

## Rose Foley

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**From:** Jan DeNapoli [REDACTED]  
**Sent:** Saturday, May 15, 2021 11:00 AM  
**To:** House Ways and Means  
**Cc:** Rep. Mike Prax  
**Subject:** HB 202 and HB 37

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear Representative,  
We are writing in opposition to HB 202 and HB 37.

HB 37 would establish an income tax to take hard earned money from the people of Alaska and give that hard earned money to special interests--all because the Legislature and Administration have once again Failed to live within their means. We the people have to live within our incomes--without taking from others to do it. State government--the government of the people, by the people, and for the people must do the same! Please cut the unnecessary spending from the budget and stop wasting our money.  
NO NEW TAXES!

HB 202 would fundamentally change the way the Permanent Dividend is "managed." It would exacerbate manipulation by the Legislature for the Fund's original intent and make it a political football rather than a market-driven process. Originally, each Alaskan was supposed to receive a portion of the earnings directly so that the politicians wouldn't spend it all (and then some) themselves. HB 202 would end up cutting "we the people" out of the process almost entirely. Vote NO on HB 202. The PFD must remain as it was intended.

Respectfully,  
Jan DeNapoli & Eric Cosmutto  
Two Rivers, AK

Sent from my iPhone

## Rose Foley

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**From:** Michael Dale [REDACTED]  
**Sent:** Saturday, May 15, 2021 8:10 AM  
**To:** House Finance; Rep. Kevin McCabe; House Ways and Means  
**Subject:** Stop the theft of our PFD - NO to HB 202 & HB 37

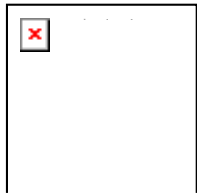
**Follow Up Flag:** Follow up  
**Flag Status:** Completed

HB 202 & HB 37 are designed to take away the PFD from the citizens of Alaska. This is theft. Statutory PFD is the only way our PFD should be done. The PFD was set up for the citizens and since that first PFD, legislators have been trying ways to steal it from the public. We elected you to office to represent us and if you were to ask any Alaskan to their face if our government should take their PFD from them, the answer would be a resounding NO. HB 37 wants an 80/20 split, even that isn't acceptable. Leave the PFD alone. Statutory PFD or resign.

To be perfectly clear - VOTE NO ON HB 202 AND HB 37.

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Michael Dale



## Rose Foley

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**From:** Jan DeNapoli [REDACTED]  
**Sent:** Friday, May 14, 2021 7:45 PM  
**To:** House Ways and Means  
**Subject:** HB 202 and HB 37 OPPOSE

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Hello,  
I would like to express opposition to these 2 house bills.

HB202 Payment of the PFD from current royalties rather than the Earnings Reserve (Merrick)

HB 37 Income Tax (Rep. Wool)

I oppose HB 202:

The current PFD regime was intended to make Alaskans conscious of state expenditures, and to protect Alaskans from the boom-and-bust cycles of the oil industry, and to allow Alaskans to enjoy CONUS prosperity without leaving Alaska, thereby mitigating population and depopulation of local communities. This bill would increase the PFD when oil money is good and reduce it when oil money is lackluster. It would make business cycles more severe in Alaska.

1) The solution is only statutory, and therefore can be repealed by subsequent legislatures- it is not the permanent solution that can withstand a court challenge should subsequent legislatures decide to ignore statute. 2) UGF dollars would be reduced by roughly 50%, 3) This bill makes the PFD payment hostage to federal policies and environmental groups that affect drilling and production 4) This bill would take public attention away from the performance of funds held the APFC & the state budget (which might be more a pro to some rather than a "con."), 5) from the perspective of peak oil theory, it would imply declining PFD payments. 6) Oil industry tax credits would have a major impact on the PFD payment, 7) it would accentuate the boom and busts and undermine the logic of the fund as conceptualized by its originators and undesirable for fiscal policy, 8) it goes into effect immediately and means this year's pfd would be less than \$500.

I oppose HB 37: The imposition of an income tax

- A) This will simply drive assets out of Alaska into Washington State, where there is no income tax.
- B) The tax will cost more in administrative costs than in revenue
- C) Every single forecast of the Revenue from this tax is based on an Alaska before 2018. Alaska has lost a significant portion of their population (data from DOLWD) and the revenue estimates from an income tax greatly overstate the revenue collected.

