rebecca Guyer  
The Pettigen Team  
Herrington & Company, LLC

Dear Legislators,

I am writing to follow up on my testimony.

You cannot tax your way to prosperity. To suggest taking \$25.00 per head will solve our manufactured crisis is laughable. Taking half of our dividend didn't solve the crisis, why would a \$25.00 head tax do so? [Based on version E]. All this legislation does is alter the decision by households to leave Alaska. Given a choice of Alaska or Washington or Texas, which would you choose: The one with an income tax and capital gains taxes or the one without?

HB115 is not the solution to the state's temporary fiscal crisis. This bill will create a larger long term problem. The capital gains tax combined with the income tax will simply result in people leaving the state and assets to lie fallow--a large increase in absentee ownership as they walk out the door of the state. This is not conducive to diversifying the economic base of the state or in the state's longer-run economic growth.

Second, There are several sources of increases in revenue in both the short term and immediate term that

1) There has been a dramatic increase in value to the PFD which will result in greater revenue from the fund.

2) There will be a greater increase in Federal Impact Aid this year from Obama's executive actions. Federal Impact Aid is 97% of the educational budget according to past testimony.)

3) What happened to the marijuana tax revenue that was supposed to fix our state budget?

4) By 2021, Willow should be on-line, or close to it (\$300 million barrels) and Smith Bay soon after. Smith Bay is roughly 80% of our current oil reserves.

( <http://www.forbes.com/sites/ellenrwald/2016/10/06/alaskas-10-billion-barrel-oil-discovery-what-you-need-to-know/> and <http://fuelfix.com/blog/2017/01/13/conocophillips-found-what-could-be-300-million-barrels-of-oil-in-alaska/> )

I further oppose the shift in valuation in the PFD as detailed in HB115. This will politicize the PFD corporation.

There is a lot of talk of "taxing the outside workers." In the end, it will cost far more to track down the revenue from outside workers than will be gained.

HB 115 is bad legislation. I encourage you to reject this bill.

Sincerely,

Barbara Haney, Ph.D.  
North Pole, Alaska

KENAI LEGISLATIVE INFORMATION OFFICE

Email: Kenai\_LIO@akleg.gov

Phone: 907-283-2030 / Fax: 907-283-3075

WRITTEN TESTIMONY

NAME:

CRYSTAL SCHÖENROCK

REPRESENTING:

BILL # or SUBJECT:

HOUSE FINANCE 115

COMMITTEE:

DATE: 2/17/17

Taking the PFD is not the answer. Cannabis is already paid \$145,800 thru Dec. 2016. So that was only for 2 or 3 months, so think, how much do you think you will make in a yr? My business is down 25% to 30% because of Oil Layoffs. Just how much do you think that Alaskans can pay. People are moving out. You people have to cut gov. spending & lay off some state workers. I know you have someone in your office who can multi task so maybe you could lay off 2 or 3 people.

I would like for you to check out Helene & do Random Drug test. He voted on the once on welfare had 3 yrs. to get training, going to school or have a job. I have some on welfare wait for their checks & run out & buy drugs. So, do something about this because you could save a bunch of money. I'm getting tired of supporting the ones who really don't need it. There is so many that know how to work the system & also disabled, that are not really that disabled. I feel if people have 2 or 3 children when they get on welfare then if they have another, then there will be no more money increase in the checks they now receive. As it is now everytime they have a kid they get a raise in the welfare check. STOP this madness.

To All,

I am a Valley resident and I totally disagree with the proposed 15% tax for we as a people can not afford a tax.

First and up most we need a Sales Tax vs a State income Tax.

Secondly, we need to cut the budget first and there is still a lot to trim.

Thirdly, cut the numbers off welfare and create jobs.

Forth, demand that Anchorage reduce its social program agenda and be forced to pay its own share of expenses.

We need to end the tax exemption to those who are in the oil and gas industry

If we do have a state tax then you have to prove that you are responsible of managing a budget, otherwise we will continue to run amuck and support socialism.

