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# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



May 26, 1983  
3:00pm

Butrovich room  
Capitol Bldg.

## Members Present

Senators Vic Fischer, Chair  
Senator Rodey  
Senator Ray  
Senator Sturgulewski  
Senator Kelly

---

HB 89, Relating to political campaign tax contribution credit

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Bob Manners, NEA Alaska, testified in favor of continuing the current political contribution tax credit unchanged. He recommended that the bill be signed do not pass.

A CS was before the committee which was not adopted by the committee. Instead, the version that was passed by the House was addressed.

Senator Rodey stated that he was opposed to the bill in any form.

Tom Cashen, I.B.E.W., testified against the bill. He said that it was not a good bill for the working people of Alaska.

Cherie Shelley, APEA, concurred with the previous two witnesses.

Senator Ray moved and asked unanimous consent to move the House version of the bill out of committee with individual recommendations.

The bill was moved out of committee with individual recommendations.

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HJR 7, Relating to the Election of the Attorney General  
TELECONFERENCE PORTION OF THE HEARING

---

Representative Rick Uehling, sponsor of the bill, testified in favor of the bill. He stated that the reasons for introducing the bill were that if an Attorney General were elected by the people, that person would be more responsible to the people.

Senator Ray asked Rep. Uehling a hypothetical question concerning the working relationship between the Governor and the Attorney General if

they were of different political parties.

Rep. Uehling stated that he felt that the two officials would be able to work together, and that the Attorney General would still be able to serve the people.

Senator Vic Fischer related the experiences of other states that have elected Attorney Generals. Often times, he said, the office becomes a political stepping stone.

Judge Tom Stewart testified against this resolution (the transcription is included with the minutes of this meeting).

John Havelock, Director of Legal Studies at the University of Alaska and former Attorney General, also testified against this resolution. He stated that the Attorney General is the Chief prosecutor of the state, and that the Attorney General is the Attorney to the Governor. This he gave as one reason why the Attorney General should not be elected.

Art Robeson, President fo the Tanana Bar Association, testified that the Alaska Bar is about 9-1 against electing an Attorney General.

Senator Sturgulewski made a motion to move the resolution out of committee with individual recommendations.

There was no objection. The resolution moved out of committee.

The meeting adjourned at 4.15pm.

By.

Suzanne Dyck,  
Researcher

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2300

May 26, 1983

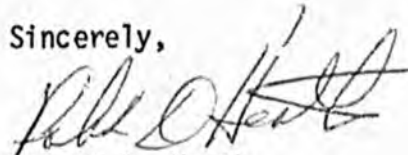
The Honorable Vic Fischer  
Chairman  
Senate State Affairs Committee  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Chairman:

In response to your request for information, of all PCC claims paid to date in 1983, the political contributions reflected on the claims break down as follows:

		%
Political candidates -	7,849	64.2
Political parties -	974	7.9
Other (committees, PAC's, issues) -	3,402	27.9
TOTAL	12,225	

Sincerely,



Robert D. Heath  
Commissioner of Revenue

RDH:EJ:ms

Sofa  
5/25/93 ✓

Original sponsors: Bettisworth  
and Hayes

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 89 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act repealing the tax credit for political con-  
7 tributions; providing for the payment of credits on  
8 contributions made prior to the effective date of the  
9 repeal; and providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. AS 43.20.013(a) is amended to read:

12 (a) A resident individual is entitled to a tax credit not to  
13 exceed \$100 for

14 [(1)] a contribution made in a calendar year to a person or  
15 organization for use exclusively

16 [(A)] for a political campaign for a candidate for

17 [(i)] President or Vice President of the United States,  
18 whether or not the candidate will be voted on in a primary elec-  
19 tion in Alaska;

20 [(2)] [(ii)] United States senator from Alaska;

21 [(3)] [(iii)] United States representative from Alaska;

22 [(4)] [(iv)] governor or lieutenant governor of Alaska;

23 [(5)] [(v)] the Alaska legislature;

24 [(6)] [(vi)] delegate to an Alaska constitutional convention;

25 [(7)] [(vii)] electoral confirmation as a judge or justice of  
26 a court in Alaska; or

27 [(8)] [(viii)] municipal office in Alaska [; OR

28 (B) BY A GROUP SEEKING TO INFLUENCE THE OUTCOME OF A  
29 BALLOT PROPOSITION OR QUESTION IN ALASKA: AND

1 (2) DUES PAID IN A CALENDAR YEAR TO A NONPROFIT ORGANIZA-  
2 TION ORCANIZED PRIMARILY FOR THE PURPOSE OF INFLUENCING ELECTIONS IN  
3 ALASKA].

4 \* Sec. 2. CLAIMS FOR POLITICAL CONTRIBUTION CREDITS FOR CONTRIBUTIONS  
5 MADE PRIOR TO THE REPEAL OF AS 43.20.013(a)(1)(B) and (2). Notwithstanding  
6 any other law or regulation, the commissioner of revenue shall pay the  
7 amount of a tax credit allowed by AS 43.20.013(a)(1)(B) and (2), repealed  
8 by sec. 1 of this Act, only to a resident individual who makes a claim for  
9 payment of the credit on or before (1) April 15, 1983 for contributions  
10 made during calendar year 1979; (2) July 1, 1983 for contributions made  
11 during calendar years 1980, 1981 or 1982; or (3) July 2, 1984 for  
12 contributions made after December 31, 1982 and prior to the effective date  
13 of sec. 1 of this Act. A credit under this section shall be paid in the  
14 manner provided in AS 43.20.030(e) for the payment of refunds and payment  
15 may not be made without an appropriation for that purpose.

16 \* Sec. . . . Section 1 of this Act takes effect July 1, 1983.

17 \* Sec. 4. Sections 2 and 3 of this Act take effect immediately in  
18 accordance with AS 01.10.070(c).



# NEA - ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

**Robert C. Manners**  
Executive Secretary  
Juneau Office

**Robert C. Cooksey**  
Deputy Executive Secretary  
Juneau Office

**James D. Alter**  
Field Staff  
Juneau Office

**Charles L. O'Connell**  
Deputy Executive Secretary  
Anchorage Office

**Dianne Anderson**  
Field Staff  
Anchorage Office

**Steve Pulkkinen**  
Field Staff  
Anchorage Office

**Mary Ann Elninger**  
Deputy Executive Secretary  
Fairbanks Office

**JUNEAU OFFICE**  
147 SOUTH FRANKLIN #207  
JUNEAU, ALASKA 99801  
PHONE: (907) 586-3090

**ANCHORAGE REGIONAL OFFICE**  
1411 WEST 33rd  
ANCHORAGE, ALASKA 99503  
PHONE: (907) 274-0536

**FAIRBANKS REGIONAL OFFICE**  
825 COLLEGE ROAD  
FAIRBANKS, ALASKA 99701  
PHONE: (907) 456-4435

May 16, 1983

TO: Senator Vic Fischer, Chair  
Members, Senate State Affairs Committee

FROM: NEA-Alaska

RE: CSHB 89

Notwithstanding the obvious dilemma of the revenue decline, NEA-Alaska encourages that CSHB 89 not pass.

In our opinion, the financial incentive afforded the residents of Alaska through the tax credit (rebate) for voluntary political contributions is more than worthy of serious consideration to continue the program.

Not only does the program provide the broadest base of Alaska residents a meaningful opportunity for financial participation in political campaigns but it also has the effect of generating more citizen interest and involvement in the political process itself.

A person who has made a financial commitment to a candidate or an issue is more likely to vote on election day; is more likely to become actively involved in a political campaign and is certainly more likely to be consciously aware and have a greater interest in the issues/people attendant to a particular election.

Additionally, the incentive of the tax credit is more likely to foster a willingness to contribute beyond the minimum amounts necessary to qualify for the rebate.

No one disputes the seemingly uncontrollable and escalating costs of political campaigns. This circumstance tends to restrict potential political candidates to those persons who possess independent personal wealth or have direct access to substantial financial support.

The rather significant number of uncontested state races which we witnessed in the 1982 Election lends credibility to this concern.

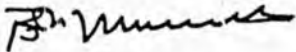
Using some of our wealth to foster the political process so that every Alaskan can have an opportunity for meaningful participation - either as a candidate or on behalf of a candidate or issue is worthy of our most serious consideration.

The political tax credit provides this meaningful opportunity for the broadest possible base of Alaskans to have meaningful involvement. It will act as a deterrent to the potential negative impact of larger PAC's on the process and our system.

We encourage that CSHB 89 not pass.

Thank you for your consideration of our statement.

Respectfully submitted:



Robert Manners  
Executive Secretary

RM:jc

VF

MAY 13 1983

May 13, 1983

The Honorable Vic Fischer  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Dear Senator Fischer:

On Tuesday, May 3, 1983, the Greater Juneau Democratic Precinct resolved to go on record as opposed to CSHB 89, which calls for the repeal of the political contribution tax credit. Though no studies have been completed at this time as to the specific impact of this legislation, preliminary election figures indicate an upsurge in contributions for both Democrats and Republicans.

The figures below are for Senate races in 1980 and 1982. Compilations for House races are not yet complete yet it seems \$2,541,357 was donated in combined Democratic/Republican races (Democrats - \$849,509, Republicans - \$691,848).

Senate Contribution Breakdown

(Donations, not including personal contributions)

<u>Party</u>	<u>1980</u>	<u>1982</u>	<u>Income</u>
Democrat	\$301,661	\$382,665	+ \$ 81,004
Republican	<u>288,465</u>	<u>557,064</u>	+ <u>268,599</u>
Total	\$590,126	\$939,729	+ \$349,603

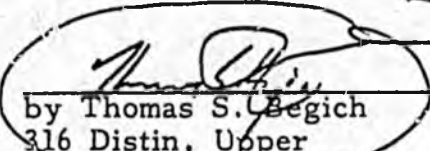
For many of us the tax credit has provided a tangible link between the growth in grass roots involvement and greater public concern in the political process. This credit could also potentially return to the individual the type of financial impact now possessed by political action committees (PACs). We recognize that those individuals who contribute financially are also inclined to see their monetary contribution "pay off" by physically working to see that the candidate, to whom they donated,

May 13, 1983  
Page Two

is elected. We also recognize that this political involvement translates into an increased level of political awareness and public interest in the legislative process. In support of this growing interest, awareness and involvement, partially generated through this tax credit, we ask that each of you stand in opposition to CSHB 89, now before the Senate.

Sincerely,

Rich Listowski  
Chair, Greater Juneau Democratic Precinct



by Thomas S. Begich  
316 Distin, Upper  
Juneau, Alaska 99801

cc: Representative Hugh Malone  
Representative Mike M. Miller  
Representative Jim Duncan  
Diane Anderson-O'Connell, Chair, Democratic Party

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5  
JUNEAU, ALASKA 99811  
PHONE: (907) 455-2300

April 14, 1983

The Honorable Vic Fischer  
Senator  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Senator Fischer:

Per a request by your staff assistant Nancy Groseck, I am forwarding to you an explanation of the Department of Revenue's request for a \$6,000,000 supplemental to cover the cost of the Political Campaign Contributions for FY 83. At the outset of the filing season the Department anticipated receipt of an estimated 60,000-90,000 Refundable Credit claims in the first six months of 1983 as a result of the heavy contributions made during the 1982 political season. Overall, these credits average approximately \$88 per refund. To date the claims received suggest that the estimate of actual claims filed will be less than our above estimates, but given the lack of historical data on which to base projections we still would prefer to maintain the request at the \$6,000,000 level until we have had an opportunity to assess the post April 15 filing impacts.

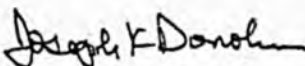
As you will recall, a legal question arose last summer as to whether the language in the FY 83 operating budget which appropriated \$1,033,000 for "Refundable Credits" was limited to child care credits by virtue of the legislative history surrounding the funding for the political campaign contributions, or because the language opposite the appropriation figure did not expressly say Child Care Credits both programs were underfunded requiring a supplemental appropriation request by the Department of Revenue.

It was the Department of Law's position that the \$1,033,000 figure in the FY 83 operating budget for refundable credits did include payment of political contributions as well as child care credits. Because of that decision and the fact that 1982 was an active political year, the Department estimated a need for an additional \$6,000,000 appropriation to fund the political campaign contributions. We believe the current appropriation of \$1,033,000 will still adequately cover the child care portion of the Refundable Credits.

The Honorable Vic Fisher  
April 14, 1983  
Page 2

I hope this information has been helpful to you, if we can assist you further, please contact us.

Sincerely,

  
for Robert D. Heath  
Commissioner of Revenue

RDH:jas

MSG 83-00016114 PRTY-1 05/09/83 17:50:48 ORIG: LA05 IN= 0012 OUT= 0179  
FROM: MARCIE, ANC INFO. TO: POM, JUNEAU INFO  
TARGET: LJHL SUBJ: P O M

TO: ~~SENATORS~~ FISCHER, RAY, KELLY, RODEY, STURGULEWSKI

FROM: ALISON SMITH, 3406 OREGON DRIVE, ANC 99503 H 272-0149 W 279-5516

PLEASE SUPPORT CONTINUED FUNDING OF THE POLITICAL CONTRIBUTION CREDIT  
THIS CREDIT PARTICULARLY HELPS WOMEN AND MINORITIES TO ASSERT NEEDED  
POLITICAL CLOUT. THANK YOU.

EOM

NB  
02  
LS  
(GB)

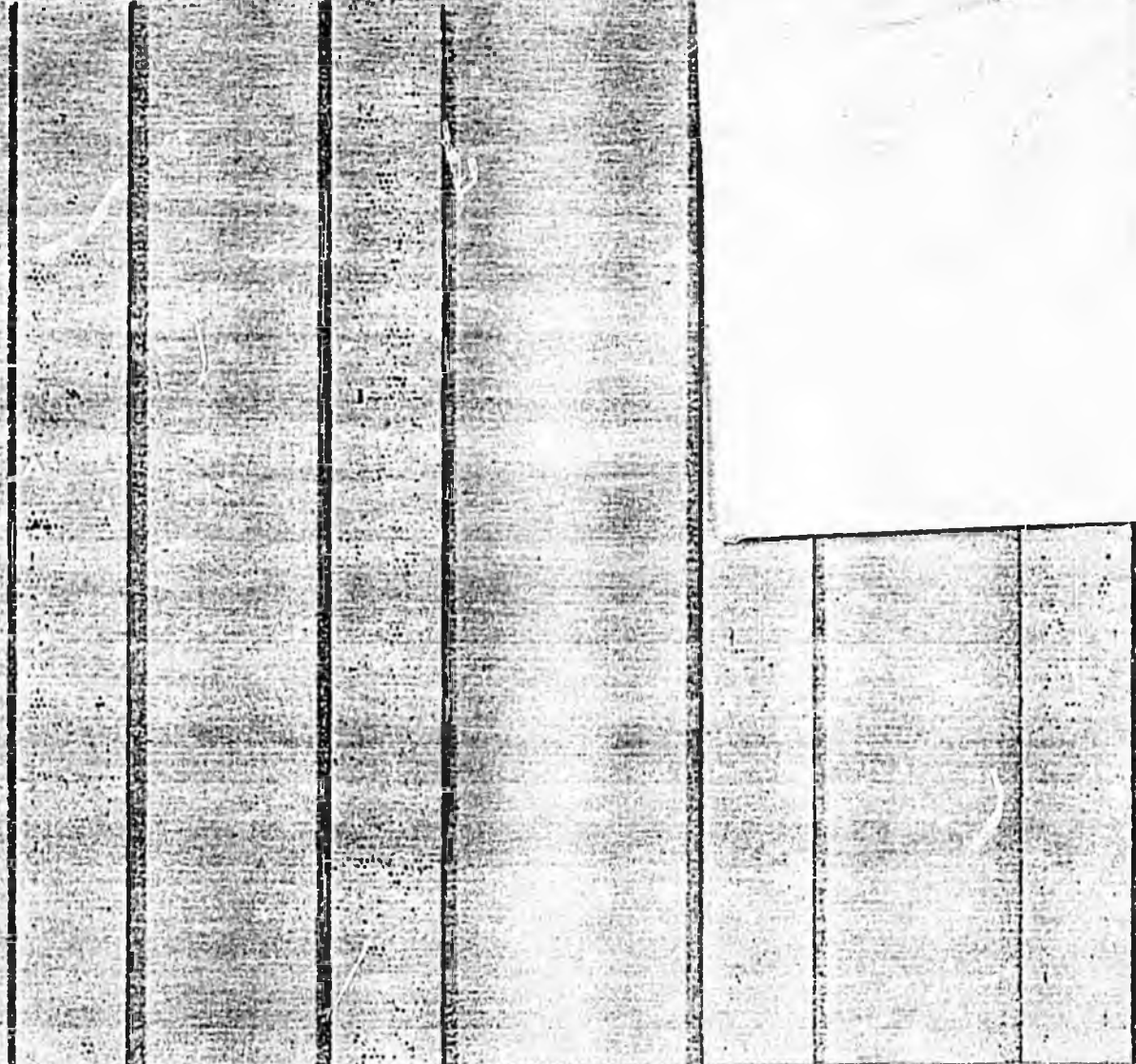
5/3/83, SHIRLEE ANC LIO. 14112

LS

TO: ALL MEMBERS, ALASKA SENATE

FROM: MARIE SHAUGHNESSY, 1419 ANNAPOLIS DRIVE, ANCH. 99504  
H 277-2922. W 248-3131

I WOULD LIKE THE STATE OF ALASKA REFUND FOR POLITICAL CONTRIBUTIONS CONTINUED. IT PROVIDES SEED MONEY FOR CONTRIBUTIONS OVER AND ABOVE THE REFUND AMOUNT AND HELPS OUR YOUNG PEOPLE TO LEARN ABOUT THEIR PERSONAL STAKE IN GOVERNMENT.



MSG 83-00018723 PRTY 1 05/18/83 18:23:04 ORIG: LA02 IN= 0007 OUT= 0083  
FROM: JUNE, ANC LIO TO: POM, JNU INFO  
TARGET: LJHL SUBJ: POM

5/18/83, JUNE, ANC LIO, MSNG 18723

TO: SENATORS V. FISCHER, RAY, RODEY, STURGULEWSKI, KELLY, AND FAIKS

FROM: MARK B. BUTLER, 916 WEST 19TH AVENUE, ANCHORAGE, AK 99503  
H- 272-9354 W- 264-4594

PLEASE VOTE AGAINST HB 89 (WHICH WOULD ELIMINATE STATE REFUNDS FOR  
POLITICAL CONTRIBUTIONS). THIS PROGRAM IS NEEDED TO CONTINUE THE  
HIGH LEVEL OF CITIZEN INVOLVEMENT IN OUR POLITICAL SYSTEM.

/S/ MARK B. BUTLER

\*\*\*\*\*

250

MSG 83-00019314 PRTY 1 05/20/83 12:16:46 ORIG: LA01 IN= 0003 OUT= 0050  
FROM: MARCIE, ANC INFO TO: POM, JUNEAU INFO  
TARGET: LJHL SUBJ: P O M

TO: SENATORS JOSEPHSON AND Y. FISCHER

FROM: PETE LARSON, 2224 GLACIER ST #303, ANC 99504 H 333-8526

I AM OPPOSED TO HB 89 (REPEAL TAX CR/POLITICAL CONTRIB.). I FEEL THE \$100 REIMBURSABLE DONATIONS INSURE MORE INVOLVEMENT BY ALL ALASKANS IN POLITICAL CAMPAIGNS.

EOM

LS

MSG 83-00018857 PRTY 1 05/19/83 11:48:27 ORIG: LV00 IN= 0004 OUT= 0056  
FROM: PAT, VALDEZ TO: JUNEAU INFORMATION  
TARGET: LJHL SUBJ: POM

-----  
TO: SENATORS VIC FISCHER, PAUL FISCHER, JAY KERTTULA

LS

FROM: DON CHESEBRO  
BOX 972  
VALDEZ, AK 99686 835-2344 (RES)

RE: SSSH89/REPEAL TAX CREDIT/POLITICAL CONTRIBUTION

I WOULD URGE YOU TO VOTE AGAINST THIS REPEAL AND SUPPORT THE POLITICAL  
CONTRIBUTION REFUND.

