

House Special Committee on Ways and Means

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House Bill 189 Summary of Changes Version I to Version W

A drafting error was corrected in Version W. The bill as initially drafted would have collected tax from “wages from self-employment, net earnings from self-employment, or combined wages and net earnings from self-employment,” omitting typical wages paid by an employer. Version W corrects this language to apply the education tax to “wages, net earnings from self-employment, or combined wages and net earnings from self-employment” on page 1, lines 12-13.

Version W instructs an employer to withhold the education tax from an employee’s third and fourth regular payrolls of the year. The initial Version I required withholding from the first and second regular payrolls, which may be a particularly difficult time financially for some Alaskans.

The final change redefines the income brackets and associated tax rates as follows:

Version I	
Wages/Net Earnings	Tax
Less than \$20,000	\$50
\$20,000 - \$49,999	\$100
\$50,000 - \$99,999	\$200
\$100,000 - \$499,999	\$300
\$500,000 or more	\$500

Version W	
Wages/Net Earnings	Tax
Less than \$30,000	\$25
\$30,000 - \$59,999	\$100
\$60,000 - \$89,999	\$200
\$90,000 - \$119,999	\$400
\$120,000 or more	\$600