As a small business owner, it is very difficult to earn a living and sill pay taxes. When it comes down to it the tax will be the burden will be paid by those who work vs all Alaskans. As we know well, those who are living on welfare and low income will be exempt from this tax. Where in reality the burden should be held by all.

You pass this tax there will be term limits and consequences for your actions, for the people are not happy nor impressed. Yes, the days of good old boys are over.

V/r

Dixie Banner

VOTE NO ON HB115!!!!

Kristen Steward

Greetings to the House of Representatives Finance Committee,

Please accept my opinion as a strong indication of my ***lack of support*** for a personal income tax in Alaska, and for HB 115.

I am in favor of legislators in the both the Senate and House bodies making themselves familiar with Mr. Brad Keithley's presentation regarding Jay Hammond's "original" 50/50 plan.

While this plan does access the Permanent Fund Earnings, it does not either reduce the Permanent Fund Dividend to Alaskans, nor does it impose an Income tax on Alaskans.

The presentation on this plan is called "Alaskans for Sustainable Budgets", and can be accessed here: <https://bgkeithley.com/understanding-alaskas-budget/>

Thank you for this opportunity to submit my opinion, and thank you for your service to Alaska.

Warmest regards,

Tammy Randolph  
North Pole, AK 99705

I currently reside in North Pole Alaska. And I want all House Representatives to vote NO on this BILL

Ross & Kailei Bryant  
North Pole, AK 99705

1952  
February 17, 2017

State Revenue Restructuring Act HB115  
Testimony Garvan Bucaria

My name is Garvan Bucaria. I represent my self and any other Alaskan who agrees that before enacting HB115 you make specific "Smart Budget Cuts" to bring the State budget in line with current revenue to: encourage increased Oil production, stimulate the Permanent Fund Corporation to maximize investment returns, maintain diversification while minimizing risk under the existing Permanent Fund System

I oppose passage of HB115 and a shift to a % of Market Value System.

It politicizes the Permanent Fund Corp. heretofore somewhat apolitical.

HB115 forces changes to the Permanent Fund Corporation Investment Strategy

it risks eventual desolution of the earnings reserve by Legislators

it threatens the solvency of the corpus of the Permanent Fund.



I oppose HB115's imposition of a State Income tax that promises to add significant staff to the department of Revenue and imposes retirees and other individuals <sup>large</sup> small businesses with more economic burdens to their future.

I oppose the HB115's propaganda four (4) Pillar Plan that if passed would deepen the state's recession and would accelerate the exodus of our residents.

Cut the LNG Pipe dreams this Governor persists in funding.

Paula Buckner  
P.O. Box 970998  
Wasilla, AK 99687

**PLEASE VOTE NO..... on House Bill 115**

This bill will NOT help Alaska or the poor

working Alaskans.

JUST how much is it going to cost to implement this Bill???

Thank YOU.

Marie Smith

The state Government has increased spending many times over this decade alone.. our family's live within our means and so should our government.

Before any talk of income tax begins,  
All new government programs passed in the last 15 years need to come under review

And a detailed summary of the benefits and fairness to the public needs to stand under public .

Please keep in mind  
due to the recent loss of the PFD, even the otherwise uninformed will soon be participating at the ballot box.

Patrick Toms

My name is Michael Widney and I reside in Big Lake AK. I'm an active member of the AK Republican Party in House District 8. Former Governor Jay Hammond warned Alaskans that our representative, servant government would come for the People's portion of the Permanent Fund after they had mismanaged the portion set aside for funding State Government. Now, rather than take the fiscally responsible actions necessary to solve the State's budget crisis many members of the House and Senate want to steal The People's money through both restructuring the PF and numerous various tax schemes. This is unacceptable. Numerous individuals and organizations have laid out the road map that would lead to a responsible fix including Senator Dunleavy and United For Liberty to name just two. I support Senator Dunleavy's plan. I oppose any plan that includes stealing from The People. Those House Reps and State Senators who proceed forward on the path of theft through restructuring the PF and, or taxation are hereby put on notice that your 2018 Primary season has begun. Thank you for your time. God Bless.

