

**HOUSE BILL NO. 381**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVES GARA, Parish**

**Introduced: 2/21/18**

**Referred: State Affairs, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act providing for an alternate rate for certain sales and individual income taxes,**  
2 **contingent on the state receiving certain unrestricted revenue; and providing for an**  
3 **alternate calculation of the permanent fund dividend, contingent on the state receiving**  
4 **certain unrestricted revenue."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
7 to read:

8 SHORT TITLE. This Act may be known as the Balanced Budget Tax Relief and  
9 Permanent Fund Restoration Act.

10 \* **Sec. 2.** AS 43.98 is amended by adding a new section to read:

11 **Article 5. Alternate Calculation for Taxes, Royalties, and Dividends.**

12 **Sec. 43.98.100. Tax, royalty, dividend calculation.** (a) Notwithstanding any  
13 other provision of law, for the calendar year immediately following a calendar year in  
14 which the state receives at least \$2,900,000,000 in unrestricted revenue from the

1 combined total of oil and gas production taxes received under AS 43.55.011 and oil  
2 and mineral royalties and net profit sharing payments received under AS 38.05.135 -  
3 38.05.181,

4 (1) if a broad-based statewide sales tax is imposed under state law, the  
5 broad-based statewide sales tax rate or rates are reduced by 75 percent;

6 (2) if a broad-based individual income or wage tax is imposed under  
7 state law, the broad-based individual income or wage tax rate or rates are reduced by  
8 75 percent; and

9 (3) the department shall calculate the amount of the permanent fund  
10 dividend in accordance with AS 37.13.140, 37.13.145, and AS 43.23.025, as those  
11 provisions read on January 1, 2018.

12 (b) Each calendar year, the department shall adjust the unrestricted revenue  
13 amount in (a) of this section by a percentage equal to the change in population and  
14 inflation since the beginning of the preceding calendar year. The determination of the  
15 change in population for purposes of this subsection shall be based on an annual  
16 estimate of population by the Department of Labor and Workforce Development. The  
17 determination of the change in inflation for purposes of this subsection shall be based  
18 on the Consumer Price Index for all urban consumers for Anchorage prepared by the  
19 United States Bureau of Labor Statistics.