

HJR

7

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 13, 1997

FURTHER REFERRALS:

Judiciary
Finance

Date of Committee Action: 2/27/97

The STATE AFFAIRS Committee considered:

HIR 7

HOUSE JOINT RESOLUTION NO. 7

VOTER APPROVAL FOR NEW TAXES

Proposing an amendment to the Constitution of the State of Alaska prohibiting the imposition of state personal income taxation, state ad valorem taxation on real property, or state retail sales taxation without the approval of the voters of the state.

recommends it be replaced with the following committee substitute _____ the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____ APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) 5/10/1997 zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Jeannette James</i>			✓	
<i>J. K. V. ...</i>		✓		
<i>...</i>			✓	
<i>...</i>	✓			
<i>...</i>			✓	
<i>...</i>			✓	

CHAIR'S SIGNATURE *Jeannette James*

Sponsor Statement

HJR 7

Proposing an amendment to the Constitution of the State of Alaska prohibiting the imposition of state personal income taxation, state ad valorem taxation on real property, or state retail sales taxation without the approval of the voters of the state.

With the continued successful production of North Slope oil, \$20 billion in their Permanent Fund and another \$3 billion plus in the budget reserve, Alaskans enjoy one of the lowest rates of personal taxation in the US.

We should keep it that way.

On the other hand, Alaskans have hardly any protection against the imposition of taxation by the Legislature, certainly not the kind of protection other states' citizens have. In Alaska, a simple majority of the House and Senate can approve and impose a new tax or raise an existing tax. In many other states, a supermajority vote of anywhere from 60 percent to 80 percent of the elected representatives is required to put new and higher taxes in effect.

While there has not been a serious threat of legislative imposition of the income tax since it was repealed in 1980, bills proposing the personal income tax have been introduced every Legislature since then. Perhaps the greatest effort was made in 1987-88 by then-Governor Steve Cowper, who went so far as to establish an income tax task force which tried to drum up support around the state for the idea; however, the majority in the Legislature has not been inclined to support the income tax.

I believe it is time for the Legislature to give back to the people some of their taxing powers, which few people realize were given away to the Legislature when the vote for statehood took place. The constitutional amendment proposed by HJR 7 would simply require the approval of the majority of Alaskan voters before any of three kinds of statewide taxes could take effect. I am firmly convinced that Alaska's voters have the wisdom to understand the state's financial picture; if that picture becomes so bleak as to require new taxes, the voters should have the final authority to approve them.

Sectional Analysis

HJR 7

Proposing an amendment to the Constitution of the State of Alaska prohibiting the imposition of state personal income taxation, state ad valorem taxation on real property, or state retail sales taxation without the approval of the voters of the state.

Section 1 amends Article IX, sec. 1 of the state constitution by adding a new sentence to read: "A law establishing a State tax on personal income, a State ad valorem tax on real property, or a State retail sales tax shall not take effect until approved by the voters of the State by a majority of the votes cast on the proposed law."

Section 2 directs that the proposed amendment be placed before the voters in the next general election in conformity with that section of the constitution that governs how the constitution may be amended. Article XIII, sec. 1 requires that the proposed amendment pass the legislature by a 2/3 vote of each house and be approved by more than half the voters in the election. When approved by the voters, the amendment takes effect 30 days after certification of the election by the Lt. Governor.

STATE OF ALASKA
HOUSE OF REPRESENTATIVES

STATE AFFAIRS COMMITTEE
Representative Jeannette James, Chair



Room 102, Capitol Building, Juneau

Phone 465-3743, FAX 465-2381

**Please add the attached to your
State Affairs packet for HJR 7.**

State Individual Income Tax Rates

Tax rate for tax year 1997 -- as of January 1, 1997

State	---Tax Rates---		# of Brackets	--Income Brackets--		---Personal Exer	
	Low	High		Low	High	Single	Married
ALABAMA	2.0	- 5.0	3	500 (b)	- 3,000 (b)	1,500	3,000
ALASKA	No State Income Tax						
ARIZONA	3.0	- 5.6	5	10,000 (b)	- 150,000 (b)	2,100	4,200
ARKANSAS	1.0	- 7.0 (e)	6	2,999	- 25,000	20 (c)	40 (c)
CALIFORNIA (a)	1.0	- 9.3	6	4,908 (b)	- 223,390 (b)	67 (c)	134 (c)
COLORADO	5.0		1	-----Flat rate-----		-----None-----	
CONNECTICUT	3.0	- 4.5	2	2,250 (b)	- 2,250 (b)	12,000 (f)	24,000 (f)
DELAWARE	0.0	- 6.9	7	4,500	- 30,000	100 (c)	200 (c)
FLORIDA	No State Income Tax						
GEORGIA	1.0	- 6.0	6	750 (g)	- 7,000 (g)	1,500	3,000
HAWAII	2.0	- 10.0	8	1,500 (b)	- 20,500 (b)	1,040	2,080
IDAHO	2.0	- 8.2	8	1,000 (g)	- 20,000 (g)	2,550 (d)	5,300 (d)
ILLINOIS	3.0		1	-----Flat rate-----		1,000	2,000
INDIANA	3.4		1	-----Flat rate-----		1,000	2,000
IOWA (a)	0.4	- 9.98	9	1,112	- 50,040	20 (c)	40 (c)
KANSAS	4.4	- 7.75	3	20,000 (i)	- 30,000 (i)	2,000	4,000
KENTUCKY	2.0	- 6.0	5	3,000	- 8,000	20 (c)	40 (c)
LOUISIANA	2.0	- 6.0	3	10,000 (b)	- 50,000 (b)	4,500 (j)	9,000 (j)
MAINE (a)	2.0	- 8.5	4	4,150 (b)	- 16,500 (b)	2,100	4,200
MARYLAND	2.0	- 5.0	4	1,000	- 3,000	1,200	2,400
MASSACHUSETTS	5.95 (k)		1	-----Flat rate-----		2,200	4,400
MICHIGAN (a)	4.4		1	-----Flat rate-----		2,500	5,000
MINNESOTA (a)	6.0	- 8.5	3	16,510 (l)	- 54,250 (l)	2,650 (d)	5,300 (d)
MISSISSIPPI	3.0	- 5.0	3	5,000	- 10,000	6,000	9,500
MISSOURI	1.5	- 6.0	10	1,000	- 9,000	1,200	2,400
MONTANA (a)	2.0	- 11.0	10	1,900	- 66,399	1,520	3,040
NEBRASKA (a)	2.62	- 6.99	4	2,400 (n)	- 26,500 (n)	69 (c)	138 (c)
NEVADA	No State Income Tax						
NEW HAMPSHIRE	State Income Tax is Limited to Dividends and Interest Income Only.						
NEW JERSEY	1.4	- 6.37	6	20,000 (o)	- 75,000 (o)	1,000	2,000