LS  
VF

\*\*\*\*\*  
MSG 83-00019422: PRTY 1 05/20/83 15:17:46 ORIG: LA05 IN= 0009 OUT= 0090  
FROM: SHIRLEE ANC LIO TO: POMS JUNEAU INFO  
TARGET: LJHL SUBJ: POM

TO: SENATORS WENTSCHER, RAY, STURGULEWSKI, RODEY, KELLY AND  
HALFORD

FROM: JIM MAHAFFEY, 9601 MIDDENWAY, ANCHORAGE 99507  
H 333-9632 W 561-1266, EXT 225

PLEASE SUPPORT PRIVATE CITIZENS' RIGHT TO CONTRIBUTE MONEY FOR  
POLITICAL CANDIDATES' CAMPAIGN FUNDS. IT IS CRITICAL FOR  
INVOLVING CITIZENS IN THE POLITICAL PROCESS, MORE CRUCIAL THAN  
ANY CAPITAL MOVE. IT ENABLES TRUE CONSTITUENCY REPRESENTATION.  
VOTE NO ON HOUSE BILL 89 (REPEAL TAX CREDIT/POLITICAL CONTRIBU-  
TIONS; E.D.).

COMMENTARY

SUBSTITUTE FOR HB 89

The department of revenue has drafted a proposed substitute to HB 89. The difference between the proposed substitute and the current CSHB 89 (SA) is that the proposed substitute has added a section which requires claims for credits for political contributions in 1980, 1981 and 1982 to be filed on or before July 1, 1983, and 1983 claims (those arising before the July 1, 1983 repeal of AS 43.20.013(a)) be filed on or before July 2, 1984.

The current law allows for claims for political contribution credits to be filed within 3 years of the April 15th following the calendar year in which the contribution was made. Without the adoption of the second section of the proposed act, Alaska residents would have until April 15, 1984 to file for 1980 claims, April 15, 1985 for 1981 claims, April 15, 1986 for 1982 claims and April 15, 1987 for 1983 claims. The adoption of section 2 of the proposed substitute would shorten the period during which the state would be exposed to the trickling in of claims for the credit. This would result in a small favorable fiscal impact on the state.

The department does not believe the shortening of the filing period is adverse to the public interest. The requirements for a person to be eligible for the credit are very clear and the information necessary to be filed with the application is basic. Under the proposed filing dates, the shortest period of time in which the individual would be required to apply for a credit would be the six month period for applying for the 1982 credit. This period should be more than sufficient to obtain a form, attached to the proof of contribution and submit the form to the department.

BACKUP PROVIDED BY SPONSOR

IV. ANALYSIS:

HB 89 repealed the Political Campaign Contributions retro to January 1, 1983, showing a savings to the General Fund of \$1,000,000. CS HB 89 repeals the PCC's effective July 1, 1983, showing a savings to the General Fund of \$250,000 in FY 84, and \$2,500,000 in FY 85. The Department of Revenue will need \$750,000 to fund the PCC's for FY 84. We request that the \$750,000 appropriation for the PCC's include the following language:

If the amount of money appropriated falls short of the amount needed to pay 1983 Political Campaign Contributions, the amount of the shortfall shall be appropriated.

Of Withholding (04-774) provided by the Department of Revenue. A taxpayer who is not fully exempt under AS 43.20.017 from Alaska individual income taxes in 1980 must file a 1980 Alaska individual income tax return after December 31, 1980 in order to claim a refund.

(c) A claim for a refund or credit must be filed within three years from the time the return was filed or within two years from the date the tax was paid, whichever date is later. A taxpayer may file a claim for credit or refund after the ordinary period has expired where the taxpayer and the commissioner have by agreement extended the period for assessing the tax. If the claim relates to a net operating loss carryback the period ends upon the expiration of the 15th day of the 40th month following the end of the year of the net operating loss which results in the carryback. A taxpayer who wishes to claim a refund of 1979 net income taxes paid based on his individual tax exemption under AS 43.20.017 must file his claim with the Department of Revenue on the special claim form no later than June 30, 1981. A taxpayer who is fully exempt from 1980 Alaska individual income taxes must file his claim for 1980 withholding before December 31, 1980; otherwise he must file a 1980 Alaska individual income tax return to claim a refund of his withholding.

(d) An overpayment of tax may be credited against any taxes due from the taxpayer. (Eff. 1/12/64, Reg. 12; am 5/14/80, Reg. 74; am 8/30/80, Reg. 75)

Authority: AS 43.20.030(e)  
AS 43.20.017  
§ 6 Ch. 22 SLA 1980  
§ 7 Ch. 22 SLA 1980

15 AAC 20.042. FILING REQUIREMENTS FOR PAYMENT OF AND DETERMINATION OF AMOUNT OF INDIVIDUAL TAX CREDITS. (a) A resident individual qualifying for payment of tax credits under AS 43.20.012 and 43.20.013 must file a return claiming payment on the form prescribed by the Department of Revenue. A return claiming payment for 1979 must have been filed on or before April 15, 1980. A return claiming payment for 1980 must have been filed on or before April 15, 1981. For calendar years beginning after December 31, 1980, the return claiming

payment must be filed on or before April 15, following the end of the calendar year during which the contribution or expense payment is made.

(b) A taxpayer has three years from the date the return claiming payment, under this section, is due to file an amended return claiming payment or a late original return claiming payment.

(c) A person must be a resident individual on or before the day on which payment is made for qualifying political contributions or household and dependent care services.

(d) The amount of credit payable under AS 43.20.013(b) is limited to the lesser of (1) 16 percent of the amount of allowable credit actually claimed under section 44A of the Internal Revenue Code, or (2) 16 percent of that credit attributable to expenses paid while a resident individual for household and dependent care. In order to receive a payment for the credit provided in AS 43.20.013(b), an individual must attach a copy of pages one and two of his or her federal individual income tax return as filed with the Internal Revenue Service for that year.

(e) Political contribution credits allowable under this section are limited to those cash contributions which are legal under applicable state and federal law and regulations. For purposes of this section, a contribution to a group seeking to influence the outcome of a ballot proposition or question in Alaska is allowable under this section only if the contribution is required to be reported to the Alaska Public Offices Commission by that group.

(f) For purposes of this section, "resident individual" means a natural person who has physically resided in the State of Alaska for a period of not less than 30 days and who intends to remain permanently in the state. (Eff. 10/9/80, Reg. 76; am 2/1/81, Reg. 77; am 6/2/82, Reg. 82)

Authority: AS 43.05.080  
AS 43.20.012  
AS 43.20.013

15 AAC 20.044. FILING REQUIREMENTS FOR REFUND OF 1979 INDIVIDUAL NET INCOME TAX. (a) An individual or fiduciary

Anchorage

CHAMBER of COMMERCE

Crossroads of the Air World

March 8, 1983

Representative Robert H. Bettisworth  
State Capitol, Room 500/502  
Interdepartmental Mail Stop: 3100  
Pouch V  
Juneau, Alaska 99811



Dear Representative Bettisworth,

The Anchorage Chamber of Commerce is in support of the passage of HB 7 requiring evidence of motor vehicle liability insurance.

We feel that this is certainly a start in the right direction. We urge your support on this matter of concern to all Alaskans.

→ The Chamber is also in support of HB 89 repealing the tax credit for political contributions.

I understand that there is a concern as to the effective date. July 1st rather than retroactive to January 1st, 1983 would be satisfactory to us.

The main priority should be to pass this much needed legislation. The State of Alaska has no business financing political campaigns and it would also save much needed revenue.

Thank you for your support on these issues.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kenneth E. Calhoon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kenneth E. Calhoon  
Director  
Chairman, Legislative Committee

STATE OF ALASKA  
FISCAL NOTE

Revision Date                     , 1983

RECEIVED  
3-16-83

I. REQUEST  
 Bill/Resolution No.: CS HB 89  
 Title: Repeat political contributions, tax cre  
 Sponsor: Bettisworth  
 Requestor: House Finance

II. FISCAL DETAIL  
 Agency Affected: Revenue  
 Program Category Affected: Rev. Coll. & Mgt.  
 BRU, Program of Subprogram(s) Affected:                     

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		(250.0)	(2,500.0)			
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Mary Reilly  
 Division: Comptroller's Office  
 Approved by Commissioner: Joseph D. Dorn  
 Department: Revenue

Phone: 465-2300  
 Date: 3/16/83  
 Date: 3/15/83

Distribution:

Original to Legislative Finance  
 Copy to Office of Management and Budget (for Legislature introduced bills)  
 Copy to Department (for Governor introduced bills)  
 Copy to Sponsor

# Politicians should not be saddled with poor contributors

Well, heck, I never wanted to give those guys any money anyway.

There are people, however, who are upset about something called House Bill 89 (I think), which would do away with the tax credit for individual political contributions.

Back in the old days of state income tax, such a credit was a welcome thing; as I remember the game, I could give fifty bucks to the candidate of my choice and the state would knock fifty off my tax bill. Better yet, the feds would knock another twenty-five off my federal tax bill, so I'd wind up making a \$25 profit, which encouraged me to make my puny contribution, you may be sure.

After doing away with state income taxes, Alaska somehow retained the tax credit idea by giving you a rebate for smallish political contributions; you fill out the forms and send them in, and presumably the state sends you a check. (I am not sure of all the mechanics of this transaction, because the only time I tried it I could not find the receipt I got when I bought the Picasso print -- "Naked Fat Broad," I think it's called -- at a political auction and the state declined to send me a rebate. But I got to keep the picture.)



**satch carlson**

Anyway, what has evolved is an interesting system of public financing for the political circus. Our system is probably not a bad idea, because in effect we are saying to The Little Guy, "Look, we want everything fair and square, and we want to lay out campaign money so the election doesn't automatically go to the guy with a barrel of cash, but we want you to be the one to figure out where to put the money." This involves a lot of people in the political process, because there are all sorts of uninvolved people who wouldn't mind getting involved enough to write a check if

they knew they were going to get the money back.

Of course, this leads to all sorts of mischief, because before you know it the same Little Guy is running around trying to get other people to pony up bucks for his favorite bozo, and before you know it he's shoulders deep in the whole campaign, and there you have it: the ruination of another otherwise rational human being.

I guess I am opposed to the system because it tends to distract the candidate; he spends so much time talking to these little guys with their lousy \$100 contributions that he doesn't have time for the real job of the politician, namely cozying up to the well-heeled lobbyists and the patrician classes who make things go.

What we're talking about is class.

What kind of class is there in a neighborhood block party where you get ten people together and raise a thousand dollars? Heck, any real politician worth his salt can raise that with a single phone call. I myself have been to fund-raising functions (as an observer, of course; I couldn't afford a down payment on the canape) where the buy-in was in Four

Figures, as they say.

No, I think it's time we faced reality. Politics is a game for the rich. What we need is people of vision and personal wealth; what we need is influential lobbyists and Political Action Committees and corporate donations and friends with big fat checkbooks. Let's face it; it isn't easy to buy an election these days.

You leave the law on the books, you can't tell where it might lead. Before you know it, candidates would be filling their war chests with contributions from all sorts of people. Students'd be sending 'em in. Bartenders. Cab drivers. Carpenters. Cops. TV repairmen. School teachers. Why, before you know it, you'll have newspaper people writin' checks to the candidates of their choice, a fine how-do-you-do indeed.

I say we have to get back to the Natural Order of the Universe: If God had wanted us to get involved in politics, we'd have been born filthy rich.

With emphasis on the "filthy."

Satch Carlson is an Anchorage columnist.

A M E N D M E N T

#2

Offered in the SENATE

By V.Fischer

TO: CSHE 89(Fin)

Page 1, line 7, following "contributions":

Insert "to groups"

Page 1, line 8, following "contributions":

Insert "to groups"

Page 1, line 11:

Delete all material and insert the following:

\*\* Section 1. AS 43.20.013(a) is amended to read:

(a) A resident individual is entitled to a tax credit not to exceed \$100 for

[(1)] a contribution made in a calendar year to a person or organization for use exclusively

[(A)] for a political campaign for a candidate for

(1) [(1)] President or Vice President of the United States, whether or not the candidate will be voted on in a primary election in Alaska;

(2) [(ii)] United States senator from Alaska;

(3) [(iii)] United States representative from Alaska;

(4) [(iv)] governor or lieutenant governor of Alaska;

(5) [(v)] the Alaska legislature;

(6) [(vi)] delegate to an Alaska constitutional convention;  
(7) [(vii)] electoral confirmation as a judge or justice of  
a court in Alaska; or

(8) [(viii)] municipal office in Alaska |; OR

(B) BY A GROUP SEEKING TO INFLUENCE THE OUTCOME OF A  
BALLOT PROPOSITION OR QUESTION IN ALASKA: AND

(2) DUES PAID IN A CALENDAR YEAR TO A NONPROFIT ORGANIZA-  
TION ORGANIZED PRIMARILY FOR THE PURPOSE OF INFLUENCING ELECTIONS IN  
ALASKA]."

Page 1, line 13, following "AS 43.20.013(a)"

Insert "(1)(B) and (2)"

Page 1, line 15, following "AS 43.20.013(a)"

Insert "(1)(B) and (2), repealed by sec. 1 of this Act,"

SENATE ROLL CALL

HB 89

repeat Polit. Contrib <sup>1983</sup>  
*Credit*

	YEAS	NAYS	-EX	AB
Bennett	.	<del>✓</del>	?	(BS)
Eliason	<del>✓</del>	<del>✓</del>		
Fahrenkamp	<del>✓</del>	<del>✓</del>		
Faiks	<del>✓</del>	<del>✓</del>		
Ferguson	<del>✓</del>	<del>✓</del>		
Fischer, Paul	<del>✓</del>	<del>✓</del>		
Fischer, Vic	<del>✓</del>	<del>✓</del>		
Gilman	<del>✓</del>	<del>✓</del>		
Halford	<del>✓</del>	<del>✓</del>	←	
Josephson	<del>✓</del>	<del>✓</del>		
Kelly	<del>✓</del>	<del>✓</del>		
Moss	<del>✓</del>	<del>✓</del>		
Mulcahy	✓	<del>✓</del>		
Pettyjohn	✓	<del>✓</del>		X
Ray	<del>✓</del>	<del>✓</del>		
Rodey	<del>✓</del>	<del>✓</del>		
Sackett	✓	<del>✓</del>		X
Sturgulewski	<del>✓</del>	<del>✓</del>		
Ziegler	<del>✓</del>	<del>✓</del>	←	(sc)
Kerttula**		<del>✓</del>	?	
	YEAS	NAYS	-EX	AB
TOTAL SENATE	7	911	6	2
TOTAL HOUSE				
TOTAL BOTH				

586-3250

HB 89 cont'd

The question being: "Shall CS FOR HOUSE BILL NO. 89 (FIN) (repealing the tax credit for political contributions; providing for the payment of credits on contributions made prior to the effective date of the repeal; efd) be referred to the Rules Committee, notwithstanding the report of the committee?" The roll was taken with the following result:

## CS HB 89 FIN

Yeas: 7 Eliason, Faiks, Ferguson,  
Fischer Paul, Gilman, Halford, Kelly

Nays: 11 Bennett, Fahrenkamp, Fischer Vic,  
Josephson, Kerttula, Moss, Mulcahy,  
Ray, Rodey, Sturgulewski, Ziegler

Absent: 2 Pettyjohn, Sackett

Senator Paul Fischer changed his vote from nay to yea.

and so, CS FOR HOUSE BILL NO. 89 (FIN) failed to be referred to the Rules Committee.

## CONSIDERATION OF THE CALENDAR

## SECOND READING OF SENATE BILLS

SB 74

SENATE BILL NO. 74 (sexual abuse of a minor) was read the second time.

Senator Ray moved and asked unanimous consent for the adoption of the Judiciary Committee Substitute offered on page 1213. Without objection, CS FOR SENATE BILL NO. 74 (JUD) (revising the laws relating to sexual abuse of a minor, sexual assault, and indecent exposure; and extending the time limitation for prosecution of sexual offenses) was adopted.

CS FOR SENATE BILL NO. 74 (JUD) was read the second time.

SB 74 cont'd

Senator Pettyjohn offered the following Amendment No. 1:

Page 2, line 26: following "class" delete "B" and insert "A"

Senator Halford moved that Amendment No. 1 be adopted. Senator Josephson objected.

Senator Fahrenkamp moved that the bill be placed at the bottom of the calendar. Without objection, it was so ordered.

## SECOND READING OF HOUSE BILLS

HB 17

CS FOR HOUSE BILL NO. 17 (JUD) am (authorizing a advisory vote on the drinking age; raising the drinking age to 21; allowing employment of certain minors on licensed premises; and amending other provisions of law relating to the drinking age) was read the second time.

Senator Ray moved and asked unanimous consent for the adoption of the Judiciary Senate Committee Substitute offered on page 1248. Without objection, SENATE CS FOR CS FOR HOUSE BILL NO. 17 (JUD) was adopted.

SENATE CS FOR CS FOR HOUSE BILL NO. 17 (JUD) was read the second time.

Senators Ziegler, Josephson, Pettyjohn and Eliason offered the following Amendment No. 1:

Page 6, following line 22: insert new section to read:  
"Sec. 18. EXCEPTION FOR THOSE 19 YEARS OF AGE OR OLDER AS OF JANUARY 1, 1984. Notwithstanding any other provision of this title regarding age limitations, any person born on or before December 31, 1964 may be present upon licensed premises and may possess, consume, receive or purchase alcoholic beverages as otherwise allowed under this title, and a person may serve, deliver, dispense, furnish or sell alcoholic beverages to a person

TABLE TEN (T - 10)

Political Campaign Contribution Credits  
(1974 - 1982)

YEAR (in which the credited contribution was made)	# OF RETURNS CLAIMING A PCC (filed during the succeeding calen- dar year)	NUMBER OF INDIVIDUALS	MAXIMUM ALLOWABLE CREDIT	TOTAL CREDITS ALLCJED
1974	3,052	4,000 (est.)(1)	\$ 50.00	184,034
1975	1,691	2,200 (est.)(1)	\$ 50.00	99,804
1976	3,841	2,400 (est.)(1)	\$ 50.00	246,831
1977	3,693	5,463	\$ 50.00	230,046
1978	7,557	12,271	\$ 50.00	520,458
1979	7,053	7,053(2)	\$ 50.00	313,905
1980	<i>1st yr of 100 returns</i> 7,123	<u>7,123(2)</u>	\$100.00	709,465
1981	14,132	<i>doubled even higher</i> <u>14,132(2)</u>	\$100.00	1,223,802
1982	23,553 (est.)(3)	<i>→</i> 23,553 (est.)(2)	\$100.00	2,039,670(est)(3)

Totals  
1974 - 1982      71,695(4)      78,195(4)      *AAOC believes this number will vary a little* 5,568,015(4)

1. Summaries of 1974-1976 data did not count individual contributors or joint returns. The estimate is based on summaries of 1977 & 1978 data, when individuals were counted.
2. The PCC format was changed for 1979 so that only one person filed per form.
3. This estimate is based upon information from the Dept. of Revenue indicating that claims filed as of 6/01/83 for 1982 are running ahead of 1981's totals by a 5 to 3 margin.
4. These totals include the above estimates.

LEAGUE OF WOMEN VOTERS

LABOR UNIONS

ENV. LOBBY

AK PUBLIC EMPL ASSN

AK TROLLERS ASSN

UNITED FISHERMEN OF AK

★ OTHER GROUPS

TELECOM - +, 1 opposed

ADMIN. TESTIFIED → +

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# —

June 13, 1983

to Vic  
from Lewis  
re HB 89 on floor  
-----

FISCAL: for FY84 passage of this bill would save the \$1 million now budgeted by the senate. More in even years, of course.

ARGUMENTS FOR DEFEAT OF BILL:

Basically, all of the arguments against this bill fall within one category:

\* INCREASED NUMBERS OF PEOPLE INVOLVED IN POLITICAL PROCESS

This has the effect of:

-decreasing the power of special interests; deterring impact of largest PACs, ~~LABORS~~

-generating more citizen interest and involvement in the process

-getting people more involved in issues

-getting people involved with groups participating in the process, a step which increases individual political sophistication

-making it possible for candidates who are not rich to run

-tending to reduce uncontested elections

-increasing voter turnout: people who contribute are more likely to vote

-increasing contributions: once you get a taste of contributing "for free" its easier to pay out of pocket

*-most give >*

You might want to have a look at the enclosed lists to see some numbers.

