

HB 189 Education Payroll Tax

Rep. Ivy Spohnholz
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Public education is a constitutional requirement: Article 7, Section 1:

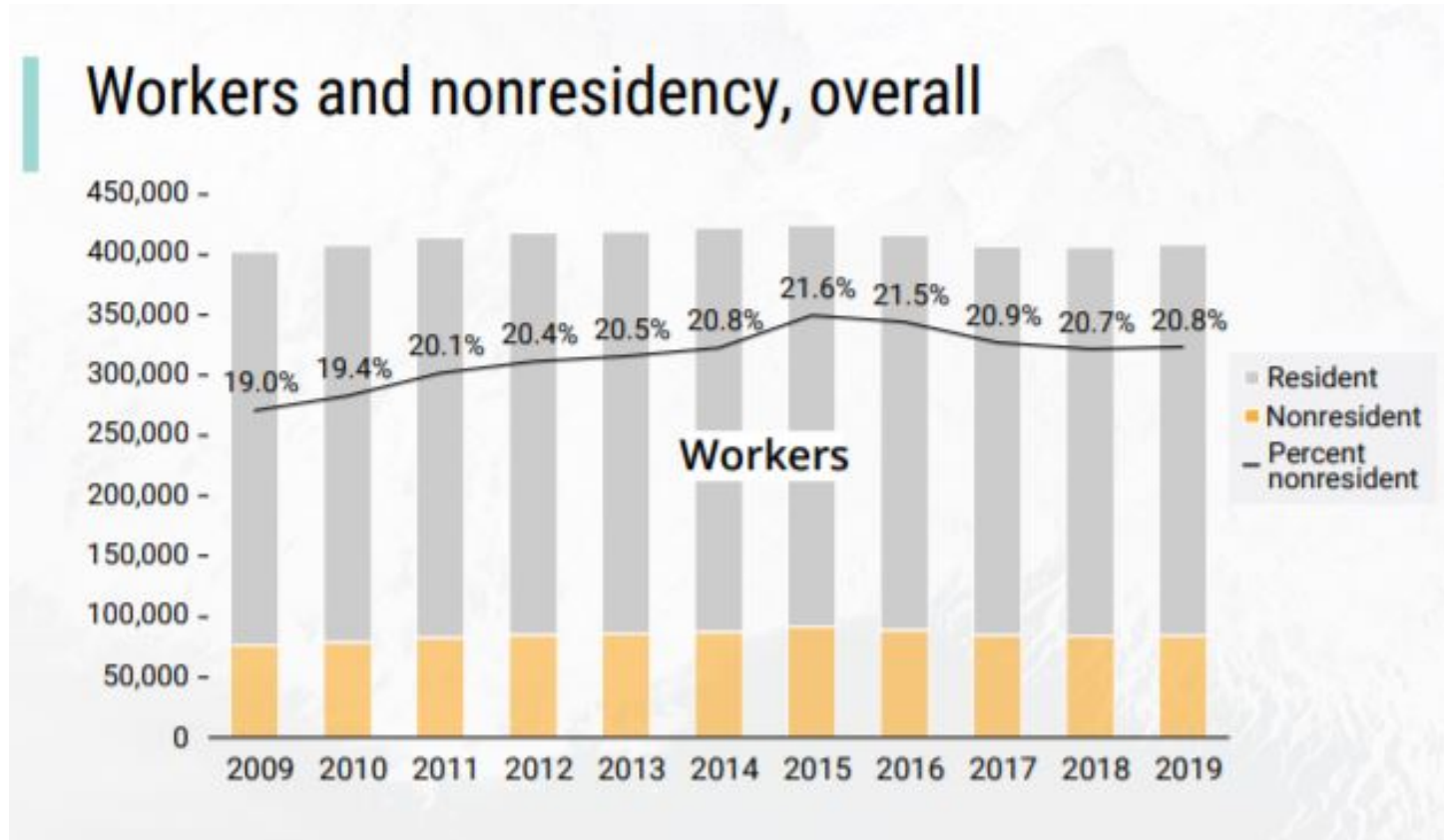
“The legislature shall by general law establish and maintain a system of public school open to all children for the state...”