NEW MEXICO	1.7	-	8.5	7	5,500 (p) - 65,000 (p)	2,650 (d)	5,300 (i)
NEW YORK	4.0	-	6.85	4	8,000 (b) - 20,000 (b)	0	0
NORTH CAROLINA	6.0	-	7.75	3	12,750 (q) - 60,000 (q)	2,500 (d)	5,000 (i)
NORTH DAKOTA	2.67	-	12.0 (r)	8	3,000 - 50,000	2,651 (d)	5,301 (i)
OHIO (s)	0.693	-	7.004	9	5,000 - 200,000	850 (s)	1,700 (i)
OKLAHOMA	0.5	-	7.0 (t)	8	1,000 - 10,000	1,000	2,000
OREGON (a)	5.0	-	9.0	3	2,200 (b) - 5,550 (b)	124 (c)	248 (i)
PENNSYLVANIA	2.8			1	-----Flat rate-----	-----None-----	
RHODE ISLAND	27.5% Federal tax liability					---	---
SOUTH CAROLINA (a)	2.5	-	7.0	6	2,280 - 11,400	2,650 (d)	5,300 (i)
SOUTH DAKOTA	No State Income Tax						
TENNESSEE	State Income Tax is Limited to Dividends and Interest Income Only.						
TEXAS	No State Income Tax						
UTAH	2.3	-	7.0	6	750 (b) - 3,750 (b)	1,988 (d)	3,975 (i)
VERMONT	25% Federal tax liability (w)					---	---
VIRGINIA	2.0	-	5.75	4	3,000 - 17,000	800	1,600
WASHINGTON	No State Income Tax						
WEST VIRGINIA	3.0	-	6.5	5	10,000 (b) - 60,000 (b)	2,000	4,000
WISCONSIN	4.9	-	6.93 (x)	3	7,500 - 15,000	0	0
WYOMING	No State Income Tax						
DIST. OF COLUMBIA	6.0	-	9.5	3	10,000 - 20,000	1,370	2,740

Source: The Federation of Tax Administrators from various sources.

(a) Seven states have statutory provision for automatic adjustment of tax brackets, personal exemption or standard deductions to the rate of inflation. Nebraska indexes the personal exemption amounts only.

(b) For joint returns, the tax is twice the tax imposed on half the income.

(c) tax credits.

(d) These states allow personal exemption or standard deductions as provided in the IRC. Utah allows a personal exemption equal to three-fourths the federal exemptions. Amounts reported include the 1996 index adjustment.

(e) A special tax table is available for low income taxpayers reducing their tax payments.

(f) Combined personal exemptions and standard deduction. An additional tax credit is allowed ranging from 75% to 0% based on state adjusted gross income. Exemption amounts are phased out for higher income taxpayers until they are eliminated for households earning over \$71,000. For tax years beginning after 1996, the tax bracket amount increases to \$4,500.

(g) The tax brackets reported are for single individuals and married households filing jointly. For married households filing separately, the same rates apply to income brackets ranging from \$500 to \$5,000.

(h) For joint returns, the tax is twice the tax imposed on half the income. A \$10 filing fee is charge for each return and a \$15 credit is allowed for each exemption.

(i) The tax brackets reported are for single individual and married households filing separately. For married household filing jointly, the rates range from 3.5% for income under \$30,000 to 6.45% for income over \$60,000.

(j) Combined personal exemption and standard deduction.

(k) A 12% tax rate applies to interest, dividends and capital gains.