HOUSE BILL 89: A BILL TO REPEAL THE CAMPAIGN CONTRIBUTION REFUND PROGRAM

HOW THE SENATORS FEEL

<u>SENATOR</u>	<u>TALKED TO</u>	<u>POSITION</u>	<u>COMMENTS</u>
Fahrenkamp	Mark Boyer	opposed	Mark said she was a long time supporter of these rebates.
Eliason		opposed	
Bennett	Senator	in favor	not committed to this position
Ferguson	staff	in favor	
Kertulla	Richard Ramsey	no opinion	does not think bill will pass
Ziegler	L. Krossa	opposed	
P. Fischer	Senator	modified	The Senator feels that the Pac's are being abused: the contributor is doing it for the profit and the candidate doesn't know who is contributing. Would like to see 1/2 of the contribution refunded. Will probably vote in favor with amendments.
Gilman	Bob Barry	opposed	The Senator has reservations about PAC's. The candidate doesn't know who backs him. (Bob Barry gave me an incredible hassle before giving an answer.)
Kelly	Senator	opposed	The Senator likes the way things are now.
Moss		opposed	
Pettyjohn			
Ray			

6/7/83

Note to the File:

From: Greg Granquist

Data on Number of Federal Alaskan  
Tax Returns Claiming  
Political Campaign Contribution Credit

I obtained the following data from Marilyn Steen of the Public Affairs office of IRS (271-4279) : according to Statistics for Income, published by the Dept. of the Treasury,

in 1980, 12913 tax returns from Alaska claimed the PCC credit the total amount of Federal credits paid out was \$709,000.

I estimate that this was about 7% of the total returns filed in 1980 based upon the data below provided by Mrs. Steen on number of returns filed by Alaskans in the years indicated -

<u>Year</u>	<u>Number of Returns Filed</u>
1974	114,739
1980	175,000(my estimate/interpolation)
1981	183,902
1982	200,638

According to another study, the publication Tax Notes, August 30, 1982, in which they have published an excerpt from the 1978 Statistics of Income, IRS, table 3.6 in which it is stated that

In 1978, 4.9 % of all tax returns (showing any liability before credits) claimed a PCC credit.

This percentage rose to 6.0% in the 20-30 thousand per year bracket, and rose to 9.4% in the 30 thousand per year and above bracket.

The 1978 study would seem to agree with the 1980 totals provided by Mrs. Steen and perhaps indicate one possible formula for gauging the number of Alaskan PCC credits which might be filed in any given year. It should be noted that in 1980, the number of State of Alaska PCC forms filed was lower than the Federal total

7123 vs 12913

## TABLE TEN (T -10)

### Political Campaign Contribution Tax Credits ( 1974-1982)

#### Description:

The State of Alaska's political campaign contribution tax credit was enacted in 1975 through an amendment to AS 43.20. It retroactively applied to filings for the 1974 tax year and allowed a resident individual a credit of up to \$50.00 on his or her Alaska net income tax for contributions made within the tax year to candidates and certain non-profit organizations (those organized primarily for the purpose of influencing the outcome of an election). In 1980, the Alaska Legislature repealed the Alaska state personal income tax, retroactive to January 1, 1979; however, the credit payment for political campaign contributions was retained and was increased, effective January 1, 1981, to allow a credit of up to \$100.00 per individual resident per year for contributions to a candidate or political group. In 1983, as this table went to press, the future of this credit was in question. Legislation was being considered to either eliminate the credit entirely or to restrict its application to only those contributions made to candidates and political parties (hence, contributions to political action committees and other groups would no longer qualify for a credit).

Table Ten is designed to provide an overview of the extent of the public's participation in this program over the past eight years. Data is provided to show the number of individuals claiming this tax credit and the total amounts credited each year by the State of Alaska to reimburse these individuals.

#### Analysis:

The political contribution tax credit program has grown dramatically since its inception. In 1974, an estimated 4,000 individuals claimed this credit. In 1982, this number had grown to 20,000. In 1974, less than \$200,000 was credited to individuals claiming the political contribution credit. In 1982, this total had grown to over \$2,000,000.

TABLE TEN (T - 10)

Political Campaign Contribution Credits  
(1974 - 1982)

YEAR (in which the credited contribution was made)	# OF RETURNS CLAIMING A PCC (filed during the succeeding calen- dar year)	NUMBER OF INDIVIDUALS	MAXIMUM ALLOWABLE CREDIT	TOTAL CREDITS ALLOWED
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1982	23,553 (est.)(3)	23,553 (est.)(2)	\$100.00	2,039,670(est)(3)
<hr/>				
Totals 1974 - 1982	71,695(4)	78,195(4)		5,568,015(4)

1. Summaries of 1974-1976 data did not count individual contributors or joint returns. The estimate is based on summaries of 1977 & 1978 data, when individuals were counted.
2. The PCC format was changed for 1979 so that only one person filed per form.
3. This estimate is based upon information from the Dept. of Revenue indicating that claims filed as of 6/01/83 for 1982 are running ahead of 1981's totals by a 5 to 3 margin.
4. These totals include the above estimates.

VF

MAY 13 1983

May 13, 1983

The Honorable Vic Fischer  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Dear Senator Fischer:

On Tuesday, May 3, 1983, the Greater Juneau Democratic Precinct resolved to go on record as opposed to CSHB 89, which calls for the repeal of the political contribution tax credit. Though no studies have been completed at this time as to the specific impact of this legislation, preliminary election figures indicate an upsurge in contributions for both Democrats and Republicans.

The figures below are for Senate races in 1980 and 1982. Compilations for House races are not yet complete yet it seems \$2,541,357 was donated in combined Democratic/Republican races (Democrats - \$849,509, Republicans - \$691,848).

Senate Contribution Breakdown

(Donations, not including personal contributions)

<u>Party</u>	<u>1980</u>	<u>1982</u>	<u>Income</u>
Democrat	\$201,661	\$382,665	+ \$ 81,004
Republican	<u>228,465</u>	<u>557,064</u>	+ <u>268,599</u>
Total	\$590,126	\$939,729	+ \$349,603

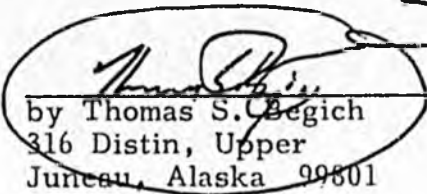
For many of us the tax credit has provided a tangible link between the growth in grass roots involvement and greater public concern in the political process. This credit could also potentially return to the individual the type of financial impact now possessed by political action committees (PACs). We recognize that those individuals who contribute financially are also inclined to see their monetary contribution "pay off" by physically working to see that the candidate, to whom they donated,

May 13, 1983  
Page Two

is elected. We also recognize that this political involvement translates into an increased level of political awareness and public interest in the legislative process. In support of this growing interest, awareness and involvement, partially generated through this tax credit, we ask that each of you stand in opposition to CSHB 89, now before the Senate.

Sincerely,

Rich Listowski  
Chair, Greater Juneau Democratic Precinct

  
by Thomas S. Begich  
316 Distin, Upper  
Juneau, Alaska 99801

cc: Representative Hugh Malone  
Representative Mike M. Miller  
Representative Jim Duncan  
Diane Anderson-O'Connell, Chair, Democratic Party

*I guess gag orders  
only apply to  
Fischer's staff.*

# MEMORANDUM

## State of Alaska

MAIL STOP:

TO: Tom Begich

DATE: 6/10/83

FILE NO:

TELEPHONE NO:

FROM: Greg Granquist

SUBJECT: Information Request Concerning  
Distribution of Monetary  
Contributions to State House  
Candidates in 1980

We were able to gather this information sooner than I expected, so I am forwarding it forthwith:

### Total Monetary Contributions to State House Candidates in 1980

Candidates' own Personal Contributions:	\$219,833	(17%)
Contributions of \$100 or Less	\$454,452	(36%)
Contributions From Those Who Cumulatively Contributed Over \$100	<u>\$591,852</u>	<u>(47%)</u>
Total Monetary Contributions	\$1,266,228	(100%)

# of people  
Acquiring  
of total asset  
value

6/7/83

Note to the File:

From: Greg Granquist

Data on Number of Federal Alaskan  
Tax Returns Claiming  
Political Campaign Contribution Credit

I obtained the following data from Marilyn Steen of the Public Affairs office of IRS (271-4279) : according to Statistics for Income, published by the Dept. of the Treasury,

in 1980, 12913 tax returns from Alaska claimed the PCC credit the total amount of Federal credits paid out was \$709,000.

I estimate that this was about 7% of the total returns filed in 1980 based upon the data below provided by Mrs. Steen on number of returns filed by Alaskans in the years indicated -

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7123 vs 12913

Distribution of Tax Credit Contributions to Candidates,  
Groups, and Political Parties 1976

Category	Number of Committees (4)	Total Contributions As Per Form PCC-5(1)	%	Estimated Credit Benefit(2)
<u>Groups/Organizations (3)</u>				
Ballot-Issue Groups	22	\$ 33,126	9.5	\$ 23,519
Business Organizations	14	2,542	.7	1,805
Labor Organizations	17	28,824	8.3	20,465
Lobby-Oriented Organizations	25	1,482	.4	1,052
Quasi-Political Parties	12	6,072	1.7	4,311
Misc. and Unidentifiable Groups	28	6,877	2.0	4,883
Group TOTAL	<u>118</u>	<u>\$ 78,923</u>	<u>22.6</u>	<u>\$ 56,035</u>
 TOTAL ALL Candidates, Parties, Groups and Organizations	 <u>509</u>	 <u>\$ 349,208</u>	 <u>100</u>	 <u>\$ 248,011</u>

(1) see footnote #2 of Table 10

(2) see footnote #4 of Table 10

(3) inasmuch as any attempt to categorize certain groups must be arbitrary, and since many do not fit neatly into categories, the examples below are listed to give an idea of what types of groups went into the categories in that section:

- (a) ballot-issue groups: Committee to Save Alaska's Salmon, Limited Entry Defense Fund, League of Women Voters, Citizens Against Proposition #4;
- (b) business organizations: Alaska Truckers Legislative Council, OMAR, Sohioan Civic Contribution Fund;
- (c) lobby-oriented organizations: National Rifle Association, Whale Protection Fund, Americans Against Union Control of Government
- (d) quasi-political parties: American Conservative Union, Individuals for Alaska, The Conservative Caucus.

(4) this number represents the number of committees in each category, not necessarily the number of candidates, i.e., the Reagan for President Committee, Citizens for Reagan, and Reagan '78 would be listed as three separate committees, though they were supporting only one candidate.

TABLE 11

Distribution of Tax Credit Contributions to Candidates,  
Groups, and Political Parties

1976

Category	Number of Committees (4)	Total Contributions As Per Form PCC-5(1)	%	Estimated Credit Benefit(2)
<b>Candidates</b>				
U.S. President	13	\$ 10,763	3.1	\$ 7,642
U.S. Senator	2	6,446	1.8	4,641
U.S. House of Representatives	5	22,798	6.5	16,187
Federal TOTAL	<u>20</u>	<u>\$ 40,007</u>	<u>11.4</u>	<u>\$28,470</u>
Governor	1	\$ 190	.1	\$ 135
Lt. Governor	2	671	.2	476
State Senator	27	29,033	8.3	20,613
State House	121	119,127	34.1	84,580
State TOTAL	<u>151</u>	<u>\$149,021</u>	<u>42.7</u>	<u>\$105,804</u>
Mayor	10	\$ 4,978	1.4	\$ 3,534
Councilman	9	593	.2	421
Assemblyman	43	16,894	4.8	11,995
School Board	28	17,106	4.9	12,145
Other Municipal Offices	4	196	.1	\$ 28,234
Municipal TOTAL	<u>94</u>	<u>\$ 39,767</u>	<u>11.4</u>	<u>\$ 28,234</u>
Miscellaneous Candidates	54	\$ 4,418	1.3	\$ 3,137
CANDIDATE TOTAL	<u>319</u>	<u>\$233,213</u>	<u>66.8</u>	<u>\$165,645</u>
<b>Political Parties</b>				
Democratic Party	30	\$ 12,882	3.7	\$ 9,146
Republican Party	39	23,330	6.7	16,564
American Ind. Party	2	35	-	35
Libertarian Party	1	825	.2	586
PARTY TOTAL	<u>72</u>	<u>\$ 37,072</u>	<u>10.6</u>	<u>\$ 26,331</u>

Table 10 (continued)

- (4) This column is an estimate of the amount of contributions to a particular candidate or group which were reimbursed or credited to the contributor by the State of Alaska. It shows, approximately, how much of a candidate or group's campaign was indirectly financed by the State of Alaska through tax credits. It was derived by multiplying the amount in the previous column by .698. This factor represents the approximate ratio of total contributions listed on Form's PCC-5 to total tax credits allowed.

Note: Approximately \$136,088, or 55% of the total tax credit allowed benefited the candidates & groups listed above, who number 50 and represent 10% of the total number of candidates and groups listed on tax credit returns.

Table 10

1976

A Summary of Contributions and Tax Credits for Those Candidates  
And Groups Appearing Most Frequently on Tax Credit Forms PCC-5 (1)

<u>Name of Candidate/Group</u>	<u>Number of Returns Listing Candidate or Group (2)</u>	<u>Amount of Contributions Listed on Form PCC-5 (3)</u>	<u>Estimated Credit Benefits (4)</u>
Limited Entry Defense Fund	306	\$ 23688	\$16534
Alaskans For Don Young	236	16861	11769
Republican National Committee	121	4929	3440
ALIVE	103	12267	8562
Mike Bradner	101	5075	3542
Terry Stimson	95	6565	4582
Alaska Laborers Political Ed. Comm.	92	8021	5599
Republican Party of Alaska	86	5095	3556
Comm. to Save Alaskas (salmon	84	5840	4076
Lisa Rudd	82	3265	2279
NEA - PACE	71	4626	3229
Gordon Jackson	68	3875	2705
Sam Barnes	65	3709	2589
Carloyn Lewis	62	1760	1228
Mike Gravel	60	4643	3241
Bill Parker	59	2384	1664
United Republican Fund	53	2202	1537
Genie Chance	50	2610	1822
Randall Phillips	50	2643	1845
Terry Gardiner	48	2129	1486
Don Bennett	47	3287	2294
Glenn Hackney	47	2666	1861
K. Calderwood	44	3810	2659
Doug Millar	44	4965	3466
Ted Smith	44	2334	1629
Darlene Chapman	43	1770	1235
Joyce Munson	43	2575	1797
Clark Gruening	42	2175	1518

<u>Name of Candidate/Group</u>	<u>Number of Returns</u>	<u>Amount of Contributions Listed on Form PCC-5</u>	<u>Estimated Credit Benefits</u>
Charlie Parr	41	\$ 1445	\$1009
Mike Colletta	40	2794	1950
Fred Brown	38	2235	1560
Democratic Central Comm.	38	3595	2509
G.O.P. Victory Fund	38	1625	1134
Arliss Sturgelewski	38	1605	1120
Lyle Coblentz	36	3293	2299
Rick Urion	36	3199	2233
Larry Carpenter	35	2047	1429
Kris Lethin	35	2589	1807
Leo Schachle	35	1520	1061
Eben Hopson	34	3732	2605
James O'Sullivan	34	2544	1776
Joe Hayes	33	3017	2106
Jay Kertulla	33	2643	1845
Robert Sharp	33	2429	1695
H.O. Red Williams	33	1245	869
P. Breed	30	1555	1085
Tim Kelly	30	1563	1091
Tony Knowles	30	1280	893
Milt Mayr	30	1585	1106
Bill Weimar	30	1665	1162

- Footnotes: (1) On their State income tax returns for the 1976 tax year, 3841 people claimed to have contributed \$353,585 to 512 different candidates and political organizations (joint returns were counted as one person). Of this sum \$246,831 was allowable as a tax credit (some returns listed more contributions than necessary for the \$50 per person \$100 per joint return limited).
- (2) This column shows the number of tax returns which listed contributions to the candidates and groups shown below. The candidates and groups are listed in order of decreasing frequency of appearance.
- (3) This column is the total of all the contributions listed on Form PCC-5's to the organizations and candidates shown below. It does not signify the amount credited to tax returns for contributions to a particular candidate or group, since persons usually listed their entire contribution even when it exceeded the tax credit limit.

June 13, 1983

to Vic  
from Lewis  
re HB 89 on floor  
-----

✦  
FISCAL: for FY84 passage of this bill would save the \$1 million now budgeted by the senate. More in even years, of course.

ARGUMENTS FOR DEFEAT OF BILL:

Basically, all of the arguments against this bill fall within one category:

\* INCREASED NUMBERS OF PEOPLE INVOLVED IN POLITICAL PROCESS

This has the effect of:

- decreasing the power of special interests; deters impact of largest PACs
- generating more citizen interest and involvement in the process
- getting people more involved in issues
- getting people involved with groups participating in the process, a step which increases individual political sophistication
- making it possible for candidates who are not rich to run
- tending to reduce uncontested elections
- increasing voter turnout: people who contribute are more likely to vote
- increasing contributions: once you get a taste of contributing "for free" its easier to pay out of pocket

You might want to have a look at the enclosed lists to see some numbers.

VIC/LS



# UNITED FISHERMEN OF ALASKA

319 Seward Street, Suite #208  
Juneau, Alaska 99801-1188  
(907) 586-2820

MAY 26 1983

Cass M. Parsons  
Executive Director

May 26, 1983

Honorable Vic Fischer  
Chairman  
Senate State Affairs Committee  
Pouch V  
Juneau, Alaska 99811

Dear Senator Fischer:

The Senate State Affairs Committee will be reviewing House Bill 89 today. The United Fishermen of Alaska would like to express some concern regarding this bill.

We feel that the political contribution credit has made a great deal of difference in the numbers of people becoming involved in the election process in recent years. APOC figures indicate that the amount of money contributed toward political campaigns that has been turned in for credit has risen from \$184,000 in 1974 to about \$2 million in 1982, or about 15% of the total contributions made in 1983. The fishermen's political action committee, FishPac, was highly successful during the last election, due in large part to the contribution credit. The ability of these "pacs" to organize and assist with campaigns will be greatly impaired if the credit is repealed. We feel the "pacs" are an integral part of the election process in Alaska where the lack of communication and great distances separating communities inhibit a political candidate's ability to make himself known.

Thank you for your attention. I hope you will take our concern into consideration when you review this legislation.

Sincerely,

Cass M. Parsons  
UFA Executive Director

CMP/jb

cc: All members, Senate State Affairs Committee



# NEA - ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

**JUNEAU OFFICE**  
147 SOUTH FRANKLIN #207  
JUNEAU, ALASKA 99801  
PHONE: (907) 586-3090

**ANCHORAGE REGIONAL OFFICE**  
1411 WEST 33rd  
ANCHORAGE, ALASKA 99503  
PHONE: (907) 274-0536

**FAIRBANKS REGIONAL OFFICE**  
825 COLLEGE ROAD  
FAIRBANKS, ALASKA 99701  
PHONE: (907) 456-4435

**Robert C. Manners**  
Executive Secretary  
Juneau Office

**Robert C. Cooksey**  
Deputy Executive Secretary  
Juneau Office

**James D. Alter**  
Field Staff  
Juneau Office

**Charles L. O'Connell**  
Deputy Executive Secretary  
Anchorage Office

**Dianne Anderson**  
Field Staff  
Anchorage Office

**Steve Pulkkinen**  
Field Staff  
Anchorage Office

**Mary Ann Eininger**  
Deputy Executive Secretary  
Fairbanks Office

May 16, 1983

**TO: Senator Vic Fischer, Chair**  
**Members, Senate State Affairs Committee**

**FROM: NEA-Alaska**

**RE: CSHB 89**

Notwithstanding the obvious dilemma of the revenue decline, NEA-Alaska encourages that CSHB 89 not pass.

In our opinion, the financial incentive afforded the residents of Alaska through the tax credit (rebate) for voluntary political contributions is more than worthy of serious consideration to continue the program.

Not only does the program provide the broadest base of Alaska residents a meaningful opportunity for financial participation in political campaigns but it also has the effect of generating more citizen interest and involvement in the political process itself.