Mike & Susie Widney



Please enter into the record my testimony to the

House Finance Committee

Committee name

Committee on

HB 115

Bill/Subject

, dated

02/17/17

Don't cut our way into the 3rd world.  
Yes to higher PFD: more demand in  
the economy, more jobs! Yes to an  
income tax! No to a sales tax!

The poor spend more of their income by  
necessity: take advantage of the basic  
Principles of economic multipliers.

We can survive this and grow if we're  
smart and keep our integrity in the  
face of a failed School of supply-side  
economics.

Signed:

Testifier

D-10 Democratic Chair

Representing (Optional)

1852 East Carey Rd, Wasilla, AK 99654

Address

907-315-2401

Phone number

Vote no on HB115

Jenni Haire

# *House of Representatives Finance Committee Public Testimony*

*February 17, 2017*

*1:30 PM*

Greetings House of Representatives Finance Committee,

Please accept my opinion below as a strong indication of my lack of support for a personal income tax in Alaska. Thank you for the opportunity to do so and for your service to our state of Alaska.

I would also take this opportunity to ask you become familiar with Mr. Brad Keithley's presentation on the lack of a need for this legislation. The link is: <https://www.slideshare.net/bgkeithley>

\*\*\*\*\*

*A Personal Income Tax*

# Alaska's Last Tax

By

Gary Wilken

February 2017

[garywilken@me.com](mailto:garywilken@me.com)

As the current state budget crisis continues to challenge us, and its potential severity to all of Alaska's residents continues to evolve and become more widely known and understood, the search for additional revenues streams to support Alaska's General Fund operating and capital budgets will be methodically and dutifully explored. Each stream will have its own benefits and each its own detractors. You, our elected leaders will each have to make a list, some real, some virtual, ranking the order of each of these revenue options. I respectfully suggest a personal income tax should be at the bottom of every list. Alaska may need it some day, but it should be "*Alaska's Last Tax*". Below for your consideration, I offer my support for this position.

## 1) *An income tax is a "broad based" tax.....* *Is it?*

What is "broad based" about a tax that takes only from the working families and the retired of Alaska to support government? A personal income tax is not a broad based tax at all - it taxes only a portion of Alaska's population of 735,000: those being only the working people and those on fixed pensions.

## 2) *Wait a minute - but an income tax "gets" that out-of-state worker*

Yes it does, true. However, in 2015 they represented 20% of the workforce and 15% of the earned income. That darned U.S. Constitution makes us tax residents and non-



residents alike, so I ask, "Do we tax 100% of the Alaskan income earners and seniors just to get even with the 20% out-of-staters we're mad at?"

It's like going after a fly with a hammer; there has to be a better way.

### 3) Every state has an income tax..... we should too

This statement is often repeated and widely accepted but is in fact, false. Six other states do not have an income tax and have figured out a way to fund their government without one. For the record, those states are: Florida, Nevada, South Dakota, Texas, Washington, and Wyoming. For the record it shouldn't go unnoticed that of the seven, five are resource states (counting Alaska).

It's true: Alaska is the only state without an income tax or a sales tax. Some apologize for that as if it were a bad thing. Wow! I suggest we celebrate. We should sit back, rub our bellies, and, rather than rush to the family checkbook, remember none of those states (or any of the other 43) have \$66+ billion in the bank and only 735,000 state residents.

### 4) An income tax grows government spending and is expensive to administer

In HB 115, to have an income tax in Alaska would require 60 new employees and cost \$7.5 million per year to administer. (It should be noted this *Fiscal Note [DOR-TAX-2-11-17]* which is the Department of Revenue's estimated cost and must by law be attached to this legislation, is being met with considerable skepticism as it is modeled after the State of Montana. Montana has only a third more residents than Alaska but it employs 155 state workers (meaning 120 in Alaska if pro-rated down per capita). So the real cost in dollars and manpower after implementation may be significantly greater than \$7.5 million per year and 60 employees projected by the Administration.