- (l) The tax brackets reported are for single individuals. For married taxpayers filing jointly, the same rates apply to income brackets ranging from \$24,140 to \$95,920. An additional 0.5% tax is applied to certain income levels.
- (m) Limited to \$10,000 for joint returns and \$5,000 for individuals.
- (n) The tax brackets reported are for single individual. For married couples, the tax rates range from 2.62% for income under \$4,000 to 6.99% over \$46,750.
- (o) The tax brackets reported are for single individuals. A separate schedule is provided for married households filing jointly which ranges from 1.4% under \$20,000 to 6.37% for income over \$150,000.
- (p) The tax brackets reported are for single individuals. For married individuals filing jointly, the rate ranges from 1.7% under \$8,000 to 8.5% over \$100,000. Married households filing separately pay the tax imposed on half the income.
- (q) The tax brackets reported are for single individuals. For married taxpayers, the same rates apply to income brackets ranging from \$21,250 to \$100,000. An additional middle income tax credit is allowed.
- (r) Taxpayers have the option of paying 14% of the adjusted federal income tax liability, without a deduction of federal taxes. And additional \$300 personal exemption is allowed for joint returns or unmarried head of households.
- (s) Plus an additional \$20 per exemption tax credit. Tax rates are temporarily adjusted downward for 1996 and 1997, based on the amount of revenue in the general fund. Rates reported are adjusted for the 1996 tax year, statutory rates range from 0.743% to 7.5% with the same brackets.
- (t) The rate range reported is for single persons not deducting federal income tax. For married persons filing jointly, the same rates apply to income brackets ranging from \$2,000 to \$21,000. Separate schedules, with rates ranging from 0.5% to 10%, apply to taxpayers deducting federal income taxes.
- (u) Limited to \$3,000.
- (v) One half of the federal income taxes are deductible.
- (w) If Vermont tax liability for any taxable year exceeds the tax liability determinable under federal tax law in effect on December 31, 1994, the taxpayer will be entitled to a credit of 106% of the excess tax.
- (x) The tax brackets reported are for single individuals. For married taxpayers, the same rates apply to income brackets ranging from \$10,000 to \$20,000.

State Sales Tax Rates

January 1, 1997

State	Tax Rates	-----Exemptions-----		
		Food	Prescription Drugs	Non-prescription Drugs
ALABAMA	4		*	
ALASKA	none			
ARIZONA	5	*	*	
ARKANSAS (6)	4.5		*	
CALIFORNIA (4)	6	*	*	
COLORADO	3	*	*	
CONNECTICUT	6	*	*	
DELAWARE	none			
FLORIDA	6	*	*	*
GEORGIA (3)	4	2%	*	
HAWAII	4		*	
IDAHO	5		*	
ILLINOIS (2)	6.25	1%	1%	1%
INDIANA	5	*	*	
IOWA	5	*	*	
KANSAS	4.9		*	
KENTUCKY	6	*	*	
LOUISIANA	4		*(8)	
MAINE	6	*	*	
MARYLAND	5	*	*	*
MASSACHUSETTS	5	*	*	
MICHIGAN	6	*	*	
MINNESOTA (2)	6.5	*	*	*
MISSISSIPPI	7		*	
MISSOURI	4.225		*	
MONTANA	none			
NEBRASKA	5	*	*	
NEVADA	6.5	*	*	
NEW HAMPSHIRE	none			
NEW JERSEY	6	*	*	*
NEW MEXICO	5			

NEW YORK	4	*	*	*
NORTH CAROLINA	4	3%	*	
NORTH DAKOTA	5	*	*	
OHIO	5	*	*	
OKLAHOMA	4.5		*	
OREGON	none			
PENNSYLVANIA	6	*	*	*
RHODE ISLAND	7	*	*	*
SOUTH CAROLINA	5		*	
SOUTH DAKOTA	4		*	
TENNESSEE	6		*	
TEXAS	6.25	*	*	
UTAH	4.875		*	
VERMONT	5	*	*	
VIRGINIA	3.5		*	(7)
WASHINGTON	6.5	*	*	
WEST VIRGINIA	6		*	
WISCONSIN	5	*	*	
WYOMING (5)	4		*	
DIST. OF COLUMBIA	5.75	*	*	*

Source: Compiled by FTA from various sources.

(1) Some state tax food, but allow an (income) tax credit to compensate poor households. They are: HI, ID, KS, SD, VT, and WY.

(2) 1.25% of the tax in IL and 0.5% in MN is distributed to local governments.

(3) Taxed at 1% after October 1, 1997, fully exempt after October 1, 1998.

(4) Includes a 0.5% temporary tax pending a judicial ruling on school finance.

(5) Tax rate may be adjusted annually according to a formula based on balances in the unappropriated general fund and the school foundation fund.

(6) Effective July 1, 1997, tax rate in Arkansas will be 4.625%, Vermont 4%.

(7) Scheduled to be exempt after July 1, 1998

(8) Exemption does not apply to local sales taxes.

1995 State Tax Revenues

	Per Capita		Percentage of Personal Income	
	(dollars)	Rank	(percentage)	Rank
Alabama	1,194	46	6.6	37
Alaska	3,185	2	13.6	1
Arizona	1,475	25	7.9	20
Arkansas	1,366	34	8.0	17
California	1,686	15	7.4	25
Colorado	1,209	45	5.5	49
Connecticut	2,282	4	7.6	23
Delaware	2,215	5	9.0	6
District of Columbia	4,400	1	6.1	42
Florida	1,312	42	6.5	38
Georgia	1,317	41	10.2	3
Hawaii	2,422	3	8.4	10
Idaho	1,490	24	5.9	45
Illinois	1,402	28	6.8	32
Indiana	1,386	31	7.7	21
Iowa	1,550	19	7.1	29
Kansas	1,468	26	9.2	5
Kentucky	1,028	16	6.0	44
Louisiana	1,077	49	7.6	22
Maine	1,460	27	6.4	40
Maryland	1,599	17	7.3	26
Massachusetts	1,910	7	8.3	13
Michigan	1,856	10	8.9	7
Minnesota	2,024	6	8.5	9
Mississippi	1,334	39	6.2	41
Missouri	1,268	44	8.0	18
Montana	1,395	29	6.7	36
Nebraska	1,356	37	7.9	19
Nevada	1,763	11	3.3	51
New Hampshire	798	51	6.1	43
New Jersey	1,713	13	10.0	4
New Mexico	1,688	14	7.2	28
New York	1,891	8	8.1	16
North Carolina	1,588	18	8.3	14
North Dakota	1,495	22	6.4	39
Ohio	1,362	36	7.6	24