A person who has made a financial commitment to a candidate or an issue is more likely to vote on election day; is more likely to become actively involved in a political campaign and is certainly more likely to be consciously aware and have a greater interest in the issues/people attendant to a particular election.

Additionally, the incentive of the tax credit is more likely to foster a willingness to contribute beyond the minimum amounts necessary to qualify for the rebate.

No one disputes the seemingly uncontrollable and escalating costs of political campaigns. This circumstance tends to restrict potential political candidates to those persons who possess independent personal wealth or have direct access to substantial financial support.

The rather significant number of uncontested state races which we witnessed in the 1982 Election lends credibility to this concern.

Using some of our wealth to foster the political process so that every Alaskan can have an opportunity for meaningful participation - either as a candidate or on behalf of a candidate or issue is worthy of our most serious consideration.

The political tax credit provides this meaningful opportunity for the broadest possible base of Alaskans to have meaningful involvement. It will act as a deterrent to the potential negative impact of larger PAC's on the process and our system.

We encourage that CSHB 89 not pass.

Thank you for your consideration of our statement.

Respectfully submitted:



Robert Manners  
Executive Secretary

RM:jc

ALASKA DEMOCRATIC PARTY  
DIANNE ANDERSON O'CONNELL  
CHAIR

WANG

9851 BASHER DRIVE  
ANCHORAGE, AK 99507  
(907) 337-6452

April 14, 1983

APR 18 1983

Senator Vic Fischer  
Pouch V (MS 3100)  
Juneau, AK 99811

Dear Senator Fischer:

I am writing as Chair of the Democratic Party to urge your continued opposition to H.B. 89, the bill which would repeal the current tax credit for political contributions.

At the risk of belaboring you with philosophy, I want to discuss the relative merit of public financing of political campaigns -- especially in a state which requires such large expenditures of cash even to reach the public. In rural areas, this problem translates to geography and transportation costs; in urban areas it translates to media costs. In some areas, it translates to both.

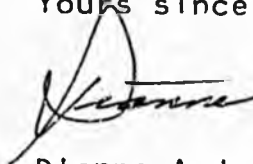
As you no doubt realize, the original tax credit legislation was designed to help equalize the fund-raising capabilities of the affluent candidate/constituent and the less affluent candidate/constituent. A \$1,000 contribution from an established corporation and/or business is made more effortlessly than a \$100 contribution from a person on the street (or road). None of us, I hope, would argue the necessity of encouraging persons all along the economic spectrum to participate in the Alaskan political process.

I am not ignorant of the fact that a great deal of pressure is being brought upon legislators to repeal this legislation -- the argument being "we can't afford it". I'm saying we cannot afford not to encourage each Alaskan from making his/her voice heard through the campaign/political process. To allow candidates/constituents of all walks of life the ability to financially participate in the decision-making process in this way is worth the expense. Without this added incentive, the very people we seek to hear and represent will be financially gagged -- with only the wealthy able and willing to finance the promulgation of their political views. Alaska cannot afford to hear only one side.

We are all Democrats together. We may not always view a problem from the same perspective nor tackle it in the same manner, but we all believe in listening to the people before making a decision. In our political structure, the only way a large number of Alaskans will be heard is through their small, and refundable political contribution.

PLEASE DO NOT VOTE TO REPEAL H.B. 89.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Dianne Anderson O'Connell". The signature is written in a cursive style with a large initial "D".

Dianne Anderson O'Connell  
Chair

DAO/dw

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2300

April 14, 1983

The Honorable Vic Fischer  
Senator  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Senator Fischer:

Per a request by your staff assistant Nancy Groseck, I am forwarding to you an explanation of the Department of Revenue's request for a \$6,000,000 supplemental to cover the cost of the Political Campaign Contributions for FY 83. At the outset of the filing season the Department anticipated receipt of an estimated 60,000-90,000 Refundable Credit claims in the first six months of 1983 as a result of the heavy contributions made during the 1982 political season. Overall, these credits average approximately \$88 per refund. To date the claims received suggest that the estimate of actual claims filed will be less than our above estimates, but given the lack of historical data on which to base projections we still would prefer to maintain the request at the \$6,000,000 level until we have had an opportunity to assess the post April 15 filing impacts.

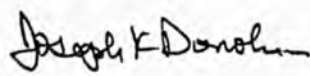
As you will recall, a legal question arose last summer as to whether the language in the FY 83 operating budget which appropriated \$1,033,000 for "Refundable Credits" was limited to child care credits by virtue of the legislative history surrounding the funding for the political campaign contributions, or because the language opposite the appropriation figure did not expressly say Child Care Credits both programs were underfunded requiring a supplemental appropriation request by the Department of Revenue.

It was the Department of Law's position that the \$1,033,000 figure in the FY 83 operating budget for refundable credits did include payment of political contributions as well as child care credits. Because of that decision and the fact that 1982 was an active political year, the Department estimated a need for an additional \$6,000,000 appropriation to fund the political campaign contributions. We believe the current appropriation of \$1,033,000 will still adequately cover the child care portion of the Refundable Credits.

The Honorable Vic Fisher  
April 14, 1983  
Page 2

I hope this information has been helpful to you, if we can assist you further, please contact us.

Sincerely,

  
for Robert D. Heath  
Commissioner of Revenue

RDH:jas

COMMENTARY

SUBSTITUTE FOR HB 89

The department of revenue has drafted a proposed substitute to HB 89. The difference between the proposed substitute and the current CSHB 89 (SA) is that the proposed substitute has added a section which requires claims for credits for political contributions in 1980, 1981 and 1982 to be filed on or before July 1, 1983, and 1983 claims (those arising before the July 1, 1983 repeal of AS 43.20.013(a)) be filed on or before July 2, 1984.

The current law allows for claims for political contribution credits to be filed within 3 years of the April 15th following the calendar year in which the contribution was made. Without the adoption of the second section of the proposed act, Alaska residents would have until April 15, 1984 to file for 1980 claims, April 15, 1985 for 1981 claims, April 15, 1986 for 1982 claims and April 15, 1987 for 1983 claims. The adoption of section 2 of the proposed substitute would shorten the period during which the state would be exposed to the trickling in of claims for the credit. This would result in a small favorable fiscal impact on the state.

The department does not believe the shortening of the filing period is adverse to the public interest. The requirements for a person to be eligible for the credit are very clear and the information necessary to be filed with the application is basic. Under the proposed filing dates, the shortest period of time in which the individual would be required to apply for a credit would be the six month period for applying for the 1982 credit. This period should be more than sufficient to obtain a form, attached the proof of contribution and submit the form to the department.

—BACKUP PROVIDED BY SPONSOR—

IV. ANALYSIS:

HB 89 repealed the Political Campaign Contributions retro to January 1, 1983, showing a savings to the General Fund of \$1,000,000. CS HB 89 repeals the PCC's effective July 1, 1983, showing a savings to the General Fund of \$250,000 in FY 84, and \$2,500,000 in FY 85. The Department of Revenue will need \$750,000 to fund the PCC's for FY 84. We request that the \$750,000 appropriation for the PCC's include the following language:

If the amount of money appropriated falls short of the amount needed to pay 1983 Political Campaign Contributions, the amount of the shortfall shall be appropriated.

Of Withholding (04-774) provided by the Department of Revenue. A taxpayer who is not fully exempt under AS 43.20.017 from Alaska individual income taxes in 1980 must file a 1980 Alaska individual income tax return after December 31, 1980 in order to claim a refund.

(c) A claim for a refund or credit must be filed within three years from the time the return was filed or within two years from the date the tax was paid, whichever date is later. A taxpayer may file a claim for credit or refund after the ordinary period has expired where the taxpayer and the commissioner have by agreement extended the period for assessing the tax. If the claim relates to a net operating loss carryback the period ends upon the expiration of the 15th day of the 40th month following the end of the year of the net operating loss which results in the carryback. A taxpayer who wishes to claim a refund of 1979 net income taxes paid based on his individual tax exemption under AS 43.20.017 must file his claim with the Department of Revenue on the special claim form no later than June 30, 1981. A taxpayer who is fully exempt from 1980 Alaska individual income taxes must file his claim for 1980 withholding before December 31, 1980; otherwise he must file a 1980 Alaska individual income tax return to claim a refund of his withholding.

(d) An overpayment of tax may be credited against any taxes due from the taxpayer. (Eff. 1/12/64, Reg. 12; am 5/14/80, Reg. 74; am 8/30/80, Reg. 75)

Authority: AS 43.20.030(e)  
AS 43.20.017  
§ 6 Ch. 22 SLA 1980  
§ 7 Ch. 22 SLA 1980

**15 AAC 20.042. FILING REQUIREMENTS FOR PAYMENT OF AND DETERMINATION OF AMOUNT OF INDIVIDUAL TAX CREDITS.** (a) A resident individual qualifying for payment of tax credits under AS 43.20.012 and 43.20.013 must file a return claiming payment on the form prescribed by the Department of Revenue. A return claiming payment for 1979 must have been filed on or before April 15, 1980. A return claiming payment for 1980 must have been filed on or before April 15, 1981. For calendar years beginning after December 31, 1980, the return claiming

payment must be filed on or before April 15, following the end of the calendar year during which the contribution or expense payment is made.

(b) A taxpayer has three years from the date the return claiming payment, under this section, is due to file an amended return claiming payment or a late original return claiming payment.

(c) A person must be a resident individual on or before the day on which payment is made for qualifying political contributions or household and dependent care services.

(d) The amount of credit payable under AS 43.20.013(b) is limited to the lesser of (1) 16 percent of the amount of allowable credit actually claimed under section 44A of the Internal Revenue Code, or (2) 16 percent of that credit attributable to expenses paid while a resident individual for household and dependent care. In order to receive a payment for the credit provided in AS 43.20.013(b), an individual must attach a copy of pages one and two of his or her federal individual income tax return as filed with the Internal Revenue Service for that year.

(e) Political contribution credits allowable under this section are limited to those cash contributions which are legal under applicable state and federal law and regulations. For purpose of this section, a contribution to a group seeking to influence the outcome of a ballot proposition or question in Alaska is allowable under this section only if the contribution is required to be reported to the Alaska Public Offices Commission by that group.

(f) For purposes of this section, "resident individual" means a natural person who has physically resided in the State of Alaska for a period of not less than 30 days and who intends to remain permanently in the state. (Eff. 10/9/80, Reg. 76; am 2/1/81, Reg. 77; am 6/2/82, Reg. 82)

Authority: AS 43.05.080  
AS 43.20.012  
AS 43.20.013

**15 AAC 20.044. FILING REQUIREMENTS FOR REFUND OF 1979 INDIVIDUAL NET INCOME TAX.** (a) An individual or fiduciary

Anchorage

CHAMBER of COMMERCE

Crossroads of the Air World

March 8, 1983

Representative Robert H. Bettisworth  
State Capitol, Room 500/502  
Interdepartmental Mail Stop: 3100  
Pouch V  
Juneau, Alaska 99811



Dear Representative Bettisworth,

The Anchorage Chamber of Commerce is in support of the passage of FB 7 requiring evidence of motor vehicle liability insurance.

We feel that this is certainly a start in the right direction. We urge your support on this matter of concern to all Alaskans.

→ The Chamber is also in support of HB 89 repealing the tax credit for political contributions.

I understand that there is a concern as to the effective date. July 1st rather than retroactive to January 1st, 1983 would be satisfactory to us.

The main priority should be to pass this much needed legislation. The State of Alaska has no business financing political campaigns and it would also save much needed revenue.

Thank you for your support on these issues.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kenneth E. Calhoon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kenneth E. Calhoon  
Director  
Chairman, Legislative Committee

STATE OF ALASKA  
FISCAL NOTE

Revision Date 1983

RECEIVED  
3-16-83

I. REQUEST

Bill/Resolution No.: CS HB 89  
 Title: Repeal political contributions tax cre  
 Sponsor: Bettisworth  
 Requestor: House Finance

II. FISCAL DETAIL

Agency Affected: Revenue  
 Program Category Affected: Rev. Coll. & Mt.  
 BRU, Program of Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS			(250.0)	(2,500.0)		
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Mary Belief Phone: 465-2300  
 Division: Comptroller's Office Date: 3/16/83  
 Approved by Commissioner: Joseph Bettisworth Date: 3/15/83  
 Department: Revenue

Distribution:

Original to Legislative Finance  
 Copy to Office of Management and Budget (for Legislature introduced bills)  
 Copy to Department (for Governor introduced bills)  
 Copy to Sponsor  
 Copy to Requestor (if different from Sponsor)

MSG 83-00019401 PRTY 1 05/20/83 14:44:54 ORIG: LA05 IN= 0007 OUT= 0081  
FROM: SHIRLEE ANC LIO TO: POMS JUNEAU INFO  
TARGET: LJHL SUBJ: POM

TO: SENATORS V. FISCHER, RAY, STURGULEWSKI, RODEY, KELLY AND JOSEPHSON

FROM: DAVID FINKELSTEIN, 3911 PETERKIN, ANCHORAGE 99504  
H.279-6719 W 272-9317

I AM OPPOSED TO HOUSE BILL 89 (REPEAL TAX CREDIT/POLITICAL CONTRIBUTIONS; E.D.) AND HOPE YOU WILL DEFEAT IT. I THINK IT IS A GOOD USE OF OUR PUBLIC FUNDS TO ENCOURAGE CITIZEN INVOLVEMENT IN POLITICS. BUSINESS INTERESTS WILL ALWAYS BE ABLE TO DEFEND THEIR INTERESTS IN ALASKA.

LS  
Don't have to answer - this guy knows who he stands - FYI  
BB

Not run

June 3, 1983

VFIRST NAMEV VLAST NAMEV  
/If Not Empty, ASSOC/VASSOCV  
/End If/VADDRESSV  
VCITYV, Alaska VZIPV

Dear VSALUTATIONV:

Thanks for letting me know how you feel about HB 89, the bill that would repeal the \$100 refund for political contributions.

I'm strongly opposed to passage of this bill, and will do everything within my power to retain the refund program. I remain convinced that this program allows and encourages much fuller participation in the political process by a wide range of Alaskans. I also don't want to see P.A.C.s and other groups eliminated from the program, as they play an important role in allowing citizens to be heard in the political arena.

Again, thanks for your thoughts.

Best regards,

Senator Vic Fischer

<u>LAST NAME</u> <u>CITY</u>	<u>FIRST NAME</u> <u>ZIP</u>	<u>ASSOC</u>	<u>ADDRESS</u>
Arnold Anchorage	Ms. Abby 99501		1426 Orca, No. 1
Butler Anchorage	Mr. Mark B. 99503		916 West 19th Ave.
Chesebro Valdez	Don 99686		Box 972
Cracium Anchorage	Ms. Jean 99504		6932 Gemini Drive
Dittrick Anchorage	Mr. Bob 99501		1081 17th Avenue
Eustis Anchorage	Mr. Jeffrey 99504		1413 Atkinson Drive
Fox Anchorage	Ms. Charlotte 99507		8350 Nadine Street
Frohna Anchorage	Ms. Mary 99507		SR Box 2047-X
Kadish Anchorage	Mr. Steve 99501		1135 "I" Street
Larson Anchorage	Mr. Pete 99504		2224 Glacier St., #303
Lewis Anchorage	Ms. Carol 99502		SRA Box 866
MaHaffey Anchorage	Jim 99507		9601 Midden Way

<u>LAST NAME</u> <u>CITY</u>	<u>FIRST NAME</u> <u>ZIP</u>	<u>ASSOC</u>	<u>ADDRESS</u>
Mullen, Chair Soldotna	Peggy 99669	League of Women Voters	Box 602
Museth Juneau	Jeri 99801	c/o AK Trollers Assoc.	205 N. Franklin
Newman Fairbanks	Mr. Gary 99701		SR Box 51233
Parsons, Exec. Dir. Juneau	Cass 99801	United Fishermen of Alaska	319 Seward St., #206
Rappoport Anchorage	Ms. Ann 99501		544 East 10th
Ruedrich, President Juneau	Ms. Lillian 99801	Juneau N.O.W.	536 Park Street
Shaughnessy Anchorage	Ms. Marie 99504		1419 Annapolis Drive
Smith Anchorage	Ms. Alison 99503		3406 Oregon Drive
Smith, President Anchorage	Gordon A. 99507	Area Democratic Council	SRA Box 31-Y
Swinburn Anchorage	Mr. Clay 99508		2805 Alder Drive
Symons Fairbanks	Ms. Barbara 99701		340 Driveway
Wigglesworth Anchorage	Mr. David 99502		SRA 4007-A

<u>LAST NAME</u>	<u>FIRST NAME</u>	<u>ASSOC</u>	<u>ADDRESS</u>
<u>CITY</u>	<u>ZIP</u>		
Winkley Anchorage	Ms. Barbara 99507		SRA Box 402-E

# TELEGRAM

ALASCOM, INC.  
PHONE: 586-6442  
JUNEAU, AK 99802

#

02008 ANCHORAGE AK 29 05-26 855A ADT

PMS SEN VIC FISCHER

POUCH V

**4767**

JUNEAU AK

WE URGE YOU NOT TO PASS HB89. PRESENT LAW ALLOWS FOR EQUAL  
PARTICIPATION IN THE POLITICAL PROCESS AND SHOULD NOT BE  
CHANGED.

GORDON A SMITH, PRESIDENT, AREA DEMOCRATIC COUNCIL

SRA BOX 31-Y

ANCHORAGE AK 99507

LS  
~~VF~~

\*\*\*\*\*  
MSG 83-00019422 PRTY 1 05/20/83 15:17:46 ORIG: LA05 IN= 0009 OUT= 0090  
FROM: SHIRLEE ANC LIO TO: POMS JUNEAU INFO  
TARGET: LJHL SUBJ: POM

TO: SENATORS V. FISCHER, RAY, STURGULEWSKI, RODEY; KELLY AND  
HALFORD  
FROM: JIM MAHAFFEY, 9601 MIDDEN WAY, ANCHORAGE 99507  
H 333-9632 W 561-1266, EXT 223

PLEASE SUPPORT PRIVATE CITIZENS' RIGHT TO CONTRIBUTE MONEY FOR  
POLITICAL CANDIDATES' CAMPAIGN FUNDS. IT IS CRITICAL FOR  
INVOLVING CITIZENS IN THE POLITICAL PROCESS, MORE CRUCIAL THAN  
ANY CAPITAL MOVE. IT ENABLES TRUE CONSTITUENCY REPRESENTATION.  
VOTE NO ON HOUSE BILL 89 (REPEAL TAX CREDIT/POLITICAL CONTRIBU-  
TIONS; E.D.).

5/3/83, SHIRLEE ANC LIO, 14112

TO: ALL MEMBERS, ALASKA SENATE

FROM: JANET LINDEMAN, 4342 E. 4TH AVE., ANCHORAGE 99504  
H 333-5689 W 276-8740

*Reg.  
Psych Ex  
Joseph.*

*DA*

I URGE YOU AGAIN TO PLEASE SUPPORT THE COMMITTEE SUBSTITUTE FOR SENATE BILL 109.

\*\*\*\*\*  
5/3/83, SHIRLEE ANC LIO, 14112

TO: ALL MEMBERS, ALASKA SENATE

FROM: MARIE SHAUGHNESSY, 1419 ANNAPOLIS DRIVE, ANCH 99504  
H 277-2922 W 248-3131

*LS*

*✓*

I WOULD LIKE THE STATE OF ALASKA REFUND FOR POLITICAL CONTRIBUTIONS CONTINUED. IT PROVIDES SEED MONEY FOR CONTRIBUTIONS OVER AND ABOVE THE REFUND AMOUNT AND HELPS OUR YOUNG PEOPLE TO LEARN ABOUT THEIR PERSONAL STAKE IN GOVERNMENT.

*save*

Sam Butler

dump 295 AA ~~last~~  
add section

PD

@when

A - Last  
B - 25  
C - 20 First N.  
Address 25  
Zip 10

# League of Women Voters of Alaska

Box 602  
Soldotna, AK 99669  
May 12, 1983

LS  
MAY 1 1983

Dear Senator Fischer,

The League of Women Voters of Alaska urges your support of tax credits for political contributions. Such credits are one of the most significant means available to promote maximum citizen participation in the political process. Passage of HB 89 would be a step backward, particularly in view of increasing public interest in campaign finance reform.