So just at the time we should be shrinking state government, we are instead making it larger and more expensive (60 or more new bureaucrats and \$7.5 million in new costs) just to collect a contentious tax from a select group of Alaskans.

5) *A personal income tax promotes government spending*

An income tax is imbedded in the revenue stream and continues to inject tax money into the income stream whether state government needs it or not. Such a tax would be taking money out of the family checkbook even if it were not needed. Goodness knows the legislature had more money than they could count 2007 - 2013, so they spent two dollars for every one dollar saved. All an income tax would have done in those years would have given them more money to spend rather than leaving the money in the checkbooks of Alaska's working families and pensioners.

6) *A personal income tax brings no "new" money into our economy*

An income tax is simply a transfer of money from the working citizens to the government. With an income tax we are just "doing each others laundry" and no new dollars are created and then injected into our economy. Any economist will tell you the economic multiplier of an income tax is exceedingly weak.

7) *A personal income tax will require a significant and time-consuming effort to become law*

An income tax is always at the bottom of every public opinion poll taken. It's just not a widely popular tax. To attempt to pass legislation for such a tax requires time, money, and

legislative talent. Those assets should be better used to pass more efficient and achievable legislation in order to create needed additional revenues.

### 8) *Alaskans' nest eggs are world class*

We currently have over \$65 billion spread across the world's investment market and contained in additional balances in the Constitutional Budget Reserve, the Permanent Fund Earnings account, and others as well. The world's best money managers, on the behalf of 735,000 Alaskans, manage these funds. Our wealth is truly "world-class" and we shouldn't apologize for one minute. Instead Alaskans should embrace the reality that we possess the talent to utilize this nest egg for the benefit of all Alaskans spread equally over all of Alaska. Before we throw up our hands and start funding state government just from the resources of the working class and our seniors, we must be creative and we must be bold in utilizing the resources which bless our owner state.

### 9) *"Skin in the Game....."*

It is commonly suggested that if 43% of Alaskans paid a personal income tax then there would be some "*skin in the game*" and 100% of Alaskans would have better government.

In 2004, when we were hundreds of millions (\$600 GF) out of balance, the subject of income taxes as a solution to solve the problem was bantered around and the "skin in the game" argument was rampant as it is now. My office did research to see if there was any empirical evidence that a proved a personal income tax created or sustained "better government". We found no such evidence. The skin put into supporting government comes from the wallets of working families of Alaska and we could find no proven correlation with the quality of government.

## 10) Conclusion

I respectfully suggest a document for your review and use. It's an interesting five-page document, published in June of 2015 by the Walker administration, and it lists possible new revenue enhancements (taxes). Some are obvious and talked about daily (gas tax, sales tax, oil tax, PF Earnings, et. al.) and some are more subtle and unknown (increase level ten in the state's corporate income tax structure, collect a medical provider tax, et. al). I suggest that this document be a sounding board when the subject of a statewide personal income tax surfaces. Please not only ask yourself, but also ask others to answer the question: if an income tax creates a revenue stream coming only from our workers and our seniors, isn't there a better way? A way that spreads the burden of government across all Alaskans, will capture new revenues, won't grow the bureaucracy, and is achievable.

I think you will conclude there is and a personal income tax should really be "*Alaska's Last Tax*".

Thank you for your service and your consideration.

*Gary Wilken*

Gary Wilken

Fairbanks Alaska

February 17, 2017

\*\*\*\*\*

I want you to vote NO on HB115!!!!

Thank you!

Jessica Bryant

**WRITTEN TESTIMONY FOR;**

**COMMITTEE:** HOUSE FINANCE

**CHAIR:** House Finance Chair & all Committee Members

**BILL:** HB 115

**SPONSER:** House Finance Committee

**DATE & TIME:** 02/17/2017 @1:30

My name is ERIC WEATHERS, I live on Hawkins Island in Prince William Sound. For the record I **oppose** HB 115.