HB 189

Rates by annual income level

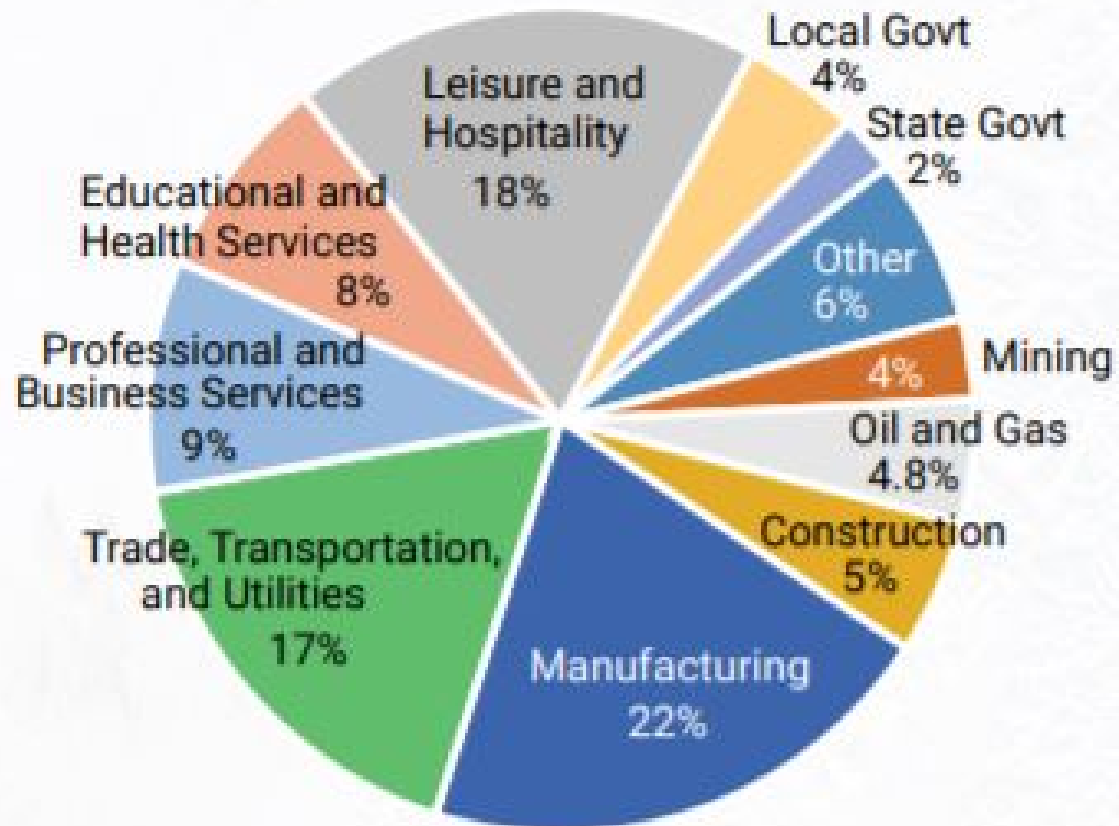
- ▶ \$25 per year for those with annual income less than \$30,000
- ▶ \$100 per year for workers with annual income \$30,000-\$59,999
- ▶ \$200 per year for workers with income \$60,000-\$89,999
- ▶ \$400 per year for workers with income \$90,000-\$119,999
- ▶ \$600 per year for workers with income over \$120,000

Who would pay?



<https://live.laborstats.alaska.gov/reshire/nonres.pdf>

Where nonresidents work



Revenue Projections

- ▶ FY23 - \$64 million
- ▶ FY24 - \$64 million
- ▶ FY25 - \$65 million
- ▶ FY26 - \$65 million
- ▶ FY27 - \$65 million

Efficient to implement

Cost: \$572,600 annually for five new position in the Department of Revenue

Administrative costs: .88% (less than 1%)

Questions?