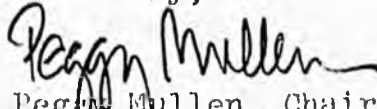
We maintain that the healthiest campaigns are those which are financed not just by PAC's or special interest lobbies, but by a multitude of small checks written by regular people.

There have always been voters who know how valuable an individual, albeit small, contribution to a campaign can be. But there are many others who only began to consider such contributions in light of a tax credit. It is not unrealistic to expect that some time in the near future the state may be required to reinstitute the state income tax. Continuing the tax credit until then would not be unusual; the state in effect 'subsidizes' many small projects...from home loans to fisheries and college educations.

As you well know, the question ultimately becomes one of philosophy as much as economics. The price tag of this incentive is comparatively small. It makes a great deal of sense when it is considered as an investment in a healthy political future for Alaska.

League considers the political contributions credit to be a worthwhile expenditure of public funds. We also support the inclusion of the necessary funds in the FY 84 budget.

Sincerely,



Peggy Mullen, Chair  
Election Laws and Procedures  
League of Women Voters of Alaska

MFC 83-00020144 PRTY 1 05/24/83 13:44:12 ORIG: LA03 IN= 0007 OUT= 0141  
FROM: SHIRLEE AND LIO TO: PONS JUNEAU INFO  
TARGET: LJHL SUBJ POM

LS

TO: SENATORS V. FISCHER, JOSEPHSON, KELLY, PETTYJOHN, ROBEY  
AND STURGULENSKI

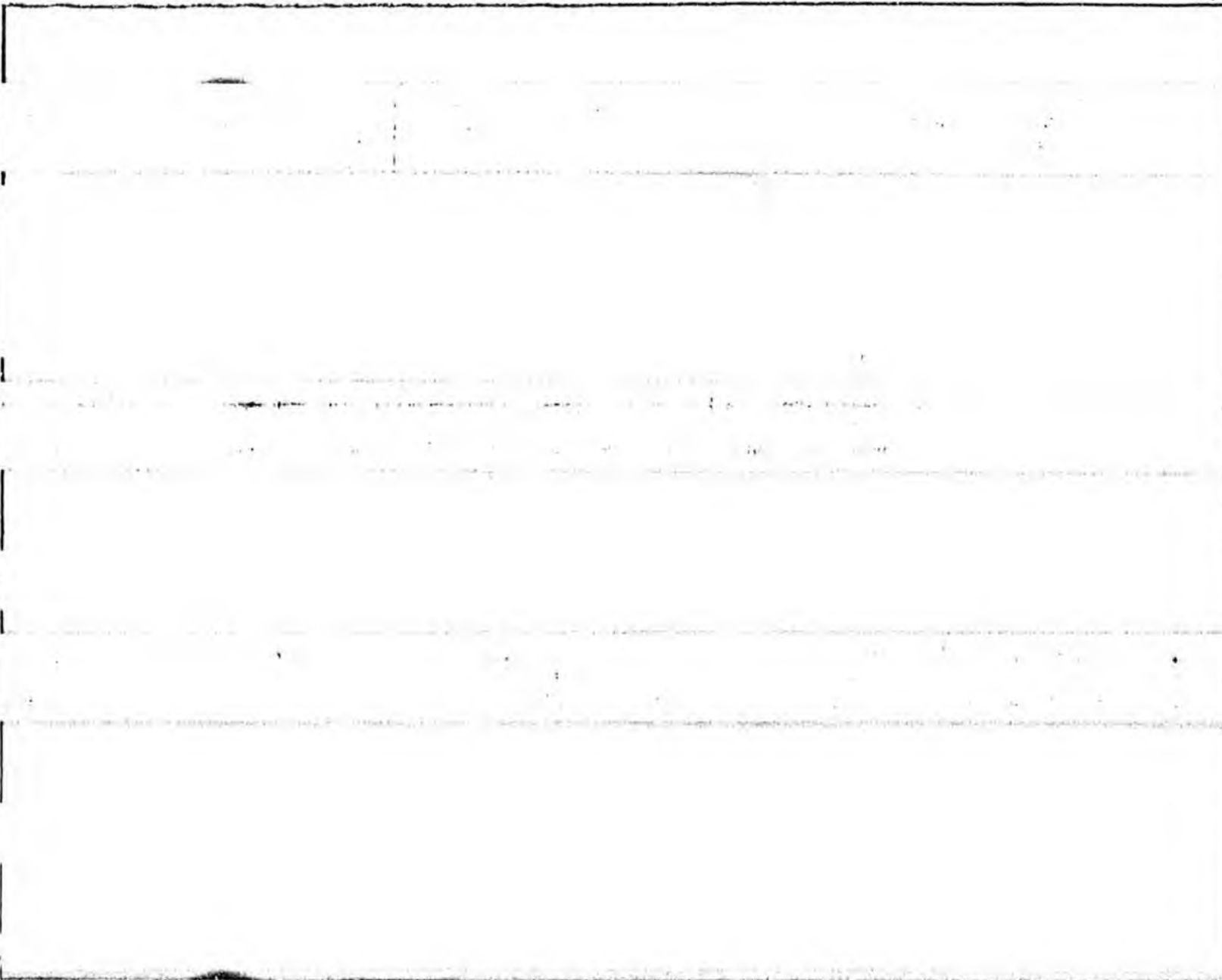
FROM: JEFFREY EUSTIS, 1413 ATKINSON DRIVE, ANCHORAGE 99504  
H 337-1616 U 276-4244

99504

✓

THE CAMPAIGN CONTRIBUTION REFUND PROGRAM PROVIDES A VALUABLE MEANS  
FOR PUBLIC PARTICIPATION IN ELECTIONS. I URGE DEFEAT OF HOUSE  
BT L 89.

\*\*\*\*\*



5/24/83 JEAN, ANC LIO #20141

TO: SENATOR VIC FISCHER

FROM: JEAN CRACIUNM  
5932 GEMINI DRIVE  
ANCHORAGE, AK 99504 (H) 337-8384 (H) 276-7277

LS/NS  
FORM

RE: HS 89 - CAMPAIGN CONTRIBUTION REFUND PROGRAM

I DO NOT WANT THIS REPEALED. I DISAGREE WITH REP. BETTISWORTH THAT THE CREDIT HAS BECOME A BRIBE. I BELIEVE INSTEAD THAT THE PROGRAM ACTIVELY ENCOURAGES CITIZEN PARTICIPATION IN THE POLITICAL PROCESS.

✓

\*\*\*\*\*

HSC 83-00019899 PRTY 1 05/23/83 19:37:14 ORIG: LA05 IN= 0014 OUT= 0149  
FROM: MARCIE, ANC INFO TO: POM, JUNEAU INFO  
TARGET: LJHL SUBJ: F O M

TO: SENATORS V. FISCHER, KERTTULA, AND HALFORD  
FROM: CAROL LEWIS, SRA BOX 066, ANC 99502 H 345-3252 W 563-3638  
VOTE TO KILL THE CS FOR HB 89 (RE POLITICAL CONTRIB. REBATE).

LS

FOR APPROPRIATE: 544 BATT 10TH. 280-10400. 5551  
H- 578-1280 H- 57-4575

LS

WEEK TO BE REPEAL OF HD 87 WHICH WOULD ALLOW THE POLITICAL CONTRIB.  
POLITICAL CONTRIBUTION. THIS LAW WOULD EFFECTIVELY ELIMINATE  
ALL PUBLIC PARTICIPATION IN THE POLITICAL PROCESS OF A MINIMAL

MSG 83-00020566 PRY 1 05/25/83 14:41:49 ORIG: LA02 IN= 0008 OUT= 0007  
FROM: JUNE, AND LIO TO: POB, JND INFO  
TARGET: LJHL SUBJ: POB

5/25/83, JUNE, AND LIO, MORE 20566

LS

TO: SENATORS V. FISCHER, RAY, STURGULEWSKI, RODEY, AND KELLY

FROM: STEVE KADISH, 1135 I STREET, ANCHORAGE, AK (99501)  
H- 276-5032 W- 272-8734

I OPPOSE HB '89, I ALSO OBJECT TO ANY CHANGES REGARDING REIMBURSEMENT  
OF THE \$100 POLITICAL CONTRIBUTION. I FEAR THAT POTENTIAL AMENDMENTS  
WILL LIMIT THE PERSONAL CHOICE OF HOW A PERSON CHOOSES TO SUPPORT AN  
ISSUE AS WELL AS A CANDIDATE.

\*\*\*\*\*

5/25/83, SHIRLEE AND LIO, 20711

TO: SENATORS V. FISCHER, RAY, KELLY, RODEY AND STURGULENSKI

FROM: ABBY ARNOLD, 1426 DECA, NO. 1, ANCHORAGE, AK 99501  
H 274-6727 W 274-2700



RE: OPPOSITION TO HOUSE BILL 89

PLEASE VOTE AGAINST HOUSE BILL 89. THE PROGRAM IS NONPROFITABLE AND ALLOWS GROUPS TO CONTRIBUTE TO THE ELECTION PROCESS. THE STATE LEGISLATURE NEEDS TO CONTINUE TO ENCOURAGE CITIZEN INVOLVEMENT. IN ADDITION, THE PROGRAM NEEDS TO APPLY TO POLITICAL ACTION COMMITTEES.

\*\*\*\*\*

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15



1952

[Faint, illegible text covering the bottom third of the page, likely bleed-through from the reverse side.]

May 25, 1983

Senator Vic Fischer  
Member, Finance Committee  
State Capitol  
Pouch V  
Juneau, AK 99811

25  
MAY 31 1983

Dear Senator Fischer:

Most Alaskans are still politically naive. Politics was a subject that was discussed at the cocktail parties of select few individuals who were in charge of this State. No one else could afford politics. Because of the various impacts of legislation, there is a slow awakening of the importance of the individual becoming involved. And because of the political contribution tax credit there is the realization that these same individuals can afford to become involved. I know that this is particularly true of rural/bush groups with which I've been living and working and with fishermen.

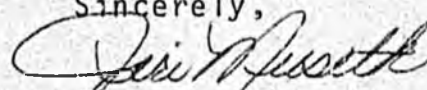
I have been fortunate enough to have been involved with a Political Action Committee. I have found it a means to get others interested in the "political process". By joining a group of people interested in the same subjects, people, who would otherwise not even try, can find themselves actively involved and learning what this game is all about, including the distribution of campaign checks to candidates. It has been this sort of experience that has gotten more Alaskans involved in what is being done for their great State and out to vote the different issues.

Recently, there has been interest expressed by a group of women in forming a PAC. Women are notorious for being on the lower end of wage and monetary scales, and definitely need the break that the political contribution tax credit can offer them to keep them busy in an expensive activity.

I sincerely hope that you will keep these thoughts in mind when you are considering HB 89, and will oppose its passage at this time. I am sure that within a few more years Alaskans will have reached a better level of political expertise and will agree that the political contribution tax credit has outlived its usefulness. But this is not the time.

Thank you.

Sincerely,



Jeri Museth  
Elfin Cove, AK 99825

CD-00001070 P001 4 02/02/83 11 47:55 ORIG: LARA IN: 0000 OUT: 0047  
TO: JUNEAU  
GET LHM SUBJ POM

SEN. V. FISCHER, PAY, STURGEONSKI, BODEY, KELLY

LS

M: LILLIAN RUEDRICH, PRESIDENT OF JUNEAU NOW  
536 PARK STREET  
JUNEAU, ALASKA 99801  
584-9739

RE: HB 89-TAX CREDIT/POLITICAL CONTRIBUTIONS

SO IS A VOTE AGAINST ACTIVE CITIZEN PARTICIPATION IN THE POLITICAL  
PROCESS, AND THE AMENDMENT TO ALLOW INDIVIDUAL CAMPAIGNS BUT NOT  
POLITICAL ACTION COMMITTEES DISCRIMINATES AGAINST THE INDIVIDUAL  
PUBLIC INTEREST GROUPS SUPPORT OF BROAD ISSUES. PLEASE VOTE  
AGAINST HB 89

////////////////////////////////////

MSG 83-00018857 PRTY 1 05/19/83 11:48:27 ORIG: LV00 IN= 0004 OUT= 0056  
FROM: PAT, VALDEZ TO: JUNEAU INFORMATION  
TARGET: LJHL SUBJ: POM

TO: SENATORS ~~VIC FISCHER~~, PAUL FISCHER, JAY KERTTULA

FROM: DON CHESEBRO  
BOX 972  
VALDEZ, AK 99686 335-2344 (RES)

RE: SSH889/REPEAL TAX CREDIT/POLITICAL CONTRIBUTION

I WOULD URGE YOU TO VOTE AGAINST THIS REPEAL AND SUPPORT THE POLITICAL CONTRIBUTION REFUND.

LS

MSG 83-00019314 PRTY 1 05/20/83 12:16:46 ORIG: LA01 IN= 0003 OUT= 0050  
FROM: MARCIE, ANC INFO TO: POM, JUNEAU INFO  
TARGET: LJHL SUBJ: P O M

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TO: SENATORS JOSEPHSON AND V. FISCHER

FROM: PETE LARSON, 2224 GLACIER ST #303, ANC 99504 H 333-8524

I AM OPPOSED TO HB 89 (REPEAL TAX CR/POLITICAL CONTRIB.). I FEEL THE  
\$100 REIMBURSABLE DONATIONS INSURE MORE INVOLVEMENT BY ALL ALASKANS IN  
POLITICAL CAMPAIGNS.

EOM

LS

MSG 83-00018723 PRTY 1 05/19/83 18:23:04 ORIG: LA02 IN= 0007 OUT= 0083  
FROM: JUNE, ANC LIO TO: POM, JNU INFO  
TARGET: LJHL SUBJ: POM

5/19/83, JUNE, ANC LIO, MSG 18723

TO: SENATORS V. FISCHER, RAY, RODEY, STURGULEMSKI, KELLY, AND FAIKS  
FROM: MARK B. BUTLER, 916 WEST 19TH AVENUE, ANCHORAGE, AK 99503  
H- 272-9354 W- 264-4594

*LS*

PLEASE VOTE AGAINST HB 89 (WHICH WOULD ELIMINATE STATE REFUNDS FOR POLITICAL CONTRIBUTIONS). THIS PROGRAM IS NEEDED TO CONTINUE THE HIGH LEVEL OF CITIZEN INVOLVEMENT IN OUR POLITICAL SYSTEM.

MS/ MARK B. BUTLER

\*\*\*\*\*

*RESPONSE  
PLS*

*5/19 - Phoned him  
told him about  
hearing. JS*

MSG 83-00016114 PRTY 1 05/09/83 17:50:48 ORIG: LA05 IN= 0012 OUT= 0179  
FROM: MARCIE, ANC INFO TO: POM, JUNEAU INFO  
TARGET: LJHL SUBJ: F O M

TO: SENATORS V. FISCHER, RAY, KELLY, RODEY, STURGULEWSKI  
FROM: ALISON SMITH, 3406 OREGON DRIVE, ANC 99503 H 272-0149 W 279-5516

PLEASE SUPPORT CONTINUED FUNDING OF THE POLITICAL CONTRIBUTION CREDIT  
THIS CREDIT PARTICULARLY HELPS WOMEN AND MINORITIES TO ASSERT  
POLITICAL CLOUT. THANK YOU.

EOM

NB  
02  
S  
GB

MSG 83-00020208 PRTY 1 05/24/83 15:26:10 ORIG: LF21 IN= 0002 OUT= 0199  
FROM: MAXINE/FBX TO: JUNO INFO  
TARGET: LJHL SUBJ: POM

TO: SEN'S V. FISCHER, RAY, STURGULEWYKI, RODEY, KELLY  
SEN'S BENNETT, FAHRENKAMP, HOSS

LS  
NA

FR: BARBARA SYMONS, 340 DRIVENAY, FBX 99701 PH. NY 452-6024

RE: HB 39

MSG: I AM OPPOSED TO HB 39 AND IN FAVOR OFF THE CAMPAIGN CONTRIBUTION REFUND PROGRAM, WHICH PROVIDES INCENTIVE FOR PERSONAL CONTRIBUTION TO THE LEGISLATIVE PROCESS.

EQH

\*\*\*\*\*

... BARBARA WINKLER

AT LAST, AS THEY DON'T WANT TO BE INVOLVED IN POLITICS, I BELIEVE POLITICAL DONATIONS INCLUDING CONTRIBUTIONS

FROM BARBARA WINKLER FOR BOX 400-7, BIRMINGHAM, AL 35203

TO ALL SENATORS

FROM: JUNE AND LEO, 400 BOX 400-7

FROM: LEO AND JUNE, FOR

MSG 83-0020779 PRTY 1 05/25/03 18 43 EC ORIG: LAG3 IN= 0004 OUT= 0164  
TO: FOM, JMW INFO

15



5/26/83, JUNE, AND LTD, MEMO 21905

LS

TO: ALL MEMBERS OF THE SENATE

FROM: MARY FRONHA, SR BOX 2697-K, ANCHORAGE, AK 99507  
(RES) HILLSIDE DRIVE, ANCHORAGE, AK  
H- 544-6326

I BELIEVE HD 89 (REPEAL TAX CREDIT/POLITICAL CONTRIBUTION) SHOULD NOT  
BE PASSED AT ALL!

\*\*\*\*\*

MSG 83-00020668 PRTY 4 05/25/83 16:36:54 ORIG: LA01 IN= 0021 OUT= 0125  
FROM: SHIRLEE AND LTD TO: POMS, JUNEAU INFO  
TARGET: LHM SUBJ: FCM

TO: SENATORS V. FITCHER, RAY, STURGOLEWICKI, BODEY AND KELLY  
FROM: DAVID WIGGLESWORTH, SRA 4007-A, ANCHORAGE 99502  
H 345-6477 W 274-3621

LS

PLEASE DO NOT CUT P.A.C.'S OUT OF THE POLITICAL CONTRIBUTION  
REFUND PROGRAM. BUSINESSES CAN DONATE DIRECTLY TO CANDIDATES,  
THUS CITIZEN P.A.C.'S ARE CRITICAL TO DEFEND OTHER INTERESTS  
IN ALASKA. I DONATE TO P.A.C.'S BECAUSE I WANT THE CANDIDATES  
TO KNOW WHICH ISSUES I SUPPORT. VOTE AGAINST HOUSE BILL 89  
(FEDERAL TAX CREDIT/POLITICAL CONTRIBUTIONS).

\*\*\*\*\*

1950 JUN 11 10:00 AM

Mr. J. Edgar Hoover, FBI, Washington, D.C.

Dear Mr. Hoover:

I am writing you to inform you that I have been advised by the State Department that the information you requested is being furnished to you.

Sincerely,  
J. Edgar Hoover

57

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 05-14-2001 BY 60322 UCBAW/STW

TO: SEN STATE AFFAIRS CMTE (SENS V.FISCHER, RAY, STURGULEWSKI, RODEY, KELLY)

FROM: GARY NEWMAN, SR BOX 51233, FBX. 99701 5488-2001

RE: HB89, TAX CREDIT/POLIT CONTRIB.

LS

HSC: AM OPPOSED TO THIS BILL. OF ALL THE MONEY WE SPEND ON MULTITUOUS PROJECTS AND PROGRAMS, THIS IS ONE OF THE FEW THAT IS EQUAL FOR ALL AND ENCOURAGES CITIZEN PARTICIPATION IN THE POLITICAL PROCESS. I HOPE ALL MEMBERS WILL RECOMMEND "DO NOT PASS" SHOULD IT PASS OUT OF COMMITTEE.

---EOM

HB89  
FORM

MSG 83-00022322 PRY 1 06/02/83 10:21:23 ORIG: LA05 IN= 0002 OUT= 0020  
FROM: SHIRLEE ANC LIO TO: FOMS JUNEAU INFO  
TARGET: LJHL SUBJ: POM

---

TO: ~~ALL MEMBERS, ALASKA SENATE~~

NS

FROM: BOB DITTRICK, 1081 17TH AVENUE, ANCHORAGE 99501  
H 272-0090 W 264-2159

PLEASE OPPOSE THE EFFORTS TO REPEAL THE CAMPAIGN CONTRIBUTION  
FUND (HB 89). THIS PROGRAM HAS ALLOWED THE PEOPLE TO BECOME  
A PART OF THE POLITICAL PROCESS WITH SAY OVER WHERE OUR MONEY  
GOES. IT GIVES THOSE OF US IN LOWER INCOME BRACKETS THE CHANCE  
TO MAKE A DIFFERENCE--A GREAT FEELING.