The people (the real working class) you're trying steal the money from are already living under the poverty level. Cut the government, we cannot afford you. Thieves should be in prison not in the state house.

ERIC J WEATHERS

Cordova, Alaska

This bill (HB 115) should never even leave committee. We need to rein in spending before new revenue -  
- otherwise the cuts will never happen. It's the height of arrogance to say "I'm done cutting" when  
virtually no cuts to ongoing programs have been done. Sen. Dunleavy's plan is a good alternative to this  
ill-conceived bill.

Elyce Santerre  
Chugiak, district 12

**After Giving away of Our ACES Oil Tax Revenue!  
Budget Solution?**

**Big Wolves are howling Folks.  
around our Fund!**

**A PFD Theft As a  
Rally**

**Our AK Permanent Fund is not a part of the Constitutional Budget Reserve Fund. It never was. The two funds are totally separate. One provides for State Government expenses. The other provides a Nest Egg for all of the People of Alaska, both current and future residents. We the People own all Alaska's resources.**

No one has the legal authority to take money from the Alaska Peoples Permanent Fund without a referendum vote from “WE the People”. The Fund was set up in 1976 by an amendment to our constitution not by the Legislature, but by a public vote of “We the people”, as the Alaska Permanent fund. Then in 1980, the current dividend program was created by statute, mandating roughly 50% of the earnings from the fund be dispersed to all Alaskans Annually. 50% of the Fund’s earnings, were legally mandated by Statute. When in 1989 then governor Tony Knowles asked permission of the people to use money from the fund for government expenses, 84% of the people roared NO! Since then our good Ex-Governor Sarah Palin filled our coffers to overflowing with our ACES form of oil tax income. Sarah Palin had to be driven out of Alaska. The dirty bastards club saw to that.

In June Governor Walker illegally used his veto powers to overrule laws already legally enacted in 1976 and 1980, to cap this fall’s dividend at \$1000. Essentially (he says) saving the fund \$666 million in dividend payouts. He took \$1000 from many poor Alaskan’s, all legally mandated to be paid. The Governor has broken our 1980 State Law without authority from Congress or the Public. He has broken State Law. His veto power does not extend to enacting a new law. He is our elected governor, not a Dictator. Congress alone has authority to Enact new law. He should obey laws already passed.

1. Now he wants the Fund to pay \$700 million back to the oil companies. We can’t afford those oil tax credits AND HE JUST HASN’T GOT THE GUTS TO VETO THEM OUT OF EXISTENCE AND CANCEL THEM ENTIRELY.
2. He wants you and me to pay for them out of the Fund, no less.

Governor Walker wants to pitch “Oil Tax Credit Investments” to our Permanent Fund Board. Suggesting; Proposal could be a money maker for the Fund. No Deal.

The state government has overspent by \$Billions each year. No more big spending. Now, it is "cut back" time. So wake up folks and get used to it. But it need not be so. We are overflowing with money. However, we will take most unkindly to theft from our fund. We did not elect a gang of Mafia Robbers to the legislature. We elected Senators and Representatives most of whom instead of representing us, have betrayed us by giving away our ACES income form of taxation to the oil company giants. Let us no longer continue to subsidise those Giants with Oil Tax Credits and reduced taxes under SB21? When SB21 was being promoted by then Governor Parnell, all sorts of oil production promises were made which failed to materialise. Very well then, they failed to keep their promises, so the simple solution to our Alaskan financial situation



is to rescind SB21 and re-enact ACES, automatically backdating it to the implementation of SB21. If those Oil companies cannot work without State Welfare Tax Credit subsidies, then Goodbye folks! All others welcome.

