

# ALASKA STATE LEGISLATURE



## REPRESENTATIVE ZACK FIELDS

Fairview • South Addition • Forest Park • Downtown • North Star

### **Sponsor Statement: HB 185**

HB 185 establishes a Permanent Fund Dividend income tax rebate for working class families while maintaining net-zero taxes on higher income families. Under this bill's structure, individuals earning \$75,000 and families earning \$150,000 or more would pay annual income taxes equivalent to each year's Permanent Fund Dividend (PFD), while lower income earners and all children would continue to receive PFDs.

The effect of HB 185 would be to increase PFD income to lower income Alaskans while ensuring Alaska remains a low-tax jurisdiction for higher earning individuals. By preserving childrens' PFDs, HB 185 ensures PFDs can continue to be used as an education savings device for middle class families.

There are multiple ways to set up an income tax rebate structured around the PFD. HB 185 maintains the system in which individuals receive PFDs, and maintains the Pick.Click.Give opportunities that many Alaskans use to support local non-profits. In addition, under HB 185 state agencies could continue to garnish PFDs for individuals who owe child support. This is the least disruptive method of establishing a PFD tax rebate.

Whether or not the legislature raises other revenue, HB 185 provides a vehicle to transfer additional cash support to working class and rural Alaskans for whom the PFD is most important, and it is consistent with many Alaskans' desire to establish fair and broad-based revenue measures that improve the state's fiscal stability.