

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672
1470 SCOMM 55: JNT. SPEC. COMM. ON STATE TAX POLICY, 1986-1987 1270

ALTERNATIVE TWO: LIMITED BRACKETS/ FEDERAL TAX BASE

This alternative is piggybacked to the federal law for most of its tax base elements.

Relationship to Federal Law

The following chart taken from the Price Waterhouse Guide to the New Tax Law⁽¹⁴⁾ provides a convenient framework for discussing a tax structure which is similar in construction to the new federal law.

FEDERAL LAW CHANGES AT A GLANCE

Old Law

Fifteen brackets, ranging up to 50 percent

Taxpayers may use income-averaging

Two-earner deduction is available to working couples

Taxpayers may exclude \$100 of dividend income from taxation

New Law

1987;
Five brackets, ranging up to 38.5 percent

1988
Two brackets, 15 and 28 percent

Income averaging is no longer allowed

Two-earner deduction is eliminated

Dividend exclusion is no longer permitted

State Structure

A state law might be structured as follows:

1. Adopt new federal rules to derive the taxable income base;
2. Divide taxable income into a small number (2 or 3) of brackets according to some objective criteria or adopt the Federal brackets.
3. Specify state tax rates for each of the chosen brackets with income in the higher bracket(s) being taxed at a higher rate.

The details except for the limited number of brackets and rates are similar to the previous case.

Tax Base

The federal law has changed dramatically since the Alaska individual income tax was in effect. This proposal assumes that the changes adopted by the federal government will be referenced in Alaska Statute much as they were in 1978-1979. This will result in the expansion of the tax base through the inclusion of more items in income, a decrease in both exclusions and itemized deductions from income, and an increase in standard deductions and the value of exemptions, resulting in lower taxable income in the lower part of the income distribution and higher taxable income in the upper part of the income distribution. The specifics of the changes resulting from tax reform at the federal level are available in a number of publications and we will not attempt to discuss those here. The provisions of the new law that we assume would be effective for this proposal are summarized below.

Income Inclusions and Exclusions

Included as total income are wages, salaries, tips, interest income, dividends, income tax refunds, alimony received, business income, capital gains, pensions, IRA and annuity distributions, rents, royalties, partnership, estates, trusts, farm income, unemployment insurance (which we are unable to include in our model), social security benefits and other income. The new Federal law eliminates the \$100 - \$200 exclusion of dividend income and treats the full amount of capital gain as ordinary income. The Alaska Permanent Fund Dividend is included as income.

New restrictions are now included in the Federal law which define passive and active participation in ventures and set limits for higher income taxpayers on offsetting losses of any kind. Passive losses cannot be used to offset other income except for \$25,000 in participatory rental losses. (Passive losses occur particularly in some partnership and rental activities.)

Income Adjustments

Under the new Federal law, only the Keogh plan contributions, savings withdrawal penalties and alimony paid adjustments from income remain. Eliminated is the Two Earner adjustment; while the IRA adjustment is phased out at higher income levels or eliminated if the employer covers the employee with a retirement plan. The moving expense and employee business expense adjustment are now deductions.

Treatment of the Alaska Permanent Fund Dividend

All of the alternatives presented include the Alaska Permanent Fund Dividend as taxable income. The 1988 low case Table 20 indicates a loss of \$16 million if the PFD were not taxable (\$393.9 million with PFD included - \$377.9 million with PFD excluded). The taxable income presented in the tables is with PFD not taxable. Children and other persons not required to file will not pay tax on the PFD. The estimates of the PFD are as follows:

1988	\$750
1989	\$800
1990	\$800
1991	\$800
1992	\$800

These are rounded values from the December 1986 Long Run Fiscal Model of the Department of Revenue.(15)

Nonresident Apportionment

As was done in the 1978 Alaska individual income tax, nonresident workers apportion their income by source state in this proposal. The apportionment ratio is obtained by dividing Alaska adjusted gross income (income earned in this state or attributable to investments in this state) by total adjusted gross income. The ratio obtained is used to adjust exemptions and standard deduction. Itemized deductions are apportioned to Alaska based on the expenditure location, property site or source of income to pay the expenditure.

Standard Deduction

The following standard deductions are assumed to be adopted from the Federal Code and are indexed yearly for inflation.

<u>Filing Status</u>	<u>Standard Deduction</u>	<u>Add'l for Blindness/ Age Exemption</u>
Single	\$3,000	\$750 per Exemption
Married Filing Joint	\$5,000	\$600 per Exemption
Married Filing Sep	\$2,500	\$600 per Exemption
Head of Household	\$4,400	\$750 per Exemption

Itemized Deductions

Those with greater than the standard deduction can itemize deductions on state returns as done on the Federal return. Alaska income taxes cannot be deducted for Alaska tax although they can for Federal income tax. Medical expenses in excess of 7.5 percent of adjusted gross income are deductible. Sales taxes are not deductible but property taxes are. Home mortgage interest (for primary and secondary residences) is still deductible, but consumer interest is phased out and other mortgage interest is no longer deductible. Union and professional dues, tax return preparation fees, employee business expenses are also deductible, but must total more than two percent of adjusted gross income. Moving expenses are deductible.

