

1 IN THE HOUSE BY MESSRS, STRATTON AND DITMAN

2 HOUSE JOINT RESOLUTION NO. ~~11~~ 40

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - SECOND SESSION

5 Relating to the equalization of the
6 federal net income tax liability of
7 residents of the various states.

8 BE IT RESOLVED BY THE LEGISLATURE: ^{first time} ~~OF THE STATE OF ALASKA IN~~
9 ~~SECOND LEGISLATURE, SECOND SESSION ASSEMBLED:~~

10 WHEREAS, as our intrepid forefathers, wishing to transform
11 the wilderness of the new world into a nation premised on the
12 innate equality of free men, rallied to the cry of "taxation
13 without representation", Alaskans, perpetuating the precepts of
14 their forefathers and creating a new state from the last frontier
15 of America, are now rallying to the cry of "taxation without
16 equality"; and

17 WHEREAS, this inequality is the result of the progressive
18 rates of the federal net income tax being levied on residents
19 of the various states without distinction for the cost of living
20 in these states; and

21 WHEREAS, the federal net income tax is particularly discrim-
22 inating against Alaskan taxpayers who, compared with other tax-
23 payers in the United States, have a high level of income which is
24 subject to the progressive rates of the federal income tax with
25 little consideration given to a corresponding high cost of living;
26 and

27 WHEREAS, the true level of a taxpayer's income is relative
28 to his cost of living and cannot accurately be determined by the
29 universal application of a graduated scale based on dollars

1 earned; and

2 WHEREAS, this inequitable situation is further aggrieved by
3 the standardization of the deduction permitted for each dependent
4 instead of considering the actual cost of supporting dependents
5 in the various states; and

6 WHEREAS, the increased tax burden placed on Alaskans increases
7 the cost of their products and services to the extent that it is
8 difficult for them to trade in the domestic or world markets,
9 prevents the accumulation of wealth for reinvestment, weakens
10 family life by often forcing wives to become employed and gen-
11 erally discourages people from remaining in or moving to Alaska;
12 and

13 WHEREAS, the federal government recognizes the high cost of
14 living in Alaska and the resulting tax burden where federal em-
15 ployees are concerned by paying these employees additional
16 salaries, which are exempt from the federal net income tax,
17 and yet has failed to make a similar tax adjustment for Alaskans;
18 and

19 WHEREAS, although it would be impossible to create a com-
20 pletely equitable federal income tax, an income tax more
21 equitable than the present one could be created;

22 BE IT RESOLVED ~~by the Legislature of the State of Alaska~~
23 ~~in Second Legislature, Second Session assembled,~~ that the U. S.
24 Treasury Department is urged to change the federal net income
25 tax to provide equal treatment to the taxpayers in each state
26 and that this change incorporate a cost of living index figure
27 for each state that would be used to establish a sliding scale
28 which, when properly related to the present percentage scale,
29 would result in tax equality for the residents of each state;

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1 and be it

2 FURTHER RESOLVED, that copies of this resolution be sent to
3 the Honorable John F. Kennedy, President of the United States;
4 the Honorable Douglas Dillon, Secretary of the Treasury; ~~the~~
5 ~~Honorable Stanley S. Surrey, Assistant Secretary, Department of~~
6 ~~the Treasury~~; the Honorable Mortimer M. Caplin, Commissioner,
7 Internal Revenue Service; the Honorable Harry F. Byrd, Chairman,
8 Senate Finance Committee and vice chairman, Joint Committee on
9 Internal Revenue Taxation; the Honorable Wilbur D. Mills, Chair-
10 man, House Ways and Means Committee and the Joint Committee on
11 Internal Revenue Taxation; and the Alaska delegation in Congress.

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