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**CSHB 231(FIN)**

Amendment No. 5 was offered by Representative Kemplen:

Page 1, lines 8 and 9 (title amendment):

Delete "**the Healthy Alaska Plan, a long term financial plan**"

Insert "**long-term financial plans**"

Page 6, lines 6 - 7:

Delete all material and insert:

"Summary of the Alaska Balanced Budget Plan: This long-range plan requires further limitations and reductions on state spending. A personal income tax will help fund government and protect the permanent fund dividend. The personal income tax would be based on 31% of your federal tax obligation and provide a \$500 credit to each family member receiving the permanent fund dividend. In addition, in the first year the dividend would increase and then return to former levels. In more detail, the plan would provide as follows:

- (1) Spending Reductions: State spending would be reduced, but spending for public education would be protected;
- (2) Permanent Fund: The corpus of the Permanent Fund would be protected by making a one-time transfer \$4,000,000,000 in gains to the budget reserve fund;
- (3) Permanent Fund Dividends: The dividends would increase the first year to approximately \$2,100 and then return to levels of approximately \$1,200 to \$1,300 in following years, depending on market conditions;
- (4) Constitutional Budget Reserve Fund: The fund's annual earnings would increase to approximately \$550,000,000 a year and would be used to fund state government;
- (5) New Revenues: A state income tax would raise another \$350,000,000 a year to fund state government. The rate of state income tax would be based upon 31% of a person's federal tax minus a \$500 tax credit for each PFD receiving family member.

SHOULD THE STATE IMPLEMENT THE HEALTHY ALASKA PLAN OR THE ALASKA BALANCED BUDGET PLAN? (Vote for only one.)

HEALTHY ALASKAN PLAN [ ]  
or  
ALASKA BALANCED BUDGET PLAN [ ]"