Please vote to represent your constituents. Thank you.

Jan DeNapoli  
Two Rivers, AK 99716

9 [REDACTED]

Sent from my iPhone

## Rose Foley

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**From:** Kendall Young [REDACTED]  
**Sent:** Friday, May 14, 2021 2:35 PM  
**To:** House Ways and Means  
**Subject:** HB 37 and HB202

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Good afternoon,

My family and I stand in direct opposition to HB37. The reason that we moved here was because of the fact that there was no income tax, regardless of high cost of living. Now, on the tail end of a pandemic, someone decided it was a good idea to burden families with more taxes, when our dollars are buying less and less as it is.

Anyone who stands with this bill should be voted out of office on the next possible election. I'm not alone in that sentiment.

Concerning HB202, changing the formula on the PFD, or touching the money that the people of Alaska are rightfully entitled to is a non-starter. Turning it into feast or famine, as opposed to the formula that had worked for years is something that me or my friends are against. If the budget needs to be scorched earth to accomplish that, then so be it. My family has had to cut back this year due to reduced income. Perhaps it is high time for Juneau to be responsible as well, without dipping their pockets into other people's money.

Thank you,  
Kendall

## Rose Foley

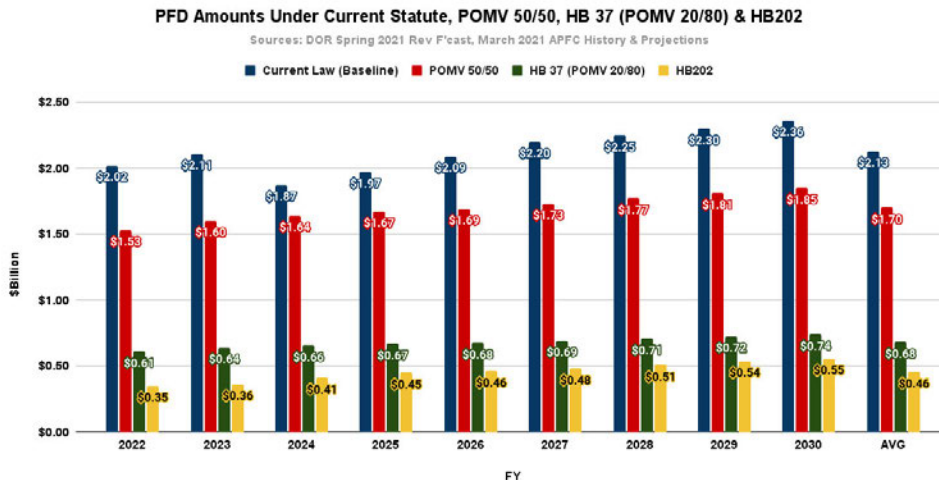
**From:** Brad Keithley <bgkeithley@gmail.com>  
**Sent:** Friday, May 14, 2021 12:44 PM  
**To:** House Ways and Means  
**Cc:** Rep. Ivy Spohnholz; Rep. Adam Wool; Rep. Andy Josephson; Rep. Calvin Schrage; Rep. Andi Story; Rep. Mike Prax; Rep. David Eastman; Rose Foley  
**Subject:** Comments on HB 202 & HB 37

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

On behalf of the Alaskans for Sustainable Budgets project, this is to provide our comments on HB 202 and HB 37. For the reasons outlined below, we oppose HB 202 and HB 37 as originally proposed. As discussed in III. below, however, we could support HB 37, if modified as proposed in that part.

### I. Introduction

Both HB 202 and HB 37 propose significant reductions to the current statutory PFD. For reference, below we compare the PFD levels proposed by the bills, together with that proposed by the Governor this week (POMV 50/50), to the current law baseline.