MSG 83-00019436 PRTY 1 05/20/83 15 39 23 0015 LA05 IN= 0110 OUT= 0007  
FROM SHIRLEE AND LIO TO POMP BUREAU INFO  
TARGET: LJHL SUBJ: FOR

TO: SENATORS V. FISCHER, RAY, KELLY, RIEDEY AND STURGOULENSKI  
FROM: DONNIE BOEDIKER, 1542 AIRPORT HEIGHTS DRIVE, APOH 99504  
R 337-6158 W 265-9365

I SUPPORT THE CURRENT STATE LAWS WHICH ALLOW POLITICAL CONTRIBUTION  
REFUND. THE REFUND ENCOURAGES CITIZENS TO PARTICIPATE IN THE  
POLITICAL PROCESS. IT HAS ALLOWED CITIZEN INTEREST GROUPS TO  
COMPETE WITH BUSINESS INTERESTS FOR LEGISLATIVE ATTENTION. I  
URGE YOU TO VOTE AGAINST HOUSE BILL 99 (REPEAL TAX CREDIT/POLITICAL  
CONTRIBUTIONS; E.D)

LS  
Response  
P/C  
5/25

MSG 93-00020281 PRTY 1 05/24/83 17:07:47 ORIG: LA01 IN= 0015 OUT= 0184  
FROM: NINA, ANC LIO TO: JNU LIO  
TARGET: LJHL SUBJ: POW

LS

TO: SNEATERS: V. FISHER, KERRY, RAY, ROSEY, WISNIEWSKI  
FROM: JOHNNY ELLIS 1414 KARLUK APO, AK 99501 4633 UKL 275-1353

A NUMBER OF PEOPLE AT THE ANCHORAGE TELECONFERENCE SITE NOT ABLE TO TESTIFY IN OPPOSITION TO HB89 DUE TO TIME CONSTRAINT. I STRONGLY URGE YOU TO DEFEAT THIS MEASURE.  
THANK YOU.

*wrote P/C  
5/24*

HB 89

6/1/83, SHIRLEE ANC LIO, 22193

TO: SENATORS FAHRENKAMP, FERGUSON, V. FISCHER, JOSEPHSON,  
KERTTULA, NOSS, RAY, RODEY AND ZIEGLER

FROM: SARA JUDAY, 1208 DENALI, NO. 1, ANCHORAGE 99501 !

APOC RECORDS SHOW THAT THE CAMPAIGN CONTRIBUTION PROGRAM IS  
IMPORTANT TO DEMOCRATS. OF 1982 DONATIONS, THOSE OF \$100 OR LESS  
COMPRISED:

64%--DEMOCRATIC PARTY	90%--WOMEN'S PACE
47%--DEMOCRATIC LEGISLATIVE COMMITTEE	83%--ENVIRONMENTAL PAC
78%--FISHPAC	
17%--REPUBLICAN PARTY	16%--ALASKA CONSERVATIVE PAC
99%--PUBLIC EMPLOYEES' ASSOCIATION	

PLEASE DEFEAT HOUSE BILL 89! RETAIN THE REFUND PROGRAM.

\*\*\*\*\*

VF/LS  
GB  
May 26th, 1983

Senator Vic Fischer  
Chairman, Senate Committee on State Affairs

Dear Senator Fischer:

Although I am not usually involved with political actions, I am strongly in favor of the repeal of the Political Contributions Act. I feel that the act appeals to the baser emotions of greed and avarice that tempt the most upright of politicians, and serve to enrich the media with state funds. I do not believe it is right to finance political contributions with state money.

The political contributions act gives \$100 of state money to citizens for the purpose of political contributions. The politicians who receive the funds then spend it mostly on newspaper, radio and television commercials during their campaigns. As a result, both politicians and the media receive benefits. But I don't like so many commercials during campaign season; in fact, I can't listen to the radio or watch TV during that time because the commercials are so numerous as to be repulsive and therefore ineffective. As a result, the state money is not serving its intended purpose.

We all know that campaigns are getting very expensive, as illustrated by Governor Sheffield's latest effort. But I don't think that it is appropriate to fuel the fire with State money. The campaign spending has exceeded the limits of a state with our population, and I believe that the availability of the money has tempted the politicians to provide for themselves over the needs of some other programs in the state. State money should be used for the public benefit, not for the benefit of those we have entrusted to protect the public treasury, nor for the benefit of those we entrust to provide unbiased public information.

Campaign contributions (which already receive preferential U.S. Income Tax treatment) should be a private matter, and I don't agree that the Political Contributions Act gives poor people a voice in the government. You have to have the money to spend before you can qualify for the reimbursement, and it's the middle class who will send in the money and then fill out a form for the reimbursement. Has there been a study on the income classification, or even the residential area (city residents are generally more affluent than Alaska bush residents), of the people who have file for reimbursement? Voting is the voice of the people, not campaign contributions. And I vote for repeal of the Campaign Contributions Act.

*Joseph E Seale*

Joseph E. Seale  
5959 North Douglas Highway  
Juneau, Alaska 99801

# NEWSLETTER CONTRIBUTOR'S CLUB

\* \* \* \* \* THE BIRDS ARE SINGING--INDEED, IT'S SPRING/SUMMER (JUST DON'T BLINK!) BRIGHT DAYS SEEM TO BRING OUT THE BEST IN PEOPLE.

THIS MONTH, LET US THANK THESE FINE PEOPLE: JEAN DUCHANAN (WHO DOES A FINE JOB ON THE SCHOOL BOARD), BRUCE DUNN, MARGIE GIBSON, MAURCEEN KENNEDY, GENE SAINT-AMAND (NEW TO DISTRICT #13), ROBIN TAYLOR-BURT (NOW AT THE AK VISITORS AND CONVENTION BUREAU), CARRIE WALDEN, AND DOLORES AND CHUCK WEILER. AND THIS MONTH'S AWARD FOR INGENUITY HAS TO GO TO BEA ROSE, WHO WAS SMART TO USE THE NEWSLETTER PAGE AS AN ENVELOPE TO SEND IN HER CONTRIBUTION!

A NUMBER OF FOLKS HAVE BEEN INVOLVED WITH THIS NEWSLETTER. WHEN YOU SEE HER, PLEASE THANK JULIA GARRIGUES, WHO GIVES CONTINUED ASSISTANCE WITH DISTRIBUTION. THANKS TO YOU ALL!

\$ % \$ % \$ % \$ % \$ % \$ % \$ % \$ % \$ % \$ % \$ % \$ % \$ % \$ % \$ % \$ % \$ %

## STATE CENTRAL COMMITTEE MEETS

MUCH WAS ACCOMPLISHED AT THE STATE CENTRAL COMMITTEE MEETING IN FAIRBANKS ON MAY 15TH.

DURING THE MORNING A WORK SESSION WAS HELD ON THE DELEGATE SELECTION PLAN. ALASKA, BASED ON ITS DEMOCRATIC VOTING STRENGTH IN THE 1980 PRESIDENTIAL ELECTION, WILL HAVE 14 DELEGATES AND 5 ALTERNATES. TO THAT END, DATES IN 1984 WERE SELECTED FOR PRECINCT CAUCUSES--MARCH 14TH, THE HOUSE DISTRICT CONVENTIONS --APRIL 7TH, AND THE STATE CONVENTION IN SITKA--MAY 5-6.

THERE ARE NEW CLASSIFICATIONS INTO WHICH DELEGATES MUST FALL, AND THERE WILL BE NO FRACTIONAL DELEGATES, AS AGREED BY THE DEMOCRATIC NATIONAL COMMITTEE WITH THE ADOPTION OF THE HUNT COMMISSION REPORT. EMERGENCY CHANGES TO THE PARTY PLAN WERE ADOPTED FOR THE PURPOSE OF ALLOWING THIS PROCESS TO PROCEED AND ENSURE DELEGATE SEATING AT THE CONVENTION.

SCC ALSO HELD A TELECONFERENCE WITH THE HOUSE MINORITY DEMOS WHO REQUESTED A SEAT ON THE SCC EXECUTIVE COMMITTEE. THE DLC MEMBERS WILL SELECT A NON-VOTING MEMBER TO THIS BODY. IN ADDITION, THE EXEC. COMMITTEE WAS EXPANDED TO INCLUDE THE FIVE REGIONAL VICE-CHAIRS.

STAFFING OF A STATEWIDE OFFICE WAS AUTHORIZED, SO LONG AS IT DOES NOT RESULT IN DEBT TO THE PARTY.

A NUMBER OF RESOLUTIONS WERE BROUGHT BEFORE THE SCC WHICH ACTED ON THEM BEFORE ADJOURNING TO THE STEVE COWPER FUNDRAISER AT THE PLUNDERS AND STEAMITERS HALL.

- 5/24 TELECONFERENCE 1 PM HEARING ON THE REPEAL OF THE TAX CREDIT FOR POLITICAL CONTRIBUTIONS, 1024 WEST 6TH.
- 5/26 BARTLETT CLUB, NOON, FRANK'S BAR-B-QUE, 13TH AND HYDER. WILLIE HENSLEY, DEMOCRATIC NATIONAL COMMITTEEMAN, ON URBAN/RURAL RELATIONS.
- 6/2 BARTLETT CLUB, NOON, FRANK'S BAR-B-QUE, 13TH AND HYDER. DEBATE: SHOULD ALASKA REGULATE PRIVATE SCHOOLS?
- 6/4 ALASKA DEMOCRATIC PARTY, POLITICAL SKILLS SEMINAR ON ISSUES INCLUDING LABOR, SOCIAL CONSCIENCE, AND NATURAL RESOURCES. REGISTRATION AT NOON, BEGINS AT 1 PM, SHERATON HOTEL, \$15 FEE.
- 6/7 H.D. #12 MEETING, 7:30 PM AT THE FAIRVIEW COMMUNITY CENTER, 10TH & KARLUK, CALL CAL WILLIAMS FOR INFO, 276-8698.
- 6/8 HOUSE DISTRICT #13 MEETING, 7:30 PM, AT MT. VIEW LIBRARY, CALL ED CHATMAN, 337-3556, FOR MORE INFORMATION.
- 6/9 BARTLETT CLUB, NOON, FRANK'S BAR-B-QUE, 13TH AND HYDER. DON MITCHELL, VP FOR AFN, SUBSISTENCE: THE TRUTH!
- 6/14 HOUSE DISTRICT #11 MEETING, 7:30 PM, CALL RICK HEITZ AT 248-2512, FOR MORE INFORMATION.
- 6/15 AADC MEETING, 7:30 PM AT THE NEA BUILDING, 1411 W. 33RD. CALL GORDON SMITH, 344-4491, FOR MORE INFORMATION.
- 6/16 BARTLETT CLUB, NOON, FRANK'S BAR-B-QUE, 13TH AND HYDER. JUNETEENTH PROGRAM AND SENATORIAL STRAW POLL VOTE.
- 6/20 BARTLETT CLUB TRUSTEES MEETING, 5:30 PM AT THE NEA BLDG.
- 6/23 BARTLETT CLUB, NOON, FRANK'S BAR-B-QUE, 13TH AND HYDER. TOPIC: THE ALASKA GAS LINE???
- 6/30 BARTLETT CLUB, NOON, FRANK'S BAR-B-QUE, 13TH AND HYDER. RED BOUCHER, TELEPOLITICAL PROCESSING.

\* \* \* \* \* FUTURE BARTLETT LUNCH PROGRAMS INCLUDE LEGISLATORS RETURNING FROM THE SESSION, THE GOVERNOR AND COMMISSIONERS, THE ASIAN-AMERICAN COMMUNITY, VARIOUS CONSULATES IN ANCHORAGE, NATIVE SOVEREIGNTY, AGRICULTURE, AND LABOR. LET'S THANK JOHNNY ELLIS FOR HIS EXCELLENT EFFORTS PREPARING THESE WEEKLY PROGRAMS. IF YOU HAVE ADDITIONAL SUGGESTIONS, GIVE HIM A CALL.

AT THE RECENT AADC MEETING, GORDON SMITH HOSTED A TELECONFERENCE WITH GOVERNOR BILL SHEFFIELD, WHO SPOKE TO US FOR ABOUT 30 MINUTES, FOLLOWED BY QUESTIONS AND ANSWERS.

THE GOVERNOR MENTIONED THE IMPORTANCE OF HAVING GOALS AND ALWAYS KEEPING THEM IN MIND. HE SEES THE CURRENT LEGISLATIVE SESSION AS ROCKY AND LACKING IN COMMON SENSE. HE HAS NOTICED AN UNWILLINGNESS BY THE VARIOUS BODIES TO SIT DOWN FOR DISCUSSION TO WORK OUT DIFFERENCES AND MAKE COMPROMISES. THERE SEEMS TO BE A LACK OF LEADERSHIP IN THE HOUSE. THERE IS A GREAT DEAL OF LEGISLATION YET TO BE COVERED. ALL OF THESE CHALLENGES MAKE IT DIFFICULT TO GET ON WITH THE BUSINESS OF RUNNING THE STATE.

GOVERNOR SHEFFIELD SAID REGARDING BOARDS AND COMMISSIONS THAT HE HAS DONE A FAIR JOB OF GAINING WIDE GEOGRAPHICAL REPRESENTATION. HE HAS NAMED 6 DEMOS PER EACH REPUB. HE ADDED THAT MANY OF THESE DEMOS ARE REGISTERED AS INDEPENDENTS, BUT THAT THEY ARE DEDICATED TO FOLLOWING HIS DEMOCRATIC PROGRAMS. HE SAID ARRANGEMENTS ARE BEING MADE WITH PEOPLE IN EACH GEOGRAPHIC AREA SO THE PARTY HAS MORE INPUT. THE GOVERNOR ENCOURAGES PEOPLE WITH QUESTIONS ABOUT RUMORS THEY HAVE HEARD TO CALL HIS OFFICE BEFORE LEAPING OFF INTO CERTAIN AREAS.

THE GOVERNOR SAID HE RECOGNIZES THE NEED FOR A DEMOCRATICALLY CONTROLLED HOUSE AND SENATE--WITH HELP BEING NEEDED MOST IN ANCHORAGE. HE SAID HE WOULD HELP BUILD THE PARTY AND MADE OTHER VALUABLE SUGGESTIONS FOR GETTING TO THE HARD WORK AHEAD TO GET INTO POSITION TO ELECT DEMOS IN 1984. HE SAID WE NEED TO ELECT PEOPLE WHO ARE FOR GOOD GOVERNMENT AND LESS FORK BARREL.

IN EVALUATING THE TRANSITION PERIOD, THE GOVERNOR SAID THEY GOT OFF TO A ROUGH START. THERE WERE MANY PEOPLE LAYING FOR THEM. NOW HE SEES THAT THE PRIVATE SECTOR WANTS TO GET MORE INVOLVED---ESPECIALLY WITH LARGE SCALE PROJECTS.

THE GOVERNOR SAID AT THIS TIME HE FAVORS THE TAX CREDIT FOR POLITICAL CONTRIBUTIONS AND FEELS HE WOULD VETO THE REPEAL EFFORT (HB89). AN ADDITIONAL PIECE OF LEGISLATION WHICH WOULD RECEIVE A VETO IS THE SENATE DECISION NOT TO INVEST THE OWED \$400 MILLION TO THE PERMANENT FUND. THE GOVERNOR FEELS AN OBLIGATION EXISTS FOR THIS FUNDING.

QUESTIONS ASKED RELATED TO THE LONGEVITY BONUS, WHICH THE GOVERNOR FEELS SHOULD STAY ALIVE, YOUTH UNEMPLOYMENT, FOR WHICH THE GOVERNOR HAD INCLUDED FUNDS IN THE BUDGET. ANOTHER QUESTION WAS ON HB246, WHICH REMOVES THE CEILING ON INTEREST RATES (THIS HAS ALREADY PASSED THE HOUSE). ANOTHER QUESTION WAS WHY THE STATE HUMAN RIGHTS COMMISSION WAS UNDERFUNDED AND WHY THERE WAS NO LONGER AN ANCHORAGE OFFICE.

IN HIS CONCLUDING REMARKS, THE GOVERNOR NOTED THAT THE MAIL WAS RUNNING VERY HEAVY AGAINST REPEAL OF THE PERMANENT FUND DIVIDEND PROGRAM. AGAIN HE ENCOURAGES DEMOCRATS TO KEEP IN TOUCH AND KEEP UP THE COMMUNICATIONS.

THE NOSE TAKES IT IN THE NOSE AGAIN BY A CARTOON--AT LEAST IT'S NOT THE SACCHARINE 2X4 IN THE O.P. WHICH ADVOCATES GAME-PLAYING IN RELATIONSHIPS. YOU KNOW--THE TRADITIONAL FAMILY VALUES.

SPEAKING OF SAME, IS ANYTHING AS ANNOYING AS GETTING HOME FROM WORK TO FIND (CONSISTANTLY) THE PAPER SCATTERED ALL OVER? IT'S TIRING TO BE ALWAYS ON A FIRST NAME BASIS WITH CIRCULATION.

AND MORE ON THE SAME: GREAT HEADLINES: POLL SHOWS SUPPORT FOR REAGAN. THE ARTICLE IS SOME SURPRISE!

THAT SAME WELL KNOWN REPUB POLLSTER OFFERED A QUESTION FOR SALE IN THE RECENT KAMN AUCTION. IT WAS PURCHASED BY OUR OWN DOUG ELLIOTT AND DONATED TO AADC--WE EAGERLY AWAIT RESULTS.

AH YES, CLIPPED--NO MORE TV COVERAGE OF THE HOUSE (JOE DOESN'T WANT US TO SEE HIM GRAY ON THE SCREEN), THE TELECONFERENCE BUDGET HAS BEEN REDUCED--LESS ACCESS ANY WAY YOU LOOK AT IT. AND JUST TRY TO FIND THE HEARING ON A PET BILL. IF IT'S THERE AT ALL, IT'S PROBABLY ALREADY BEEN HELD. THE END RESULT--LIKELY THE WISH OF THE REPUBLICAN LEADERSHIP (AND OF COURSE BECAUSE CONSTITUENTS ARE CRYING LACK OF ACCESS) IS TO MOVE THE CAPITAL--ALL AT VOTER DEMANDS. JUNEAU MIGHT WELL NOTE.

AND YOU NOTED, I'M SURE THE LENGTH OF TIME IT TOOK TO GET THE FLOOD INQUIRY MOVING. AT LEAST JOE IS A GOOD DISCIPLINARIAN--NO DUE PROCESS ALLOWED. THE ACCUSED IS DUMPED, AT BEST DISENFRANCHISING HIS CONSTITUENTS--TO JOE'S BENEFIT. LOVE THAT CONFLICT OF INTEREST!

AND FINALLY, WE ALL WISH ELLIS WELL ON HIS CALIFORNIA ADVENTURE. WILL CALIF. POLITICS BE MORE EXCITING BECAUSE THERE ARE MORE PEOPLE INVOLVED? IN ANY EVENT, THAT WAS THE BEST FRONT PAGE I'VE SEEN IN A GOOD WHILE!



A M E N D M E N T

#2

Offered in the SENATE

By V.Fischer

TO: CSHB 89(Fin)

Page 1, line 7, following "contributions":

Insert "to groups"

Page 1, line 8, following "contributions":

Insert "to groups"

Page 1, line 11:

Delete all material and insert the following:

\*\* Section 1. AS 43.20.013(a) is amended to read:

(a) A resident individual is entitled to a tax credit not to exceed \$100 for

{(1)} a contribution made in a calendar year to a person or organization for use exclusively

[(A)] for a political campaign for a candidate for

(1) [(i)] President or Vice President of the United States, whether or not the candidate will be voted on in a primary election in Alaska;

(2) [(ii)] United States senator from Alaska;

(3) [(iii)] United States representative from Alaska;

(4) [(iv)] governor or lieutenant governor of Alaska;

(5) [(v)] the Alaska legislature;

(6) [(vi)] delegate to an Alaska constitutional convention;  
(7) [(vii)] electoral confirmation as a judge or justice of  
a court in Alaska; or

(8) [(viii)] municipal office in Alaska [; OR

(B) BY A GROUP SEEKING TO INFLUENCE THE OUTCOME OF A  
BALLOT PROPOSITION OR QUESTION IN ALASKA: AND

(2) DUES PAID IN A CALENDAR YEAR TO A NONPROFIT ORGANIZA-  
TION ORGANIZED PRIMARILY FOR THE PURPOSE OF INFLUENCING ELECTIONS IN  
ALASKA]."