Oklahoma	1,347	38	6.8	33
Oregon	1,365	35	6.8	34
Pennsylvania	1,513	20	6.7	35
Rhode Island	1,506	21	7.2	27
South Carolina	1,297	43	5.1	50
South Dakota	952	50	5.7	47
Tennessee	1,124	47	5.5	48
Texas	1,084	48	8.1	15
Utah	1,371	32	6.8	31
Vermont	1,370	33	5.8	46
Virginia	1,327	40	8.4	12
Washington	1,877	9	8.9	8
West Virginia	1,494	23	8.4	11
Wisconsin	1,763	12	7.0	30
Wyoming	1,388	30	13.5	2
U.S. Total	1,528		7.0	

Source: U.S. Bureau of the Census and Bureau of Economic Analysis.

1995 State Tax Collections by Source

(Percentage of Total)

	General Sales	Selective Sales	Ind. Income	Corp. Income	Other Taxes
Alabama	26.9	25.2	29.2	4.7	14.1
Alaska	0.0	5.3	0.0	27.5	67.3
Arizona	44.5	13.3	23.8	6.7	11.6
Arkansas	38.4	17.3	30.9	5.6	7.8
California	33.2	9.3	34.4	10.8	12.3
Colorado	27.2	15.1	46.4	4.2	7.2
Connecticut	31.7	17.9	33.1	9.4	7.9
Delaware	0.0	15.2	35.4	12.2	37.2
Florida	57.3	19.8	0.0	5.1	17.8
Georgia	37.3	9.7	40.5	6.9	5.6
Hawaii	47.4	15.0	32.2	1.6	3.7
Idaho	33.2	13.8	34.6	7.5	10.9
Illinois	29.9	20.9	32.0	8.9	8.2
Indiana	33.7	10.8	40.5	10.9	4.2
Iowa	33.2	13.7	36.7	5.0	11.3
Kansas	36.6	13.7	32.7	6.9	10.0
Kentucky	26.7	19.8	31.3	5.4	16.7
Louisiana	31.9	19.6	22.7	6.1	19.8
Maine	35.9	15.2	35.3	3.5	10.1
Maryland	24.2	19.2	42.2	4.5	9.9
Massachusetts	21.4	10.8	51.5	10.4	5.9
Michigan	33.1	10.2	30.9	12.0	13.8
Minnesota	29.4	15.3	39.3	7.1	8.9
Mississippi	47.0	20.3	19.0	5.6	8.1
Missouri	34.8	13.8	37.5	5.5	8.5
Montana	0.0	20.5	30.6	6.2	42.6
Nebraska	35.2	18.3	33.4	5.6	7.5
Nevada	53.3	30.5	0.0	0.0	16.2
New Hampshire	0.0	59.0	4.1	18.2	18.7
New Jersey	30.4	20.9	33.4	7.6	7.8
New Mexico	42.8	14.0	20.8	5.3	17.1
New York	20.0	14.4	51.3	8.2	6.2
North Carolina	24.5	18.1	41.1	7.9	8.4

North Dakota	29.6	27.6	14.9	7.3	20.6
Ohio	31.3	18.0	36.6	4.7	9.5
Oklahoma	25.9	16.0	32.1	3.8	22.2
Oregon	0.0	12.8	65.3	7.3	14.7
Pennsylvania	30.4	17.0	27.0	9.3	15.9
Rhode Island	30.6	20.9	35.6	5.5	7.3
South Carolina	37.7	14.2	34.8	5.3	8.1
South Dakota	51.7	25.8	0.0	5.8	16.8
Tennessee	56.9	20.4	1.7	8.3	12.7
Texas	50.6	30.4	0.0	0.0	19.0
Utah	39.9	10.9	38.3	5.5	5.4
Vermont	21.7	27.5	31.2	6.0	13.5
Virginia	21.9	17.4	49.1	4.2	7.5
Washington	59.3	15.6	0.0	0.0	25.1
West Virginia	29.0	24.4	26.0	8.0	12.6
Wisconsin	28.5	14.1	43.6	7.4	6.4
Wyoming	31.2	9.6	0.0	0.0	59.2
District of Columbia	19.9	12.7	26.4	6.6	34.4
U.S. Total	33.0	16.2	31.4	7.3	12.1

Source: U.S. Bureau of the Census.

1994 State Revenue

	Total General Revenue			Total Taxes		
	(\$million)	Per Capita	Rank	(\$million)	Per Capita	Rank
ALABAMA	11,599	2,749	40	4,767	1,130	44
ALASKA	6,203	10,237	1	1,240	2,047	3
ARIZONA	11,749	2,883	35	5,657	1,388	27
ARKANSAS	6,870	2,800	39	3,176	1,295	34
CALIFORNIA	115,228	3,666	14	49,695	1,581	14
COLORADO	10,425	2,852	36	4,154	1,136	43
CONNECTICUT	11,993	3,662	15	6,788	2,073	2
DELAWARE	3,237	4,585	4	1,444	2,045	4
FLORIDA	34,805	2,494	48	17,808	1,276	36
GEORGIA	18,265	2,589	46	8,784	1,245	40
HAWAII	5,698	4,833	3	2,993	2,539	1
IDAHO /p	3,628	3,203	24	1,617	1,427	23
ILLINOIS	31,897	2,714	43	15,472	1,317	31
INDIANA	15,313	2,749	41	7,283	1,266	37
IOWA	8,961	3,167	26	4,130	1,460	19
KANSAS	7,474	2,926	33	3,675	1,439	21
KENTUCKY	11,730	3,065	31	5,693	1,488	18
LOUISIANA	13,524	3,134	27	4,383	1,016	48
MAINE	4,098	3,305	22	1,765	1,423	24
MARYLAND	15,581	3,113	28	7,583	1,515	16
MASSACHUSETTS	22,298	3,691	12	11,017	1,824	7
MICHIGAN	31,814	3,350	21	15,419	1,624	13
MINNESOTA	17,182	3,762	10	8,651	1,894	5
MISSISSIPPI	7,697	2,884	34	3,325	1,246	39
MISSOURI	13,359	2,513	47	5,910	1,112	45
MONTANA	3,166	3,699	11	1,161	1,356	29
NEBRASKA	4,446	2,740	42	2,144	1,321	30
NEVADA	4,767	3,272	23	2,381	1,634	12
NEW HAMPSHIRE	3,081	2,710	44	837	736	50
NEW JERSEY	29,808	3,771	9	13,494	1,707	10
NEW MEXICO	6,709	4,056	7	3,021	1,826	6
NEW YORK	82,202	4,524	5	32,817	1,806	9
NORTH CAROLINA	21,051	2,977	32	10,519	1,488	17

