

HB 185: Net Zero Income Tax

HOUSE WAYS & MEANS | MAY 16, 2023

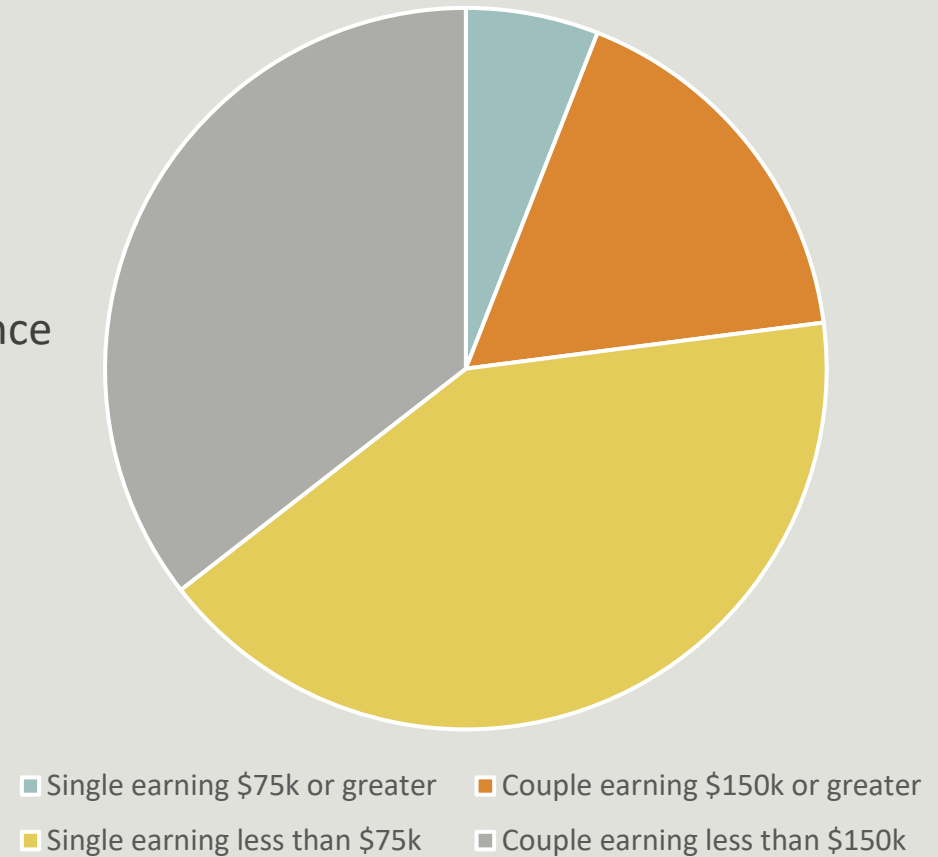
REP. ZACK FIELDS

High Earner Income Tax = Amount of the PFD

- Who pays the income tax?
 - High earners working in Alaska
- Who is exempt from the income tax?
 - Individuals earning less than \$75,000 per year
 - Couples earning less than \$150,000 per year
 - All dependents and their income

How many Alaskans will file a tax return?

- Approximately 148,000 returns
 - Single earning \$75k or greater (Blue)
 - 27,995 resident workers
 - Married earning \$150k or greater (Orange)
 - 39,980 (x2) resident workers
 - Estimated non-resident returns make up the difference
- No tax return
 - Single earning less than \$75k (Yellow)
 - 195,255 resident workers
 - Married earning less than \$150k (Gray)
 - 83,450 (x2) resident workers



Revenue Projections

Estimates range from **\$231 million** annually under a 25:75 POMV to **\$672 million** annually with a statutory PFD.

After accounting for administrative costs (\$17 million), net revenue will range from **\$214 million** to **\$655 million** annually.

Estimated Revenue Impacts (\$ Millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1. Statutory Dividend	\$ -	\$ -	\$ 559.8	\$ 587.6	\$ 671.6
2. 50/50 Split of POMV Between PFD and General Fund	\$ -	\$ -	\$ 465.8	\$ 470.3	\$ 485.6
3. 25/75 Split of POMV Between PFD and General Fund	\$ -	\$ -	\$ 231.0	\$ 232.5	\$ 240.0