Page 1, line 13, following "AS 43.20.013(a)"

Insert "(1)(B) and (2)"

Page 1, line 15, following "AS 43.20.013(a)"

Insert "(1)(B) and (2), repealed by sec. 1 of this Act,"

SENATE ROLL CALL

1983

	YEAS	NAYS	EX	AB
✓ Bennett	✓			
Eliason		✓		
Fahrenkamp		✓		
Faiks	✓			
Ferguson		- ✓ -		
✓ Fischer, Paul	<del>✓</del> ? -			
Fischer, Vic		✓		
- - ✓ Gilman	✓			
- ✓ Halford	✓			
Josephson		✓		
✓ Kelly	<del>✓</del>	<del>✓</del>		
Moss		✓		
Mulcahy	✓			
Pettyjohn	✓			
✓ Ray	✓			
Rodey		✓		~
Sackett	✓			
Sturgulewski		✓		
- - ✓ Ziegler	<del>✓</del> ?			
✓ Kerttula**	<del>✓</del> ?			
	YEAS	NAYS	EX	AB
TOTAL SENATE				
TOTAL HOUSE				
TOTAL BOTH				

POSSIBLE CONTACTS ON POLITICAL TAX CREDIT

HOLLI PLOOG *Bob* ANC, NATIONAL WOMEN'S POLITICAL CAUCUS 561-1158

GORDON SMITH ANC, ANCHORAGE AREA DEMOCRATS 276-8161

BLANCHE BRUNK FBX, WAS ACTIVE IN COWPER CAMPAIGN 456-2866

DAVID ALLISON FBX, ENVIRONMENTAL LOBBY 586-1445

MARION ESTELLE PETERSBERG,  
(she is a Republican, but can mobilize people,  
business and professional women. Suggest  
using argument that it will be difficult to  
get women to run if they can't raise money) 772-3334

MAURINE KENNEDY ANC, AK *Pire* *Eileen Sackett - ANC - Bob* 278-3661  
*Call Peg Kelner*

SUSAN & JIM CLARK JNU. *Tom Bergerstrom* *Sally Carlson Bob* 586-6952

DAVE WALSH ANC *Diane Anderson Party Chair Bob* *Carole King Bob* 248-4525

DELORES WEILER ANC *Bob* 344-7673

SALLY KABISCH ANC SIERRA CLUB BUT WORKING ON THIS ISSUE AS AN INDIVIDUAL *Bob* 276-4048

DAVID FINKLESTEIN SAME SITUATION AS SALLY KABISCH 272-9317

APEA *Bob*  
*as too vic call - chair ally*

*ANCE & FLY ANTI CAPITAL MOVE*  
*Bob Miller ANC*  
*BRIAN R FBX*

*Cowper*  
*BRIAN R*  
*Harle*

*Bhairs in to*  
*Ginger*  
*Terry Miller*  
*D3*

NEA *Ashley Reed* - vic or *vic* on *vic* TO all

LEAGUE OF WOMEN VOTERS *Paula Neppel*

LABOR UNIONS - *Bob*

*vic*  
*names - howley*  
*But Campbell*  
*Rosie*  
*Geanie*  
*LETTIC*  
*Key*  
*Therese Hallett*

*DLC - Denise Zaslavsky*  
*Kevin*  
*Wendy*

*Jane?*  
*- Carol Reefers -*

Anch. - Holli Ploog - 561-1158 wk.  
Nat Womens Political Caucus

Anch Gordon Smith - 276-8161 wk.  
Anch Area Democrats

Fbks. Blanche Brunk 456-2866 wk.  
was active in Cowper's campaign

Fun. David Allison 586-1445 wk  
Environmental Lobby

Petersberg] Marian Estelle 772-3334  
(She's an R - but she can  
mobilize people) Business & Prof. Women  
~~use the line~~ use the line  
on ~~about~~ hard to get women to  
run bec. they can't raise \$)

Anch - AK Pig  
278-3661

Fun. Susan & Jim Clark 586-6952 wk.

Anch Dave Walsh 248-4525

Anch Delores Weiler 344-17673

Sally Kishich -  
called 5/25

Will cover on job -

~~AS~~ ~~XXXXXX~~  
Harris survey  
citizen press has done well  
in AK -

Women's Political Groups -  
ALASKA EW -

Michelle  
Kishich

DAVE ----- IF POSSIBLE, LET'S HAVE TELECONFERENCE ON  
HB 89 REPEAL OF POLIT CONTRIB CREDIT (DON'T USE "TAX" IN TITLE  
OF HEARING)

IF CAN, NOTIFY BOB MANNERS, APEA, LABOR UNIONS, DEMO PARTY  
LLEAGUE OF WOMEN VOTERS -- BRIEF STATEMENTS ONLY, MAX. 3 MIN'S

VIC

5-11

~~\_\_\_\_\_~~  
Hans May 19

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



May 19, 1983

## PUBLIC SERVICE ANNOUNCEMENT

The Senate State Affairs Committee announces that it will be holding a teleconference public hearing on HB 89 on Tuesday, May 24, at 3.00 pm, P.S.T. All Legislative Information Office sites will be connected.

This bill would repeal Alaska's \$100 tax credit for political contributions. The bill would have substantial effects on the funding of state political campaigns, and the committee is actively soliciting public comment on the issue.

SPONSOR: Jim. S.A.A.  
leg non-leg pub hear. work sess inv hear  
SUBJECT: H B 89 - Repeal Tax Credit/politic  
MAILING ADDRESS: \_\_\_\_\_

DATE TAKEN/BY 5/18/83  
T/C DATE/DAY 5/24/83  
TIME: 3-5 PACIFIC

PHONE 4955 CONTACT Lewis Schn.

\_\_\_\_\_  
YUKON  
\_\_\_\_\_  
ALASKA  
\_\_\_\_\_  
BERING

SITES PARTICIPATING:

<u>North Slope</u> Anaktuvuk Pass * Barrow Kaktovik Point Hope Wainwright	<u>NANA</u> Ambler * Kotzebue Noorvik Selawik	<u>Bristol Bay</u> <u>Aleutians</u> * Bethel * Dillingham St. Paul Sand Point ** Unalaska	<u>South Central</u> * Anchorage Homer * Kenai (Sol) * Kodiak * Mat-Su Seward * Valdez	<u>Southeast</u> Cordova Haines Hoonah * Juneau * Ketchikan * Petersburg * Sitka Wrangell Yakutat
<u>ALL ALASKA</u> <u>ALL LIO's</u> WASH., D.C.	<u>Norton Sound</u> Gambell Hooper Bay * Nome Savoonga Shishmaref ** Unalakleet	<u>Interior</u> * Delta Junction * Fairbanks ** Fort Yukon Galena		

Chairing Site/Person V. F. Schn Special Offnet \_\_\_\_\_  
Location/Phone# \_\_\_\_\_  
[Signature] 5/18/83  
Signature of Sponsor/Contact Person Date

-----TELECONFERENCE OFFICE USE ONLY-----

Butro. Rm.

2-Wire \_\_\_\_\_ 4-Wire X  
Bridges: #1 (206)447-8620  
          #2 (206)447-1554  
          #3 (206)447-5627  
          #4 (206)447-9479  
Bridge operator (800)426-3232  
JNU trouble #'s 586-1062  
                  465-3836

Publicity:  
\_\_\_\_ Local calls/list attached  
\_\_\_\_ Media/P.S.A. attached  
Can expect:  
\_\_\_\_ Lengthy back-up  
\_\_\_\_ Bill summary  
\_\_\_\_ Partic.pants list

POST TELECONFERENCE NOTES

Site/Date: \_\_\_\_\_  
Local Moderator \_\_\_\_\_  
T/C Started: \_\_\_\_\_ T/C Ended \_\_\_\_\_  
T/C Recorded: \_\_\_\_\_  
Testified/Participated: \_\_\_\_\_  
Unable to Testify: \_\_\_\_\_  
Observers: \_\_\_\_\_  
Total Number: \_\_\_\_\_

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



May 16, 1983

Mr. Emil Notti  
Legislative Assistant  
Office of the Governor  
Pouch A  
Juneau, AK 99811

RE: HB 89

Dear Emil:

As you know, this bill is scheduled to be heard before the Senate State Affairs Committee on Tuesday, May 24 at 3.00 pm. This meeting will be on the statewide teleconference network.

I would like to request that the administration send a representative to testify on its position. I understand that Commissioner Heath has done work on this topic, and he would make an excellent witness.

Sincerely,

A handwritten signature in dark ink, appearing to read "Vic", written over the word "Sincerely,".

Senator Vic Fischer

5.13.83

Dear Sen. Fischer,

We discussed HB165 at our League State Convention last weekend. We would like to comment on it and it looks like it is before your committee on Monday afternoon.

I will be in Anchorage Monday on business. I will telecopy our testimony from Lid there at 8am, if one of your staff wouldn't mind picking it up.

Thanks

Peggy Mullen, LWV

CAMPAIGN CONTRIBUTION TAX CREDIT AND PUBLIC FINANCING OF ELECTIONS

DRAFT REPORT for Senator Vic Fischer,  
Chairman, Senate State Affairs Committee

by Ira Winograd

April 22, 1982

## SUMMARY

The Alaska electorate has expressed its support for campaign finance reform. Public finance is a key element in campaign finance reform.

Public finance is a product of our national history of agitation for election reform. Public finance can help: protect free speech for candidates, insure equalization of political power among voters, and encourage citizen participation in the election process.

Although there is some sentiment that too much money is expended on campaigns, there is evidence that not enough is being spent.

Alaska elections are vulnerable to undue manipulation by well financed special interests. It appears that only wealthy candidates can afford to run for high public office and there appears to be a fair degree of voter cynicism.

The campaign contribution credit has a significant beneficial impact on the quality of government. The average credit claim is filed by a small contributor and credits tend to equalize the distribution of financial resources in Alaska elections. The program has very low administrative costs.

Repeal of tax credits would increase the negative impacts which concentrated financial interests have on the quality of government,

openess of elections and voter turnout. The public might be further burdened by having to bear an increase in indirect campaign costs.

Public finance reform alternatives can be compared by their ability to: help overcome unequal distribution of financial resources; provide funds enabling serious, well qualified candidates to carry on vigorous campaigns regardless of personal wealth; to encourage public participation in the election process; and operate cost effectively.

There are four election public finance reform alternatives:

1. 'Checkoffs' do not provide adequate funds to overcome unequal distribution of financial resources for a variety of campaign races. It is not feasible to institute a checkoff without an income tax. Checkoffs have many similarities to direct appropriations.

2. 'Direct appropriations' are used by most western nations to help strengthen the political party system. Direct appropriations do not directly increase public participation in the election process and they do not insure that a variety of serious, well qualified candidates will be able to carry on vigorous campaigns regardless of personal wealth.

3. 'Campaign contribution credits' are not dependent on income taxation. Credits encourage public participation in the election process and help overcome unequal distribution of financial

resources. Sliding scale credits increase the cost effectiveness of campaign contribution credits.

4. 'Vouchers' offer the best potential for equalizing the distribution of financial resources, and enabling serious, well qualified candidates to carry on vigorous campaigns regardless of personal wealth. Vouchers might also be used to encourage public participation in the election process. Since vouchers are not commonly used, it is difficult to know how cost effective the system might be in practice. A trial voucher system might be a useful way to gain experience and evaluate the operation of vouchers.

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DRAFT REPORT

CAMPAIGN CONTRIBUTION TAX CREDIT AND PUBLIC FINANCING OF ELECTIONS

This paper reviews the Alaska campaign contribution tax credit, election finance reform goals and election finance alternatives.

Alaska voters expressed their support of election reform and the 1974 legislature responded by creating the Alaska Public Officers Commission and the campaign contribution tax credit.

Legislation has been introduced during the 1982 session to reduce APOC funding and eliminate the tax credit. The sponsors of tax credit repeal have not presented any findings, except that they feel it is inappropriate to have a tax credit without an income tax. However, credits have very little connection to taxation; they are more akin to grants which are financed by general fund revenues. The state does not finance credits by directly increasing the tax liability of an income tax/payer who receives a credit. There is no direct financial relationship between campaign contribution credits and income taxation.

One might assume that those who are opposed to the campaign contribution credit are also interested in reducing public expenditures, reducing red tape or they might be opposed to election public financing in principle. The campaign contribution credit does not create red tape or significant State expenditures. Therefore, it is appropriate to discuss the broader

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issues pertaining to public finance of elections. Legislation repealing election reform measures should only be acted upon after thorough discussion of: campaign public finance goals as expressed by the Alaska electorate and national heritage, Alaska elections and public financing in practice, and comparison of alternative election finance reform measures.

#### CAMPAIGN PUBLIC FINANCE GOALS

##### ELECTORATE

In 1973, Initiative Petition No. 3, supporting campaign reforms, was signed by more than 10 percent of those who voted in the previous years general election, and the signatures came from more than two-thirds of State election districts. The Initiative backers had planned to introduce the Initiative on the 1974 ballot but they were preempted by the 1974 Legislature which endorsed the initiative by adopting it into law. The Supreme Court ruled that legislative adoption voided the Initiative from ballot consideration and the proposition was removed from the general election ballot.

The Initiative found, "that private wealth should not be decisive in a democracy, either in selecting an official or in influencing public policy", and the Initiative stated its purpose to, "prevent the outcome of elections from being unduly influenced by the financial resources available to a candidate or to the advocates of a particular position on a ballot proposition... and to encourage the financing of election

campaigns through small individual contributions..." Chapter 76 of the 1974 Session Laws codified all recommendations contained in the initiative plus the campaign contribution tax credit, which was not contained in the Initiative.<sup>1</sup> HCS CSSB 388, 1974

The campaign contribution tax credit was adopted as a means to respond to the 'findings' and accomplish the 'purposes' of the election reform Initiative. The popularity and success of the Initiative is a strong indication that campaign reform goals have the overwhelming support of the electorate. Approximately 11,500 voters signed the initiative petition.

There is no evidence that public support has diminished. Between 1974 and 1980 six municipalities, with populations over 5,000, have voted on the question of supporting campaign disclosure or opting out of the requirements. All six municipalities voted to retain the disclosure requirements.<sup>2</sup> 1980 APOC Annual Report, p.107.

Since 1974 there have been 97 municipal elections on the question of whether to opt out of state conflict of interest requirements. The combined vote of 48,440 ballots shows 61 percent voting in favor of retention of conflict of interest filing requirements, 39 percent opposed. Four municipalities; Anchorage, North Slope Borough, Barrow and Bethel, have never voted on the possibility of opting out of disclosure requirements.<sup>3</sup> 1980 APOC Annual Report, p.116. Only one community over 5,000 population, Valdez, has ever chosen to exempt itself from the law.

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There is a continuing trend in support of election reform and the trend is strongest in the largest communities. As urban municipal population increases, one can expect increased support for election reform.

#### NATIONAL HERITAGE

Public financing of political campaigns was suggested as early as 1907 by President Theodore Roosevelt, although it took more than a half century before public financing was enacted. At the turn of the century, the election reform movement was spurred by revelations of the Hanna scandals and corporate manipulation of government. These revelations fueled the populist political movement. Among the reforms which were enacted were the prohibition of large corporate contributions, disclosure of political funds, direct election of senators, primary elections, and referendum and initiatives - the latter was used to insure enactment of contemporary campaign reform measures in many states.<sup>4</sup> The Annals of the American Academy of Political and Social Science, Herbert Alexander, vol. 425, May 1976 p.14.

The current revival in campaign reform was spurred by public outrage over President Nixon's abuse of the election process. Public finance is a response to traditional public sentiment that special interests should not have a disproportionate influence on the democratic process.

The United States Supreme Court considered election reform measures in Buckley versus Valeo, 1976. The court ruled that free speech in politics means the 'right' to speak effectively. The Supreme Court

agreed that campaign spending is necessary in order for a politician to exercise the right to free and effective speech. The Court recognized that, to be effectively heard in a society of mass communication, speech needs to be amplified by means of purchased air time, purchased print space or through other ways of formulation and dissemination which involve monetary expenditures. The Courts' reasoning provides a logical justification for the use of tax dollars for campaign purposes, enabling candidates to reach the public effectively.<sup>5</sup> Ibid, Herbert Alexander, Rethinking Election Reform. In general, the goal of campaign public finance is the application of traditional democratic principals to elections in our age of 'media is the message' politics dominated by dollar politics.

The American system of government is rooted in the egalitarian assumption of, 'one citizen, one vote', but like all democracies it is confronted with an unequal distribution of economic resources having a bearing on elections. The attempt to reconcile inequalities lies at the base of the problems created by money in politics. It has long been regarded that property, or in more modern times, economic power, is the fundamental element in political power. In a sense, broadly based political power, as effected through progressive reforms creating universal suffrage, (elimination of property ownership voter requirements and poll taxes, extending suffrage to racial minorities and women) was conceived and has been used to help equalize economic resources. These reforms are compromised if special interests get undue preferment from candidates forced to depend on them because alternative sources of adequate funds are not available; this is another important

reason why government funds are desirable alternative sources of economic power.

In addition to reducing the dominance of big money and providing the right to free speech for candidates, additional goals of public finance include: improving political dialogue, attracting a more attentive and well informed electorate, encouraging citizens to participate in the political process as workers; contributors, and voters. To the extent that the electoral system diminishes favoritism, it counters public cynicism about the political process and encourages the accomplishment of campaign reform goals.

Public financing can help counteract concentrated privilege, and encourage citizen participation in the electoral process, and accomplish a broad range of campaign reform goals. Public financing aides candidates in their efforts to raise campaign contributions in ways which do not compromise their integrity and which diminish their dependence on large contributors. The additional public money facilitates communication between a wider variety of candidates and the electorate. Improved communication is a prerequisite to greater public participation and involvement in the election process.

Public financing creates a floor level of expenditures available to candidates. Sentiment is often expressed that public financing should also be used to reduce overall spending on elections; to create a ceiling on total expenditures. If we spend too much on elections the question is too much compared to what? A recent study compared campaign

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spending with corporate advertising.<sup>6</sup> State Financing of Election Campaigns, University of Kentucky, May 16, 1980, p.16. The total campaign spending in 1976 for all races, from president to local offices, was \$540 million. The figure for spending in all campaigns was less than what the two corporations with the largest advertising budgets spent on advertising of all kinds in 1976.

One might also ask whether enough is being spent to reach people, to inform them about candidates and issues. <sup>Precedent,</sup> The more that is spent on campaigns, the more people will know about candidates and policies. Our low voter turnout may be interpreted, at least in part, as a reflection of lack of voter information. Another indication that campaign spending may be inadequate is the substantial number of election districts in which there is no competition or only /token opposition the incumbent.

#### ALASKA ELECTIONS:

For the purpose of evaluating elections, data is available on campaign contributions, personal expenditures of candidates and voter turnout.

#### CAMPAIGN CONTRIBUTIONS

The distribution of campaign contributions indicates the potential quality of government or the degree to which government represents the public interest. When large campaign contributions are concentrated there is increased opportunity for special interests to have undue

influence on government. There is a danger that corruption may result from the necessity of candidates having to raise money from oil and other special interests. Such interests command great financial resources and are able to make comparatively large campaign contributions. Even when no specific quid pro quo is demanded, the candidate can be placed in an ambiguous position. In a worse case, successful candidates may take their oath of office with strings attached, or the candidates might be company puppets.

Competition among candidates should be determined as largely as possible on the basis of their qualities and views without distortion caused by inequality of opportunity to communicate with voters as a result of financial manipulation. In the 1980 elections, 235 contributors contributed \$1,000 or more each. These large contributions amounted to \$608,000. Just sixteen contributors contributed over one third of this total, \$209,500. Approximately \$150,000 is directly traced to oil companies.

Large contributors are even more concentrated than APOC figures suggest. For example, the 1980 APOC Report lists three large contributions from Los Angeles, California: Chartwell Communications (\$10,000), Tandem Productions (\$10,000), TAT Communications (\$10,000). However, all three checks were dated March 17, 1980 and originated from the same hotel suite.