NORTH DAKOTA	2,289	3,588	17	885	1,387	28
OHIO	40,836	3,678	13	14,188	1,278	35
OKLAHOMA	9,184	2,819	38	4,263	1,308	33
OREGON	10,886	3,528	18	4,039	1,309	32
PENNSYLVANIA /p	38,252	3,174	25	17,142	1,422	25
RHODE ISLAND	4,137	4,143	6	1,436	1,440	20
SOUTH CAROLINA	11,268	3,075	30	4,502	1,229	41
SOUTH DAKOTA	2,041	2,831	37	659	914	49
TENNESSEE	12,725	2,459	49	5,733	1,108	46
TEXAS	45,035	2,450	50	19,465	1,059	47
UTAH	5,907	3,096	29	2,416	1,266	38
VERMONT	2,026	3,494	19	833	1,435	22
VIRGINIA	17,295	2,640	45	8,037	1,227	42
WASHINGTON	19,379	3,627	16	9,701	1,816	8
WEST VIRGINIA	6,349	3,485	20	2,554	1,402	26
WISCONSIN	19,617	3,860	8	8,428	1,658	11
WYOMING	2,308	4,849	2	739	1,553	15
U.S. Total	845,887	3,256		373,824	1,439	

/p - preliminary data.

Source: U.S. Bureau of the Census.

1994 State Revenue as a Percentage of Personal Income

	Total General Revenue /1			Total Taxes		
	(\$million)	% Per. Inc.	Rank	(\$million)	% Per. Inc.	Rank
ALABAMA	11,599	15.3	28	4,767	6.3	35
ALASKA	6,203	43.7	1	1,240	8.7	4
ARIZONA	11,749	15.1	31	5,657	7.2	21
ARKANSAS	6,870	16.7	23	3,176	7.7	12
CALIFORNIA	115,228	16.4	24	49,695	7.1	26
COLORADO	10,425	12.8	41	4,154	5.1	48
CONNECTICUT	11,993	12.6	43	6,788	7.1	24
DELAWARE	3,237	19.9	7	1,444	8.9	3
FLORIDA	34,805	11.5	48	17,808	5.9	41
GEORGIA	18,265	12.8	40	8,784	6.2	37
HAWAII	5,698	20.1	6	2,993	10.6	2
IDAHO /p	3,628	17.4	16	1,617	7.8	11
ILLINOIS	31,897	11.5	49	15,472	5.6	44
INDIANA	15,813	13.6	38	7,283	6.2	36
IOWA	8,961	15.7	27	4,130	7.2	22
KANSAS	7,474	14.1	35	3,675	6.9	29
KENTUCKY	11,730	17.3	19	5,693	8.4	6
LOUISIANA	13,524	17.8	13	4,383	5.8	42
MAINE	4,098	17.0	21	1,765	7.3	20
MARYLAND	15,581	12.5	44	7,583	6.1	40
MASSACHUSETTS	22,298	14.4	33	11,017	7.1	25
MICHIGAN	31,814	15.1	30	15,419	7.3	19
MINNESOTA	17,182	16.9	22	8,651	8.5	5
MISSISSIPPI	7,697	18.3	11	3,325	7.9	10
MISSOURI	13,359	12.3	46	5,910	5.4	46
MONTANA	3,166	20.8	4	1,161	7.6	14
NEBRASKA	4,446	13.2	39	2,144	6.3	34
NEVADA	4,767	13.7	36	2,381	6.9	30
NEW HAMPSHIRE	3,081	11.4	50	837	3.1	50
NEW JERSEY	29,808	13.6	37	13,494	6.2	38
NEW MEXICO	6,709	23.8	2	3,021	10.7	1
NEW YORK	82,202	17.6	15	32,817	7.0	27

NORTH CAROLINA	21,051	15.2	29	10,519	7.6	15
NORTH DAKOTA	2,289	19.3	8	885	7.4	16
OHIO	40,836	17.6	14	14,188	6.1	39
OKLAHOMA	9,184	16.0	26	4,263	7.4	17
OREGON	10,886	17.2	20	4,039	6.4	33
PENNSYLVANIA /p	38,252	14.3	34	17,142	6.4	32
RHODE ISLAND	4,131	18.9	9	1,436	6.6	31
SOUTH CAROLINA	11,268	17.4	18	4,502	6.9	28
SOUTH DAKOTA	2,041	14.4	32	659	4.7	49
TENNESSEE	12,725	12.6	42	5,733	5.7	43
TEXAS	45,035	12.4	45	19,465	5.4	47
UTAH	5,907	18.0	12	2,416	7.4	18
VERMONT	2,026	17.4	17	833	7.1	23
VIRGINIA	17,295	11.7	47	8,037	5.5	45
WASHINGTON	19,379	16.1	25	9,701	8.1	8
WEST VIRGINIA	6,349	20.4	5	2,554	8.2	7
WISCONSIN	19,617	18.5	10	8,428	7.9	9
WYOMING	2,308	23.8	3	739	7.6	13
U.S. Total	845,887	15.0		373,824	6.6	

/p - preliminary data. /1 - Total revenues from all sources, including intergovernmental and miscellaneous charges.