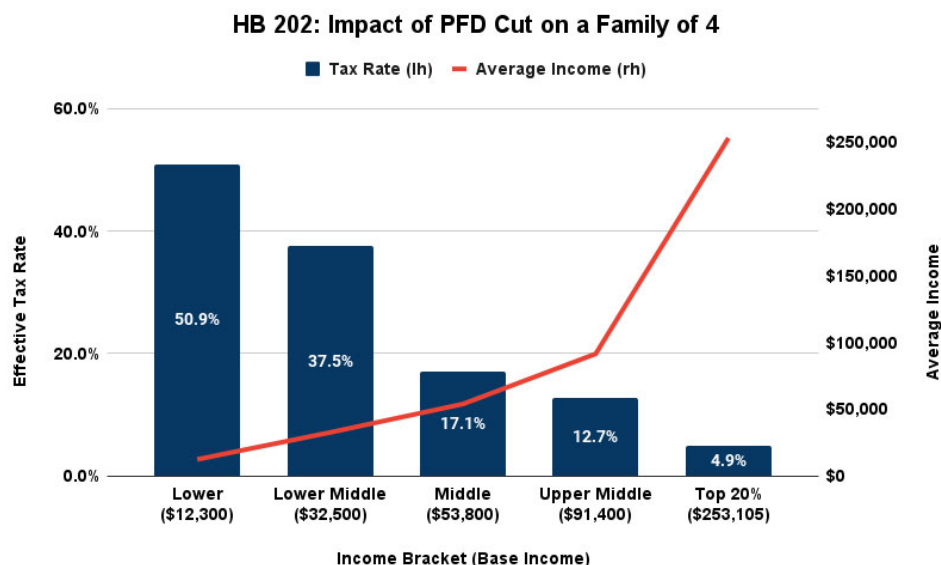


The bills propose the reductions in order to divert to government a significant portion of the revenues that otherwise would go to Alaska families under current law. The impact is far from even across all families, however. Some would forego a much greater percentage of their income than others. Put another way, under both bills some families would be required to contribute more (be taxed more) - much more as a percent of their income - to pay for government than others.

### II. Distributional Impact

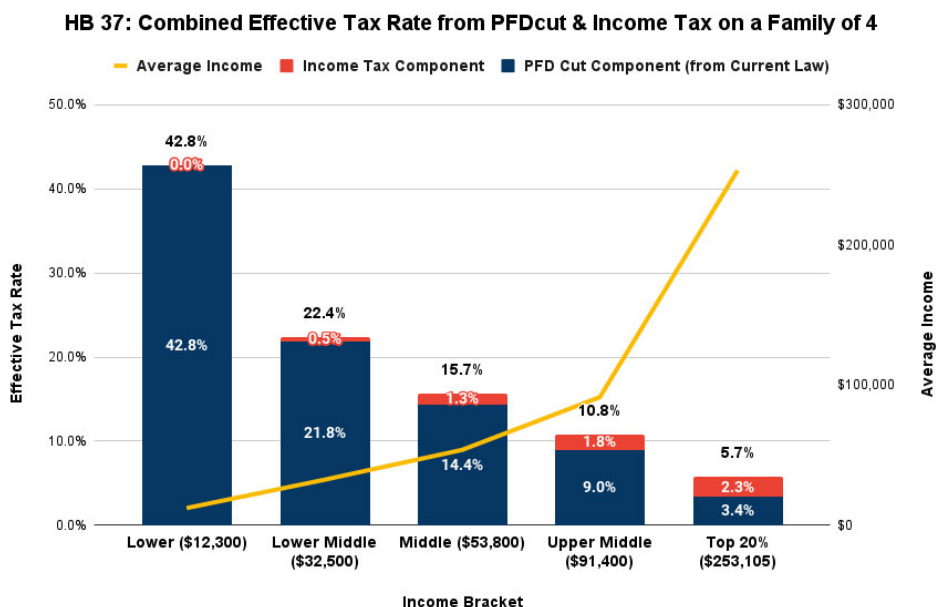
To assess their impact on Alaska families we have calculated by income bracket the percentage change in income (effective tax rate) for a family of 4 under each bill. The average base income level for each bracket is taken from the [December 2020 ITEP Study](#) (Appendix A). The percentages are calculated by adjusting the base income for the current law PFD and applying the cuts from that current law baseline proposed by each bill.

The results for HB 202 are as follows:



As shown, the results are hugely regressive, with low income (Lower 20%) Alaska families contributing more than 10 times, middle income Alaska families more than 3 times and even upper middle income families more than double the amount contributed by upper income families.

HB 37 is structured somewhat differently. In addition to the reduction in the PFD, the statute also proposes an income tax which, while stated as a flat rate, is somewhat progressive in effect due to the inclusion of a standard deduction and exclusion of the PFD from income. Nonetheless, because of the size of the proposed PFD cut, the overall impact remains substantially regressive.