Now the state Legislature and our Governor are looking around in desperation, they only have a small Constitutional Budget Reserve backup fund with less than \$12 Billion. Why not put that \$12 Billion into the permanent fund as an advance payment of interest at 10% against Tax Exempt State issued bonds, which the fund could profitably buy at the rate of approx., \$5 Billion each year. The Fund could then use those bonds to pay its lawful dividend recipients. As the dividends increase each year there would be more and even more money available to purchase new State Bonds. Government budgeting expenditures plus interest payments on bonds already issued, would just need to be limited to the total of the money available for the payment of each year's PFD's. Thus we'd have an endless supply of cash serving the Government and the public. The money just needs to be passed around and paid for, by 10% Tax exempt State bonds, and a limit imposed on Government spending. If the Government fails to pay interest due on the Bonds, the fund would simply refuse all further government loan applications. Thus our fund needs to function totally independent of the Governor and the State Legislature, selecting its own board members by a public vote on all nominations submitted by its own existing executive board. The Fund need not be robbed and its purpose, in fact, enhanced. If the Governor needs money desperately, then let him issue state bonds which will help the fund counter inflation.

Rescind SB21 and Re-Enact ACES oil taxes. Stop giving away our oil tax revenues. Permanent Fund monies belong to "We the People" of Alaska. Let's keep it that way. **Our AK Permanent Fund is not part of the constitutional Budget Reserve Fund.** You've had your Fund and your share. We the People, have Ours. Pay the People their due dividends. Pay Up. Obey the law as enacted in 1980.

John J Kiernan Anchorage AK 99502-1984

**WRITTEN TESTIMONY FOR;**  
**COMMITTEE:** HOUSE FINANCE;  
**Chair,** House Finance Chair & all Committee Members  
**BILL:** HB 115  
**SPONSER:** House Finance Committee  
**DATE & TIME:** 02/17/2017 @ 1:30 PM

My name is DENNY KAY WEATHERS, I live on Hawkins Island in Prince William Sound. For the record I **STRONGLY OPPOSE** HB 115. I also think this bill was so poorly written that a person almost needs a lawyer to decipher it.

Anytime an economic downturn or problem is perceived you politicians immediately want to increase taxes, or target "The Permanent Fund Dividend Program" (PFD) instead of really cutting the budget. Throwing more money into the state's coffers will not help ease the states deficit because you politicians will just spend that money too. Just like during the construction of the Pipeline in the 1970's oil companies' flooded the state coffers with \$900 million and the Legislature spent it all within a few years (see attached article). That is why Gov. Hammond and the people of Alaska set up the PFD. Alaskans knew they had to do something to safeguard the money from the politicians and government overspending.

Unfortunately our legislators cannot seem to operate within a budget; there is still rampant overspending to gain promises and perks from those special interest groups. Alaska's Politian's have created an enormous debt by the lack of a balanced budget and overspending and the misguided belief that you can get Alaskans to pay for anything you want. Representative Seaton, Gara, and Gutterburg have been working as legislators in Juneau over fourteen (14) years and Representative Neuman for twelve (12) years and I have not seen them make any real cuts yet just talk, Career Politicians at work.

As for dipping into the PFD; since the creation of the Permanent Fund Dividend Program, many Alaskans have become accustom to it, like a yearly income. This may be their source for buying yearly groceries, paying their rent, heating fuel, gas to get to work, a way to pay off credit cards. The Governor has already created a hardship for those Alaskans that had desperately needed the PFD in 2016. After the Governor cut the PFD last year, sales went down throughout Alaska, businesses cut jobs and more Alaskans are moving to the lower forty-eight where it is cheaper to live. That does not sound like good government.

For over 40 years I have been dealing with Alaska legislators, most of which are career politicians willing to spend Alaskans money on special interest groups to garner votes and perks so when you leave the legislature you can move on to cushy government positions or become lobbyist at the expense of Alaskan's. Alaska does not need any new taxes nor do we need to

surrender the PFD. What we need is to **CUT GOVERNMENT** and stop the **OVERSPENDING** and there are many ways to do just that.

Thank you for your time.

DENNY KAY WEATHERS  
Cordova, Alaska

Dear legislators,  
Please continue to cut state spending and do NOT consider an income tax on the people of Alaska.  
Thank you  
Cheryl Markwood