Source: U.S. Bureau of the Census and Bureau of Economic Analysis.

1994 State Taxes by Source

(percentage of total taxes)

	General	Selective	License	Individual	Corporation	Other
	Sales	Sales	Taxes	Income	Income	Taxes
ALABAMA	26.8	26.9	8.1	28.7	4.6	4.9
ALASKA	0.0	8.0	5.9	0.0	14.2	71.8
ARIZONA	44.1	13.7	5.7	24.9	5.4	6.3
ARKANSAS	38.2	18.1	6.1	30.2	5.8	1.7
CALIFORNIA	34.0	9.2	5.0	35.3	9.3	7.2
COLORADO	27.1	15.7	6.0	46.3	3.5	1.4
CONNECTICUT	32.2	15.9	4.5	32.9	10.3	4.2
DELAWARE	0.0	14.6	32.5	37.9	10.7	4.3
FLORIDA	56.4	19.7	7.3	0.0	5.3	11.3
GEORGIA	37.2	10.1	4.5	40.8	5.9	1.6
HAWAII	44.5	17.4	2.5	32.1	2.3	1.2
IDAHO /p	33.7	14.3	9.4	34.8	5.4	2.4
ILLINOIS	30.1	20.7	5.9	32.6	7.9	2.6
INDIANA	34.4	11.6	2.8	41.4	8.3	1.4
IOWA	33.6	14.0	9.3	36.5	4.2	2.3
KANSAS	35.3	14.0	5.1	32.5	6.9	6.2
KENTUCKY	27.4	20.4	5.7	30.4	4.7	11.4
LOUISIANA	31.5	20.6	9.9	22.3	5.0	10.8
MAINE	35.0	15.5	6.0	34.8	5.2	3.5
MARYLAND	23.9	19.2	4.6	42.5	4.2	5.4
MASSACHUSETTS	20.9	11.2	3.6	51.6	9.6	2.9
MICHIGAN	29.4	10.0	5.3	36.0	14.1	5.1
MINNESOTA	29.1	15.2	7.7	39.9	6.4	1.8
MISSISSIPPI	47.7	19.7	6.3	19.2	5.0	2.0
MISSOURI	37.2	13.4	7.8	36.2	4.3	1.2
MONTANA	0.0	20.9	11.4	29.8	5.9	32.0
NEBRASKA	34.8	18.7	6.7	33.4	5.3	1.0
NEVADA	49.8	32.9	12.0	0.0	0.0	5.3
NEW HAMPSHIRE	0.0	57.9	12.6	4.3	17.2	8.0
NEW JERSEY	28.0	23.4	4.6	33.2	8.0	2.8
NEW MEXICO	47.4	12.3	4.7	19.1	4.1	12.5
NEW YORK	19.4	15.9	2.9	48.9	9.5	3.4

NORTH CAROLINA	24.6	19.1	6.1	40.8	7.0	2.4
NORTH DAKOTA	29.0	27.2	7.2	15.5	8.1	13.1
OHIO	31.6	18.8	8.2	36.0	4.6	0.8
OKLAHOMA	25.6	16.0	13.0	30.8	3.8	10.8
OREGON	0.0	13.5	12.7	64.0	6.5	3.4
PENNSYLVANIA /p	30.0	17.4	10.2	27.6	8.7	6.1
RHODE ISLAND	28.7	21.5	6.0	36.8	5.5	1.4
SOUTH CAROLINA	37.2	14.4	8.2	34.0	4.9	1.3
SOUTH DAKOTA	51.4	26.3	12.1	0.0	5.5	4.7
TENNESSEE	53.7	24.8	9.8	1.7	7.4	2.6
TEXAS	51.0	30.5	13.0	0.0	0.0	5.5
UTAH	40.7	11.3	3.4	38.3	5.2	1.1
VERMONT	21.1	27.0	8.2	34.4	4.2	5.1
VIRGINIA	22.2	18.3	5.2	47.4	3.8	3.1
WASHINGTON	59.8	14.8	4.7	0.0	0.0	20.7
WEST VIRGINIA	28.5	25.8	5.7	26.2	7.2	6.6
WISCONSIN	28.8	14.7	5.2	43.2	6.4	1.8
WYOMING	27.0	8.2	9.5	0.0	0.0	55.3
U.S. Total	33.0	16.7	6.5	31.5	6.8	5.5

/p - preliminary data.

Source: U.S. Bureau of the Census.