Low income (Lower 20%) Alaska families still contribute more than 7 times, middle income Alaska families nearly 3 times and even upper middle income families nearly 2 times the amount contributed by upper income families.

As we said when we [presented to the Committee](#) earlier this session (at p. 11), not only are such results inequitable, using PFD cuts (or in the case of HB 37, mostly PFD cuts) to close the deficit have the "largest

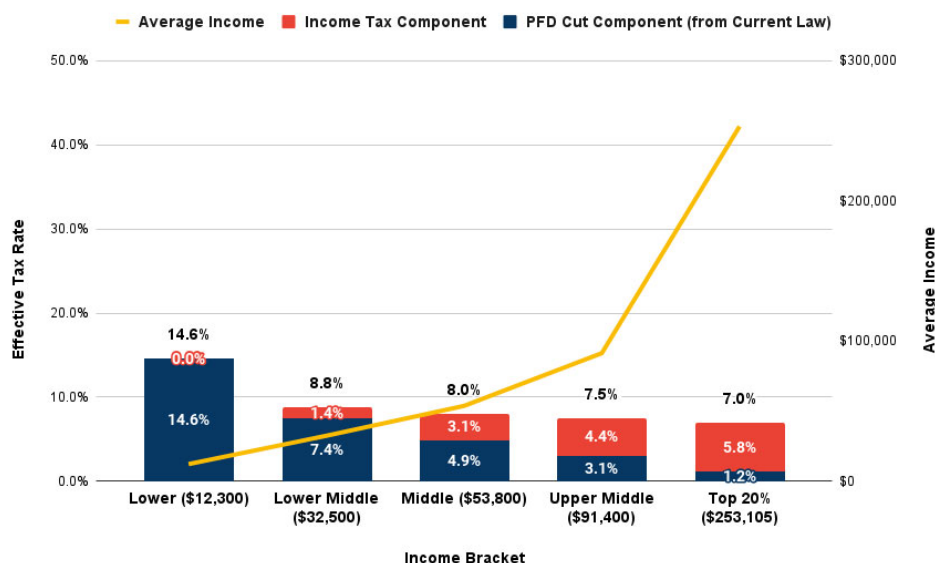
adverse impact" of all the various revenue options on both the overall Alaska economy and Alaska families. For that reason we oppose both HB 202 and HB 37 as written. There are much more equitable and lower impact approaches.

### III. Proposed Modification of HB 37

Indeed, by amending HB 37 we believe the Committee could develop one such, more equitable/lower impact approach.

Our concern with HB 37 largely revolves around the size of the PFD cut. Reducing the size of the PFD cut (to POMV 50/50), offset by increasing the size of the tax component (to 6.5%) to maintain the same overall revenue level, would produce a much more equitable, lower impact result.

**Modified HB 37: Combined Effective Tax Rate from PFDcut & Income Tax on a Family of 4**



While still regressive, the disparities between income brackets would shrink significantly. Moreover, under such a modified approach, *all* income brackets other than the Top20% would see a significant reduction in their combined tax rate from that resulting under either HB 202 or HB 37, as originally proposed.

A middle income family of 4, for example, would see their effective tax rate decline from 17.1% (HB 202) and 15.7% (HB 37, as originally proposed) to 8.0% (Modified HB 37). An upper middle income family of 4 would see their effective tax rate decline from 12.7% (HB 202) and 10.8% (HB 37, as originally proposed) to 7.5% (Modified HB 37). Only upper income (Top20%) families would contribute more under HB 37, as modified, than the other options, but even then they would still be called on to contribute less than every other income bracket (the remaining 80%) is contributing.

Such a result is not only more equitable, it would substantially reduce the adverse impact of the proposed bill on both Alaska families and the overall Alaska economy.

### IV. Conclusion

For all of these reasons, we oppose HB 202 and HB 37, as originally proposed. They create a hugely regressive and inequitable burden among Alaska families, leading to large adverse impacts on both those families and the overall Alaska economy.

We could support HB 37, however, if amended as proposed in III. above. By substantially reducing the

regressivity of the original proposal, the bill would significantly lower the adverse impact on both Alaska families and the overall Alaska economy.

