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News-Miner opinion

Pass the education tax: It's a fast, easy way to raise money for building, caring for schools

Apr 14, 2019

Tuesday presents another opportunity to nudge a worthwhile education proposal through the sometimes sluggish legislative process. Senate Bill 50, an education employment tax proposed by Republican Sen. Click Bishop, of Fairbanks, gets a hearing before a Senate committee in the afternoon and is on the agenda of the Fairbanks North Star Borough school board in the evening.

The money raised under this tax wouldn't be used for the operation of schools. Rather, it would go toward the maintenance and construction of schools.

Sen. Bishop's proposal is simple: An annual \$30 onetime tax would be withheld from the first paycheck of every person working in the state. Those who are self-employed would have to make the payment on their own.

"It is estimated that this tax would generate \$13 million each year," the senator's sponsor statement states. "The revenue collected would be deposited into the state's general fund and accounted for separately to pay for the growing maintenance and construction needs of Alaska's schools."

The idea of a onetime annual employment tax to aid in the maintenance and construction of schools has taken on additional significance since Sen. Bishop introduced it in early February. His bill came out about a week before Gov. Mike Dunleavy proposed eliminating the school bond debt reimbursement program.

Under the existing program, the state reimburses local governments for a significant portion of the cost of bonds issued for school construction projects. That reimbursement is never guaranteed, however. In fact, the Legislature had suspended the program for a few years. It was scheduled to restart with the 2020 fiscal year.

The elimination of that program, if it were to occur, could make maintenance unaffordable for local governments, thereby accelerating the decline of some buildings and end the possibility of replacing others.

One of the good things about Sen. Bishop's proposal is that the tax would apply to people who work in Alaska but who live out of state. Sen. Bishop states that 20 percent of the approximately 440,000 people working in Alaska live out of state.

Why should these out-of-state residents pay the tax when they probably don't have students in the K-12 schools or attend the University of Alaska? They should pay because they enjoy other aspects of the state without having to pay either a state income tax or a sales tax for those services. They receive the protection of the Alaska State Troopers, for example. They travel on roads maintained by the Alaska Department of Transportation and Public Facilities. Perhaps they travel in and out of airports, which are operated by the state.

As has been mentioned here previously, this isn't a new idea. Alaska had an education head tax from 1919-80, when it was repealed. The tax was \$10 per person in that final year.

Alaska's schools and the University of Alaska have millions of dollars of maintenance needs. The list seems to grow longer every year.

We need to take care of our buildings. And with Gov. Dunleavy offering only a bare-bones capital budget this year due to the state's fiscal troubles, Sen. Bishop's bill to reinstate an education facilities employment tax seems an efficient method of raising the necessary funds.