Barbours -
Better version of the
first table -

Thanks Jim

State Individual Income Tax Rates

Tax rate for tax year 1997 -- as of January 1, 1997

State	---Tax Rates---		# of Brackets	--Income Brackets--		---Personal Exemption---			Federal Tax Ded.
	Low	High		Low	High	Single	Married	Child.	
ALABAMA	2.0	- 5.0	3	500 (b)	- 3,000 (b)	1,500	3,000	300	*
ALASKA	No State Income Tax								
ARIZONA	3.0	- 5.6	5	10,000 (b)	- 150,000 (b)	2,100	4,200	2,300	
ARKANSAS	1.0	- 7.0 (e)	6	2,999	- 25,000	20 (c)	40 (c)	20 (c)	
CALIFORNIA (a)	1.0	- 9.3	6	4,908 (b)	- 223,390 (b)	67 (c)	134 (c)	37 (c)	
COLORADO	5.0		1	-----Flat rate-----		-----None-----			
CONNECTICUT	3.0	- 4.5	2	2,250 (b)	- 2,250 (b)	12,000 (f)	24,000 (f)	0	
DELAWARE	0.0	- 6.9	7	4,500	- 30,000	100 (c)	200 (c)	100 (c)	
FLORIDA	No State Income Tax								
GEORGIA	1.0	- 6.0	6	750 (g)	- 7,000 (g)	1,500	3,000	1,500	
HAWAII	2.0	- 10.0	8	1,500 (b)	- 20,500 (b)	1,040	2,080	1,040	
IDAHO	2.0	- 8.2	8	1,000 (g)	- 20,000 (g)	2,650 (d)	5,300 (d)	2,650 (d)	
ILLINOIS	3.0		1	-----Flat rate-----		1,000	2,000	1,000	
INDIANA	3.4		1	-----Flat rate-----		1,000	2,000	1,000	
IOWA (a)	0.4	- 9.98	9	1,112	- 50,040	20 (c)	40 (c)	40 (c)	*
KANSAS	4.4	- 7.75	3	20,000 (i)	- 30,000 (i)	2,000	4,000	2,000	
KENTUCKY	2.0	- 6.0	5	3,000	- 8,000	20 (c)	40 (c)	20 (c)	
LOUISIANA	2.0	- 6.0	3	10,000 (b)	- 50,000 (b)	4,500 (j)	9,000 (j)	1,000 (j)	*
MAINE (a)	2.0	- 8.5	4	4,150 (b)	- 16,500 (b)	2,100	4,200	2,100	
MARYLAND	2.0	- 5.0	4	1,000	- 3,000	1,200	2,400	1,200	

MASSACHUSETTS	5.95	(k)		1	-----Flat rate-----	2,200	4,400	1,000	
MICHIGAN (a)	4.4			1	-----Flat rate-----	2,500	5,000	2,500	
MINNESOTA (a)	6.0	-	8.5	3	16,510 (l) - 54,250 (l)	2,650 (d)	5,300 (d)	2,650 (d)	
MISSISSIPPI	3.0	-	5.0	3	5,000 - 10,000	6,000	9,500	1,500	
MISSOURI	1.5	-	6.0	10	1,000 - 9,000	1,200	2,400	400	* (m)
MONTANA (a)	2.0	-	11.0	10	1,900 - 66,399	1,520	3,040	1,520	*
NEBRASKA (a)	2.62	-	6.99	4	2,400 (n) - 26,500 (n)	69 (c)	138 (c)	69 (c)	
NEVADA	No State Income Tax								
NEW HAMPSHIRE	State Income Tax is Limited to Dividends and Interest Income Only.								
NEW JERSEY	1.4	-	6.37	6	20,000 (o) - 75,000 (o)	1,000	2,000	1,500	
NEW MEXICO	1.7	-	8.5	7	5,500 (p) - 65,000 (p)	2,650 (d)	5,300 (d)	2,650 (d)	
NEW YORK	4.0	-	6.85	4	8,000 (b) - 20,000 (b)	0	0	1,000	
NORTH CAROLINA	6.0	-	7.75	3	12,750 (q) - 60,000 (q)	2,500 (d)	5,000 (d)	2,500 (d)	
NORTH DAKOTA	2.67	-	12.0 (r)	8	3,000 - 50,000	2,651 (d)	5,301 (d)	2,651 (d)	* (s)
OHIO (s)	0.693	-	7.004	9	5,000 - 200,000	850 (s)	1,700 (s)	850 (s)	
OKLAHOMA	0.5	-	7.0 (t)	8	1,000 - 10,000	1,000	2,000	1,000	* (t)
OREGON (a)	5.0	-	9.0	3	2,200 (b) - 5,550 (b)	124 (c)	248 (c)	124 (c)	* (u)
PENNSYLVANIA	2.8			1	-----Flat rate-----	-----None-----			
RHODE ISLAND	27.5% Federal tax liability								
SOUTH CAROLINA (a)	2.5	-	7.0	6	2,280 - 11,400	2,650 (d)	5,300 (d)	2,650 (d)	
SOUTH DAKOTA	No State Income Tax								
TENNESSEE	State Income Tax is Limited to Dividends and Interest Income Only.								
TEXAS	No State Income Tax								
UTAH	2.3	-	7.0	6	750 (b) - 3,750 (b)	1,988 (d)	3,975 (d)	1,988 (d)	* (v)
VERMONT	25% Federal tax liability (w)								
VIRGINIA	2.0	-	5.75	4	3,000 - 17,000	800	1,600	800	
WASHINGTON	No State Income Tax								
WEST VIRGINIA	3.0	-	6.5	5	10,000 (b) - 60,000 (b)	2,000	4,000	2,000	

WISCONSIN	4.9	-	6.93 (x)	3	7,500	-	15,000	0	0	50 (c)
WYOMING	No State Income Tax									
DIST. OF COLUMBIA	6.0	-	9.5	3	10,000	-	20,000	1,370	2,740	1,370

Source: The Federation of Tax Administrators from various sources.

(a) Seven states have statutory provision for automatic adjustment of tax brackets, personal exemption or standard deductions to the rate of inflation. Nebraska indexes the personal exemption amounts only.