We also note that HB 37's income based, "flat" approach is critical both to the fairness and our support of a modified bill. Substituting a sales tax as the tax component, for example, would go in the opposite direction, increasing the regressivity of the impact. As we noted in our earlier [presentation to the Committee](#) (at 11), after PFD cuts, "sales taxes would be the next costliest measure for households with children." As explained in [ITEP's 2017 study](#):

... general sales taxes tend to be regressive, impacting low- and middle-income families more heavily than high-income families when measured as a percentage of household income. This effect comes about largely because low- and middle-income families spend a larger fraction of their earnings on items subject to sales tax, while high-income families direct a large share of their income into savings and investments.

HB 37's balance, as modified, depends on maintaining a flat (to slightly progressive) counterbalance to the regressivity of the PFD cuts. Substituting a sales tax for the current tax component would simply stack one regressive approach on top of another, doubling down on bad.

We appreciate the opportunity to submit these comments.

**Brad**  
**Brad Keithley**  
**Managing Director, Alaskans for Sustainable Budgets**

Cell/Txt: 214-675-0038

Links: [linktr.ee/bgkeithley](http://linktr.ee/bgkeithley)

Mail: 645 G Street, Suite 100, No 796, Anchorage, Alaska 99501

Web: [AKforSB.com](http://AKforSB.com)





## Rose Foley

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**From:** Glenn Cravez [REDACTED]  
**Sent:** Friday, May 14, 2021 10:00 AM  
**To:** House Ways and Means  
**Subject:** HB 202

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Good morning, I am writing in support of HB 202. Alaska needs to get its fiscal house in order and stop “kicking the can down the road.” We are running out of savings other than the permanent fund itself. We need to ensure the State funds essential government services before handing out money in the form of dividends. Broad based taxes are going to be necessary – we all know that. It’s time to face reality.

Thank you for your consideration and service. Glenn Cravez. 2810 Kingfisher Drive, Anchorage, Alaska 99502.

Glenn.

Law Office of Glenn E. Cravez, Inc.  
880 N Street, Suite 203  
Anchorage, Alaska 99501  
(907) 276-3370  
(907) 274-8201 (fax)  
[www.cravezlawmediation.net](http://www.cravezlawmediation.net)

## Rose Foley

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**From:** [REDACTED]  
**Sent:** Thursday, May 13, 2021 5:30 PM  
**To:** House Ways and Means  
**Subject:** HB 202

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

We strongly support this reasonable approach to a long term solution for determining the amount of the permanent fund dividend. It will eliminate the ridiculous, adolescent efforts by candidates to bribe voters with unwise, often impossible, promises of huge dividends. Plus, it would save the state time and money by eliminating the legislative time spent in settling on a dividend amount. Please, do what's best for the state.

Martha and Tom Nelson  
Anchorage, Ak. 99507

## Rose Foley

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**From:** Moira Ireland [REDACTED]  
**Sent:** Thursday, May 13, 2021 12:14 PM  
**To:** House Ways and Means  
**Subject:** HB202

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Hello - I am an Alaskan from Kenai, Alaska. I am greatly concerned with the fast track style of House Bill 202, without appropriate review OR comment from the public. I urge you to reject the "fast track" of this bill and insist on the minimum of sending it through the appropriate process that includes public consideration, comment and review. As an Alaska citizen, I do NOT support the proposed change to the PFD language or the proposed changes to the calculation of the PFD or use of the fund or interest earnings in HB202.

Thank you

Moira Ireland

## Rose Foley

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**From:** Thomas Jefferson [REDACTED]  
**Sent:** Thursday, May 13, 2021 11:29 AM  
**To:** House Ways and Means; House Finance  
**Subject:** reject HB202

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Folks,

The dividend does not belong entirely to you, I ask you to cease and desist in your efforts to loot our part of it. I was a citizen of Alaska when the fund was created, I remember clearly the intentions behind it.

If anything, the state should be putting more into the principle of the fund in order to grow it larger, faster. I would also suggest Alaskan citizens be allowed to invest directly into the fund with returns from our individual contributions being added to our individual dividends. The AK permanent fund is, after all, a mutual fund and perhaps it should be treated as such.

Please vote HB202 down. Open up Alaska, reduce burdensome, pointless regulations and let people do what we do best... pursue our own self interests.

Thanks for your time

Kenneth L. Wells  
[REDACTED]  
Eagle River, AK 99577  
[REDACTED]

**Come to the Dark Side.**  
[We have cookies!](#)

## Rose Foley

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**From:** Francesca A [REDACTED]  
**Sent:** Thursday, May 13, 2021 11:22 AM  
**To:** House Ways and Means; House Finance  
**Subject:** No HB 202

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Stop the theft. Follow the original statute. Stop your spending. Balance the budget like adults.

