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Referred: Finance

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LEONARD, MILLER, WHITE AND
PARSONS

1 IN THE HOUSE

2 HOUSE JOINT RESOLUTION NO. 19

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - FIRST SESSION

5 Relating to the equalization of
6 the federal net income tax li-
7 ability of residents of the
8 various states.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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 discrimi-
22 nating 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

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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, and
17 yet has failed to make a similar tax adjustment for Alaskans; and

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

21 BE IT RESOLVED that the U. S. Treasury Department is urged
22 to change the federal net income tax to provide equal treatment to
23 the taxpayers in each state and that this change incorporate
24 a cost of living index figure for each state that would be used to
25 establish a sliding scale which, when properly related to the pre-
26 sent percentage scale, would result in tax equality for the resi-
27 dents of each state; and be it

28 FURTHER RESOLVED that copies of this resolution be sent to
29 the Honorable John F. Kennedy, President of the United States;

1 the Honorable Douglas Dillon, Secretary of the Treasury; the
2 Honorable Mortimer M. Caplin, Commissioner, Internal Revenue
3 Service; the Honorable Harry F. Byrd, Chairman, Senate Finance
4 Committee and Vice Chairman, Joint Committee on Internal Revenue
5 Taxation; the Honorable Wilbur D. Mills, Chairman, House Ways
6 and Means Committee and the Joint Committee on Internal Revenue
7 Taxation; and the Alaska Delegation in Congress.

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