(b) For joint returns, the tax is twice the tax imposed on half the income.

(c) tax credits.

(d) These states allow personal exemption or standard deductions as provided in the IRC. Utah allows a personal exemption equal to three-fourths the federal exemptions. Amounts reported include the 1996 index adjustment.

(e) A special tax table is available for low income taxpayers reducing their tax payments.

(f) Combined personal exemptions and standard deduction. An additional tax credit is allowed ranging from 75% to 0% based on state adjusted gross income. Exemption amounts are phased out for higher income taxpayers until they are eliminated for households earning over \$71,000. For tax years beginning after 1996, the tax bracket amount increases to \$4,500.

(g) The tax brackets reported are for single individuals and married households filing jointly. For married households filing separately, the same rates apply to income brackets ranging from \$500 to \$5,000.

(h) For joint returns, the tax is twice the tax imposed on half the income. A \$10 filing fee is charge for each return and a \$15 credit is allowed for each exemption.

(i) The tax brackets reported are for single individual and married households filing separately. For married household filing jointly, the rates range from 3.5% for income under \$30,000 to 6.45% for income over \$60,000.

(j) Combined personal exemption and standard deduction.

(k) A 12% tax rate applies to interest, dividends and capital gains.

(l) The tax brackets reported are for single individuals. For married taxpayers filing jointly, the same rates apply to income brackets ranging from \$24,140 to \$95,920. An addition 0.5% tax is applied to certain income levels.

(m) Limited to \$10,000 for joint returns and \$5,000 for individuals.

(n) The tax brackets reported are for single individual. For married couples, the tax rates range from 2.62% for income under \$4,000 to 6.99% over \$46,750.

(o) The tax brackets reported are for single individuals. A separate schedule is provided for married households filing jointly which ranges from 1.4% under \$20,000 to 6.37% for income over \$150,000.

(p) The tax brackets reported are for single individuals. For married individuals filing jointly, the rate ranges from 1.7% under \$8,000 to 8.5% over \$100,000. Married households filing separately pay the tax imposed on half the income.

(q) The tax brackets reported are for single individuals. For married taxpayers, the same rates apply to income brackets ranging from \$21,250 to \$100,000. An additional middle income tax credit is allowed.

(r) Taxpayers have the option of paying 14% of the adjusted federal income tax liability, without a deduction of federal taxes. And additional \$300 personal exemption is allowed for joint returns or unmarried head of households.

(s) Plus an additional \$20 per exemption tax credit. Tax rates are temporarily adjusted downward for 1996 and 1997, based on the amount of revenue in the general fund. Rates reported are adjusted for the 1996 tax year, statutory rates range from 0.743% to 7.5% with the same brackets.

(t) The rate range reported is for single persons not deducting federal income tax. For married persons filing jointly, the same

* rates apply to income brackets ranging from \$2,000 to \$21,000. Separate schedules, with rates ranging from 0.5% to 10%, apply to taxpayers deducting federal income taxes.

(u) Limited to \$3,000.

(v) One half of the federal income taxes are deductible.

(w) If Vermont tax liability for any taxable year exceeds the tax liability determinable under federal tax law in effect on December 31, 1994, the taxpayer will be entitled to a credit of 106% of the excess tax.

(x) The tax brackets reported are for single individuals. For married taxpayers, the same rates apply to income brackets ranging from \$10,000 to \$20,000.

REPRESENTATIVE
TERRY MARTIN
VICE-CHAIRMAN
BUDGET & AUDIT COMMITTEE
MEMBER
HOUSE FINANCE COMMITTEE

Alaska State Legislature



OK

MAY 15 - JAN 15 258-8169
716 W. 4TH, SUITE 650
ANCHORAGE, AK 99504
JAN 15 - MAY 15 465-3783
STATE CAPITOL
JUNEAU, AK 99801-1182

MEMORANDUM

To: Representative Jeannette James, Chair
House Committee on State Affairs

From: Representative Terry Martin *TMM*

Date: January 16, 1997

Subject: Scheduling of HJR 7

At your earliest convenience, please schedule a hearing for HJR 7, a proposed amendment to the Alaska Constitution prohibiting the imposition of a state personal income tax, a state ad valorem property tax, or statewide sales tax without the prior approval of the voters of the state.

Support information and backup materials are attached. If you have questions, please contact either myself or John Manly of my staff at 465-3783. Thank you for your expeditious attention to this request.



FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HJR 7

Revision Date	Dept. Affected <u>Office of the Governor</u>
Title <u>Const. Amdt.: Relating to Voter Approval for</u>	BRU <u>Executive Operations</u>
New Taxes	Component <u>General and Primary Elections</u>
Sponsor <u>Representative Martin</u>	
Requester <u>House State Affairs</u>	Component Serial No. <u>#22</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel						
Contractual		3.0				
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	3.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES []						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF		3.0				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	3.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: none

POSITIONS

POSITIONS	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Full-time		0				
Part-time		0				
Temporary		0				

ANALYSIS: (Attach a separate page if necessary)

This figure includes the cost of providing information about this issue in the Official Election Pamphlet as required by AS 15.58, and the programming costs for counting votes cast on the measure. However, only four measures can be printed on a single ballot card. If this measure requires printing an additional ballot card, the costs will increase by \$56.0.

Prepared by	Dana LaTour <i>Dana LaTour</i>	Phone	465-5347
Division	Division of Elections	Date	2/24/97
Approved by Co Agency	Lt. Governor Fran Ulmer <i>Fran Ulmer</i> Office of the Lieutenant Governor	Date	2/24/97

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