Why is there no public testimony and why is this being fast tracked? Get your greedy hand off the people's royalties. You still have to pay our unpaid royalties. Stop the theft now!

Francesca Allegrezza.  
Sent from my iPhone

## Rose Foley

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**From:** [REDACTED]  
**Sent:** Wednesday, May 12, 2021 10:51 PM  
**To:** House Ways and Means  
**Subject:** PFD

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

To our representatives: What in the heck are you people doing down there. People like me are really getting pissed. Give us our PFD and quit messing around. You are not representing the people and you are hurting the poor. Stop HB202 do not pass that !!!  
Heidi Stoll

## Rose Foley

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**From:** [REDACTED]  
**Sent:** Wednesday, May 12, 2021 11:18 AM  
**To:** House Ways and Means  
**Subject:** HB202 & HB104

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

I oppose both of these bills !

Sent from [Mail](#) for Windows 10

## Rose Foley

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**From:** Denise Allen [REDACTED]  
**Sent:** Wednesday, May 12, 2021 9:15 AM  
**To:** House Ways and Means; House Finance  
**Subject:** HB202

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Legislators;

Please stop HB202 and give the people of Alaska a statutory PpFD!

This State has been in receipt of millions if not billions of dollars in Federal dollars to help with Corona virus problems. A larger than large problem are the people out of work, behind in rent and mortgage payments and many living off of the generosity of food banks. The people have tightened their belts as far as they can and still breathe! How about you, as our elected officials, for once in your careers give up your special interests this year and tighten your belts while restoring the people's faith in the people that were elected?

One legislator actually let it get out that people won't know what to do with that much money all at once! How dare they?

Just when the five year average got up to the higher amounts is when Walker decided to put his sticky fingers into the "shared amount" of oil wealth and start curtailing the people's PFD amounts.

STOP using it to balance the budget! Learn to live within your means just like everyone else!

As a last thought- Have any one of YOU missed a paycheck?

We haven't forgotten and we are watching for a much better outcome from you.

Sincerely,

A voter

Denise Allen

Anchorage resident



## Rose Foley

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**From:** [REDACTED]  
**Sent:** Tuesday, May 11, 2021 5:45 PM  
**To:** House Ways and Means  
**Subject:** Oppose HB 202 & 37

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Honorable members of the House Ways and Means Committee,

My name is Adam Hykes, and for the purpose of this email. I represent myself as well as my wife Kayla Hykes. We are both residents of district 31 in Homer.

We oppose HB 37  
We oppose HB 202

The repeated replacement of "corporation shall transfer" with "legislation may appropriate" is a continued insult to Alaskan citizens who for the last 4 years have not been given the dignity of voting on THEIR money.

Furthermore, the tactic of holding hearings for these bills without an opportunity for public testimony is underhanded.

This is especially egregious given that you all plan to create a statewide income tax with hb 37. That subject alone had better be given several days for public testimony.

Respectfully,  
Adam & Kayla Hykes

**From:** [Pakak Boerner](#)  
**To:** [Rose Foley](#)  
**Subject:** FW: HB 202 and HB 37  
**Date:** Saturday, May 15, 2021 11:23:59 AM

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**From:** Barbara Tyndall [REDACTED]  
**Sent:** Saturday, May 15, 2021 10:01 AM  
**Subject:** HB 202 and HB 37

Dear Representative,  
We are writing in opposition to HB 202 and HB 37.

HB 37 would establish an income tax to rob the people of Alaska and give their money to special interests--all because the Legislature and Administration have once again Failed to live within their means. We the people have to live within our incomes--without taking from others to do it. State government--the government of the people, by the people, and for the people must do the same!  
NO NEW TAXES!

HB 202 would fundamentally change the way the Permanent Dividend is "managed." It would exacerbate manipulation by the Legislature for the Fund's original intent and make it a political football rather than a market-driven process. Originally, each Alaskan was supposed to receive a portion of the earnings directly so that the politicians wouldn't spend it all (and then some) themselves. HB 202 would end up cutting "we the people" out of the process almost entirely. Vote NO on HB 202.

Respectfully,  
Gary and Barbara Tyndall  
North Pole