Alaska has a strong chief executive and proportional attention is focused on the gubernatorial race. In the 1978 primaries, out-of-state

interests played a significant role. The official results are:<sup>7</sup> 1978  
APOC Annual Report p. 49.

Candidate	Hammond	Hickel	Croft	Kertulla	Mardes	Fink
Total Primary Contributions	392000	551000	250000	232000	229000	225000
Primary Contributions Over \$100 from Alaska	136000	273000	67000	87000	61000	73000
<u>Primary Contributions Over \$100 from Outside</u>	103000	94000	33000	11000	4050	1650
General Election Final Vote	49580	33555	25656			

Most outside money came from: Washington, \$142,000, Texas \$85,000, California \$57,000, New York \$37,000, and Wash. D.C. \$27,000. It appears that these carefully timed contributions can influence our elections. The influence of outside campaign contributions indicates that elected officials might have a conflict of interest between external interests and the public interest. This raises the question of whether enough money is being spent on state elections by Alaskans.

An analysis of Ballot Proposition #5, the Bottle Bill, indicates a possible corruption of the Alaska public interest. Groups within Alaska spent only \$5,736 supporting the proposition. Groups opposed spent \$150,993 under the misnomer of, "Alaskans for Litter Control and

Recycling", previously known as the, "Industry Environmental Council of Alaska". This group was a front for: Anheuser Busch (St. Louis) \$5,675, Can Manufacturers Institute (Wash. D.C.) \$25,000, Coca Cola (Atlanta) \$6,200, Miller (Milwaukee) \$4,000, Pabst (Milwaukee) \$7,825, Pepsi \$6,250, Safeway (Bellevue) \$8,000, Schlitz (Milwaukee) \$7,250, Seven Up (ST. Louis) \$2,000, Shasta (Haywood) \$2,500, among others. The proposition still received 40 percent of the vote. These results show that in the absence of countervailing power, financial interests can manipulate the public interest.

The small Alaska electorate is conducive to a situation where elections can be manipulated by concentrated financial interests. Unless the average voter has sufficient funds available for political campaign contributions, public votes can be swamped by private money and the public might not be able to maintain quality government which fairly represents its interests.

#### PERSONAL EXPENDITURES

Personal wealth of candidates indicates the openness of the campaign process. Since the ultimate goal of an election is to select the best qualified person to hold a particular office, it is desirable for the voters to have as wide a field of candidates to choose from as possible. Open campaigns can occur when the electoral process is available to a broad cross-section of candidates regardless of personal wealth. Lack of personal wealth can prevent qualified people from running for office. Women and minorities are at a disadvantage under the present system

because they are less likely than white males to be wealthy, or part of the corporate world.

An incumbent generally has easier access to fund raising activities, so personal wealth can be particularly important to a challenger. In 1976, each serious challenger to governor Hammond spent between \$50,000 and \$133,000 of his own personal funds in the primary election alone! The expenditures were as follows: Kertulla \$73,000, Hickel \$75,000 (plus an additional \$130,000 in personal funds for the general election), Merdes \$133,000, Fink \$118,000, Croft \$52,000. It appears that gubernatorial elections are closed to candidates lacking personal wealth.

#### VOTER TURNOUT

Among the factors influencing voter turnout and selection of a field of candidates are public cynicism and the influence of a small number of large contributors. The public is encouraged to participate in the political process when there is a contested election and the public has confidence that they can influence the election process. The influence of a small number of large contributors can contribute to voter cynicism and discouragement of potential candidates from running against opponents backed by special financial interests.

In the last general election, twenty two house seats were open, of which six, 27 percent, were uncontested. There were ten senate elections and four, 40 percent, were uncontested.<sup>8</sup> 1980 APOC p. 30. This unenviable

record indicates that potential candidates might be discouraged from running for office.

Between 1976 and 1980, voter turnout in state-wide elections has been between 50 percent and 60 percent of eligible voters. The national turnout in the 1980 presidential election was 54 percent. Alaskan voters appear to have their fair share of cynicism, apathy and or frustration with the current election system.

The available data on the distribution of campaign contributions, personal expenditures by candidates, and voter and candidate turnout indicates that our election process is enervated by an inequitable distribution of financial resources. As a result, we suffer from: a lower quality of government as evidenced by the influence of special interests, restricted elections as evidenced by the personal wealth of candidates for high office, and public cynicism as evidenced by poor voter turnout and a large proportion of uncontested races. These problems would be ameliorated by a more equitable distribution of campaign financial resources.

#### PUBLIC FINANCE IN ALASKA

The Alaska campaign contribution tax credit provides up to \$100 reimbursement, on a dollar for dollar matching basis, to any resident contributing to a candidate or nonprofit organization organized for the purpose of influencing elections. The credit is designed to encourage

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individuals to make financial contributions to the candidate or political interest of their choice.

In 1980, 15,563 individuals filed credit claims, representing 9.6 percent of all voters, for \$692,000 of credit. Total 1980 campaign expenditures by senate candidates, house candidates, political action committees, labor unions, political parties, liberterian and independent interests, municipal candidates, municipal groups, ballot groups and municipal candidates was \$3,129,948. The campaign contribution credit subsidized twenty two percent of total campaign expenditures.

The average credit claim was for \$45 which is less than the maximum allowable \$100 credit per individual.\* (In prior years the maximum credit had been \$50.) Thus, the average claim was filed by small contributors. This indicates that the credit tends to equalize the distribution of economic resources in politics.

The internal operating cost for the program is \$12,000, or \$.77 per claim. For every \$58 credited the state incurred \$1 in administrative costs. The cost covers printing and distribution of the 1981, Alaska claim for refund of payable credits, form which replaces the income tax forms used in prior years.

The total program costs, of approximately \$700,000, can be viewed as a public subsidy for political advertising. By comparison to other forms of public subsidies for private sector advertising, the campaign

contribution credit is inexpensive. For example, the Department of Commerce and Economic Development, Division of Tourism had a 1981 operating budget of \$11,254,100, which is sixteen times larger than the campaign contribution credit budget.

#### ELECTION FINANCE ALTERNATIVES

The common theme of election reform is that public political finance should be structured to overcome unequal distribution of financial resources in the political arena, to encourage public participation, and provide funds enabling serious, well qualified candidates to carry on vigorous campaigns regardless of personal wealth. The various public finance alternatives are compared by their ability to accomplish these goals, and to operate cost effectively.

Most states, the federal government, and most western nations use some form of public financing. The federal government and seventeen states encourage public financing via income tax checkoffs. Connecticut and Florida have explored ways to use tax checkoffs independent of income taxation. Alaska, Washington D.C., Minnesota, Oregon, Rhode Island and the federal government use a campaign contribution credit. Campaigns can also be publicly financed by direct appropriations as in New Jersey, Puerto Rico and most western countries. Another alternative is a voucher system as proposed by Senator Metcalf.

REPEAL

Among the alternatives available to Alaska is repeal of public financing of elections. Aside from increasing the negative impacts which concentrated financial interests have on the quality of government, openness of elections and voter turnout, elimination of the tax credit could result in increased indirect campaign costs. Unlike the average citizen, special interest contributors are often in a position to pass the expense of their campaign contributions on to the public in the form of higher prices, and costlier contracts. These costs will continue unabated as long as special interests find it profitable to make large campaign contributions.<sup>P</sup> Government has its own well known ways to hide campaign expenditures, including: higher wage contracts, pork barrel, and other forms of inadequate returns on the expenditure of public funds. Legislators have admitted that they spend the peoples money to buy votes but the situation is now out of control.<sup>9</sup> Speech by Senator Stimson to Bartlett Democratic Club, 1982. Public financing provides countervailing financial power for reform candidates and opposition groups which lack access to the public budget. Elimination of public financing of elections can contribute to making a bad situation worse.

#### CHECKOFFS

The checkoff provides taxpayers an option to designate a small portion of their tax liability for a political contribution. Most checkoff states finance the taxpayers checkoff without directly increasing the taxpayers liability. The state collects the full amount of income tax, and an amount equal to the tax checkoff is budgeted from general revenues to finance checkoff expenditures. Thus, the discretionary

revenue collected from income tax is reduced by the amount of the checkoffs. This reduction must be financed by additional tax intake from income taxes or other taxes. The checkoff system spreads the cost of each claimants checkoff to the general tax base.

A few states: Maine, Maryland, Massachusetts, and Montana have created a checkoff surcharge. The checkoff is financed by an increase in the claimants tax liability. This eliminates the indirect financing of the standard checkoff systems.

The surcharge system has not been effective in attracting public participation or raising funds. The participation rate is under one percent in Maine and under three percent in the other surcharge states.

On the average, only two of every ten taxpayers will volunteer a dollar of their tax liability to a credit checkoff system, but only two out of every 100 taxpayers will oblige a one or two dollar surcharge checkoff.<sup>10</sup> American Political Science Review, 9/81 p.686 by Noragon. If two out of every ten Alaska voters participated in a \$1 checkoff, total contributions would equal \$32,500. A \$2 checkoff would yield \$65,000 or about one tenth of the yield from the campaign contribution credit.

There are several options for distribution of revenues generated by a checkoff. Eight state programs are similar to the federal checkoff in that taxpayers are presented with a single general campaign fund option on their tax returns. Six other states provide a choice among qualified

political parties, and in three states the choice is between political parties and a campaign fund. The option between political parties allows taxpayers some discretion in the allocation of their checkoffs.

When funds are placed into a campaign fund, taxpayers have no discretion in the allocation of their contributions. The campaign fund is allocated by a legislated formula which distributes the money in block grants to candidates who demonstrate their viability by raising a threshold amount of donations, or the proceeds are distributed by a matching system which provides checkoff funds to candidates in proportion to the amount of money which each candidate raises from private contributors.

The formula checkoff alternatives are very similar to direct allocations. In both cases contributions are financed from the general tax base and distributed by government directives. The only differences are that with the checkoff there is a false illusion that taxpayers claiming the checkoff are financing the contribution from their own income tax payments, and the total amount contributed by a checkoff is determined by the sum total of the actions of individual taxpayers while with a direct appropriation the contribution is a budgeted item.

Experience with checkoffs shows that within limits they can help equalize the distribution of financial resources among candidates. New Jersey and Michigan are the only two states which raise significant public funds via income tax checkoffs. They are the only states which raise more than one million dollars per year. In both states, checkoffs

go into a campaign fund which is appropriated by formula only to gubernatorial candidates. In order to be eligible for funding, a candidate must receive a threshold amount of contributions from other sources during the primaries. In Michigan, funds are distributed in equal grant amounts to each candidate, and in New Jersey candidates private contributions are matched by public funds at a 2:1 ratio. Both states have expenditure ceilings on gubernatorial elections.

Checkoffs have not raised adequate funds to finance senate, house, local elections, or bond propositions in addition to gubernatorial elections. Thus, checkoffs do not meet our second criteria of enabling a variety of serious well qualified candidates to carry on vigorous campaigns regardless of personal wealth.

Connecticut and Florida have both drafted legislation to institute a campaign checkoff against motor vehicle registration fees. Neither state has a state income tax. The legislation has not passed either state legislature because <sup>legislators agree that</sup> a motor vehicle checkoff discriminates against people without motor vehicles. The major obstacle is that no other tax has as broad a base as an income tax.

Alaska might conceivably tie a tax checkoff into an annual permanent fund distribution program. However, under current circumstances there is no efficient way to create a checkoff providing equal participation to all voters. It is not cost effective to mail a separate one or two dollar checkoff form to each taxpayer, especially given the relatively low participation rate for checkoffs.

## DIRECT APPROPRIATION

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Direct appropriations have the advantage that the subsidy is open to public budgetary review and not hidden as it is with tax checkoffs. Whereas a checkoff can be designed to give the voter limited discretion in the distribution of subsidized contributions, direct appropriations eliminate voter discretion over the distribution of public funds.

Legislation creating a direct appropriation for campaign financing passed the U.S. Senate in 1967. No state actually uses direct appropriations for campaign financing except as a temporary backup system when the checkoff does not produce adequate funds. New Jersey used direct appropriations in 1976 to help supply funds for its first publicly subsidized elections.

Direct appropriations can take many forms: in Australia political communication expenses are subsidized, Austria (parties and communication subsidies), Canada (candidate and communication subsidies), Costa Rica (parties), Denmark (parties and communication), Finland (parties and communication), France (parties and communication), W. Germany (parties), England (communication), Israel (parties), Italy (parties), Japan (candidates and communication), Holland (communication), Norway (parties), Puerto Rico (parties and communication), and Sweden (parties).

In most countries, political parties receive a subsidy and are thereby strengthened. The parties usually have broad discretion on how the

funds are spent. This produces a tendency for the parties to target the funds to specific races which are closely contested and has the effect of intensifying races which are already competitive. This system might not be particularly effective in providing funds to enable a variety of serious, well qualified candidates to carry on vigorous campaigns regardless of personal wealth. When funds are available to a wide variety of candidates running for a variety of political offices there is a greater chance to produce competition in races where there would otherwise be none.

#### TAX CREDIT

Experience with the campaign contribution credit in Alaska shows that it helps overcome unequal distribution of financial resources. In 1980, credit claims totaled \$692,000 and large contributors, contributing over \$1,000 each, accounted for \$607,677 in contributions. Thus, credits play a significant role in election financing. There were 235 large contributors, and if each one claimed a \$100 refund the amount of credits going to large contributors would only be \$23,500. To the extent that credit reimbursements stimulate small scale contributions they tend to overcome unequal distribution of financial resources.

Campaign credits encourage public participation in the election process. The no-strings-attached cash reimbursement encourages individuals to directly participate in the financing of the candidate or issue of their choice. Since any voter, with a small amount of cash on hand, can be eligible for a contribution credit, the base of potential campaign

contributors is enlarged and there is increased incentive for political groups to solicit funds from a broad cross-section of the public.

An additional benefit is that cynicism is less likely to occur when people have greater direct involvement and influence in the electoral process. The potential benefits of decreased cynicism include higher voter turnout, a wider slate of candidates and more vigorous campaigns. The state does not compile data on the allocation of credits to candidates so it is difficult to determine the degree to which credits enable less wealthy candidates to seek office.

A disadvantage of the credit is that the refund goes to contributors who would have contributed even if credits were not available. The portion of credits going to regular contributors has minimal impact on election financing.

The Canadian campaign contribution credit incorporates a progressive structure which increases its ability to encourage a large number of small contributions. In Canada, tax credits, not exceeding \$500, are given for contributions to candidates and parties on a sliding scale according to the size of the contribution. Proportionally larger credits are given for smaller contributions. For example, a \$100 contribution entitles the contributor to a \$75 credit. This system encourages contributions from those who would otherwise be less likely to contribute, and has the effect of increasing participation more effectively than fixed contribution credits.

Alaska is in the unique position of administering a campaign contribution tax credit which is independent of state income tax forms. Last year, 1981, was the first year in which claims for refund of payable credits were filed on a separate form independent of individual income tax forms, or claim for refund of individual income tax forms. An Alaska claim for refund of payable credits form has been mailed to all persons who filed for a campaign contribution tax credit refund in 1980. The mailing list could easily be expanded to include all registered voters, thereby giving the campaign contribution credit as wide a distribution as was obtained through distribution via income tax forms.

There is no fiscal incongruity in having a credit without an income tax. The credit was not financed by income tax. A credit recipients tax was not raised to cover the credit and income tax rates were not raised when the credit was instituted. Credit refunds were, and continue to be, financed by direct budgetary appropriations from general fund revenues.

#### VOUCHER

A voucher system provides a form of scrip to a designated class of citizens, such as all registered voters. Each recipient of a voucher is able to send the voucher to any candidate or political organization, who would in turn be able to receive public funds in exchange for the vouchers. The voucher has cash value upon redemption.

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A voucher system was first proposed for use in federal elections by Senator Metcalf in 1967. His proposal preceded the revival of interest in campaign finance reform and it was not adopted by congress. The voucher system has not been adopted by any state.

The Metcalf plan would have mailed vouchers to voters who checked the appropriate voucher box on their income tax returns. Upon receipt of the voucher, the taxpayer could designate the candidate to whom he or she wished the funds to go and then transfer the voucher to that candidate. The candidate would in turn certify the voucher to the appropriate government agency in order to receive their cash value.

In order to implement a voucher system it is necessary to determine the value to be assigned to the vouchers. A fixed value such as \$5 per voucher might be assigned. There were 162,653 voters in the 1980 general elections. If 50 percent of vouchers were turned in, and each voucher was worth \$5, the cost to the state would be approximately \$400,000.

An alternative, which would avoid the problem of estimating the ~~number~~ <sup>total value</sup> of vouchers to be refunded, would be to fix the dollar amount to be appropriated for voucher refunds. Each refunded voucher would be worth an equal percentage of the appropriation. For example, if \$500,000 were allocated, and 100,000 vouchers were turned in, each one would be worth \$5. The total value of vouchers might be fixed to balance the total value of large contributions in the last general election.

If a goal of campaign public finance is to increase participation in the election process, then the voucher should be made available to those who have expressed interest in the electoral system by registering to vote. The voucher system might even encourage voter registration. If the government provides a postage prepaid envelope with each voucher, it would be very easy and convenient for people to use the vouchers and a large number of vouchers would be refunded. Participation might be further enhanced by including a provision to register a 'no preference' on the voucher. The voucher would then be returned to the state and the funds would be designated for general voter education purposes such as televised debates between candidates.

Under both the voucher and the credit system, the role of government in the allocation of subsidized funds is minimal. With a matching or grants system, such as are commonly used with checkoffs or direct appropriations there are elaborate requirements governing the distribution of funds, and still new and minor parties are often at a disadvantage because their entitlements are based on prior year showings. The voucher system has the potential to overcome these problems and provide a more equitable and responsive distribution of financial resources.

A voucher system of election public finance can help assure equity to the candidates by providing a current measure of support almost automatically translating public support into financial support. Equity would also be assured to voters by weighing all voucher participant donors equally. It would be as effective in poor districts as in rich

ones, with the amount of subsidy a candidate receives depending solely on the willingness of citizens to register their support. Since the registration of financial support would not necessitate the donor to risk personal funds in order to support a new candidate, challengers should have an easier time raising seed money and running vigorous campaigns. As a result, challengers might be less dependent on their own personal wealth to launch a campaign.

A voucher system would occasion little disruption of existing election practices because parties, committees, and all other political organizations could receive vouchers the way they currently receive cash contributions. ~~the system~~ Vouchers have the potential to involve a large number of citizens in the campaign process because they create an incentive for candidates to solicit all citizens; urban and rural, rich and poor.

The administrative costs of a voucher system might be substantial. The greater the value of each voucher, and the larger the number of vouchers, the greater becomes the margin within which an illegal purchase of vouchers could be profitably conducted. This tendency could be countered by monitorization and enforcement procedures which raise the administrative cost of the program. A possible solution is to provide a low cash value for each voucher. However, if the value is too low the system will not be capable of providing a more equitable distribution of campaign funds.

Another criticism of vouchers is the possibility of improper influence in the collection of vouchers. Organizations such as labor unions and religious groups might exercise undue influence over their memberships with the result that the candidates might find themselves even more subjected to special interests. However, this problem is similar to that posed from those same groups pressuring their memberships into voting or contributing to particular candidates. At least, the vouchers would provide countervailing financial power to unorganized voters.

There is no empirical data on which a voucher system can be evaluated. Perhaps the only way to determine if vouchers are subject to abuse would be to try a voucher system on a trial basis. A trial system might be designed to apply to a limited number of election districts or to a limited number of elections, and the data gained from these experiments could be used to determine the desirability of a voucher system.

I. REQUEST

Bill/Resolution No.: CS HB 89 (FIN)  
 Title: Repeal political contributions. tax cre  
 Sponsor: Bettisworth  
 Requestor: House Finance

II. FISCAL DETAIL

Agency Affected: Revenue  
 Program Category Affected: Rev. Coll & Mot  
 BRU, Program of Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		(250 0)	(2,500 0)			
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Mary Relford  
 Division: Commissioner's Office  
 Approved by Commissioner: Joseph D. Derr  
 Department: Revenue

Phone: 465-2300  
 Date: 3/16/83  
 Date: 3/15/83

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