

# ALASKA STATE LEGISLATURE



## REPRESENTATIVE ZACK FIELDS

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

5/4/2023

### **Sectional Analysis: HB 185**

**Section 1:** This section provides a short title: Net Zero Income Tax Act.

**Section 2:** This section adds new sections to AS 43.23.280. These sections impose a tax on each resident and nonresident income-earner. The income tax is equal to the amount of the annual Permanent Fund Dividend. Individuals earning less than \$75,000 per year are exempt from the tax, as are married couples filing together who earn less than \$150,000 per year. Dependents and their income are exempt from the tax.

Tax obligations are calculated based on the taxpayer's federal adjusted gross income. Tax returns and payment are due to the state Department of Revenue at the same time as the federal income tax return is due to the Internal Revenue Service.

The Department shall allow an individual to direct the department to hold all or part of the dividend to pay the tax. There is no change to the department's ability to garnish the PFD for other garnishments or fees, as required under law.

**Section 3:** This section provides an effective date: January 1, 2026.