Personal Exemptions

Exemptions are available for the taxpayer, spouse, dependents and for certain debilitating conditions. They are worth \$1,950 each in 1988, \$2,000 in 1989 and are indexed for inflation thereafter. For higher income taxpayers, the value of these exemptions is reduced by five percent of taxable income if taxable income is greater than the threshold amount (which is indexed yearly for inflation).

<u>Filing Status</u>	<u>Income Threshold</u>
Single	\$89,560
Married Filing Joint	\$149,200
Married Fil'g Separately	\$113,300
Head of Household	\$123,790

Tax Credits

We have not included any tax credits in these proposals. Summaries of the major tax credits effective in Alaska and profiles of the taxpayers and amounts credited have been published previously and are available from this office.(16)

Tax Rates

The rates and rate groups assumed to be in place for this proposal are presented below. These rates are a set that make the alternative revenue neutral compared to the first alternative and the last alternative, for the first year (1988) only. That is, all three proposals are constructed to raise approximately the same revenue.

TAXABLE INCOME LEVEL	SINGLE SEPARATE
\$0-\$25,000	6.5%
\$25,000 & MORE	11.5%
TAXABLE INCOME LEVEL	HOUSEHOLD HEAD JOINT
\$0-\$50,000	6.5%
\$50,000 & MORE	11.5%

ISSUES

Economic Efficiency

As in the first case it is difficult to make precise statements about efficiency of a limited bracket tax. It obviously will entail costs as individuals and businesses make adjustments. The difficult question is what extra additional adjustments would be made with a state income tax. One could possibly argue that this would be a good time to impose a state tax. Individuals and businesses are in the process of adjusting to new federal rules and could more readily modify their decisions than would be the case if the state waits several years to reimpose a tax.

Income Elasticity

The limited number of brackets would probably cause this type of tax to be less revenue elastic than the first case. Under a system with narrower brackets and more numerous rates real or inflation driven increases in income can easily push returns into higher brackets with larger marginal rates. Conversely with rates that apply to broader income ranges it seems that bracket creep would be less of a phenomenon.

Equity

One possible disadvantage of this type of structure is that those at the lower end of each bracket are taxed at the same nominal rate as those at the upper end. The tax is still progressive in nature across brackets. It is progressive to a lesser extent within brackets given that the personal exemption excludes a larger proportion of the lower income from the tax.

Changes in tax laws have implications for horizontal equity in that individuals make commitments based on existing tax laws which are difficult or impossible to reverse. When the law changes this can reduce welfare. An example is the reduced deduction for personal interest expenses under the new federal law. Persons who entered installment purchase agreements prior to the change are going to be adversely affected.

Administration and Compliance

Comments made on the first tax structure also apply to this case. Compliance costs could be reduced from the first case since this structure is simply a scaled down version of the new federal system. Brackets could be made identical and this could simplify the preparation of returns.

Nonresident Taxpayers

This alternative captures the nonresident worker in the tax base fairly effectively. Alaskan employers submit payroll taxes regardless of the residence of the worker. The potential for avoiding estimated payments remains but is no worse or better for this alternative than any other. The apportionment of nonresident (or part year resident) income seems fair and is generally consistent with practice in other states.

Intergovernmental Effects

All state income taxes are deductible from Federal income. This causes a leakage of tax from the federal government to the State. The 1988 low case Table 20 below shows that for every dollar of Alaska tax paid, the taxpayer pays only 80¢ while the Federal government leaks 20¢ of it to the State (\$79.5 million in Federal leakage / \$393.9 million in State tax liability).

On the other hand, the deductibility from income taxes of property taxes (generally levied at the local government level), erodes the tax base of the State. The estimated leakage of tax from the State to local government estimated under this alternative is presented in the tables below. The 1988 low case Table 20 indicates a leakage from municipal property taxes of \$6.4 million.

Inflation Effects

Inflation adjustments are present in the exemption, deduction, and income limit amounts of this tax alternative. Inflation adjustment to the tax brackets in the rate structure will also help to prevent bracket creep, where taxpayers who may be no better off in any real sense (their income, after adjustment for inflation, is no greater) may have to pay greater portions in tax. As noted, the wider brackets make bracket creep less likely, but without indexing of any amounts expressed in dollar terms, inflation remains a concern.

TABLE 20
1988 TAX ALTERNATIVE TWO
LOW ECONOMIC SCENARIO

	N	PCTN	WAGE & SALARY SUM	ADJ GROSS INCOME SUM	TAXABLE INCOME SUM	NUMBER OF EXEMPTIONS SUM	VALUE OF EXEMPTIONS SUM	ITEMIZED DEDUCTIONS SUM	STANDARD DEDUCTIONS SUM
AGI GROUP									
LOSS	2878	1.19	26309170.00	-61678792.91	9522088.47	7805.00	15093065.29	21978299.00	8361481.80
\$0 TO \$10000	53355	22.06	248499609.00	305298080.85	51103488.58	78669.00	153385050.00	182077568.76	168831035.70
\$10001 TO \$20000	49490	20.46	668214244.00	769719577.88	361711133.07	91714.00	178824750.00	196100662.73	156198215.60
\$20001 TO \$30000	36082	14.92	822338578.00	943559133.02	567599932.03	82151.00	160156933.31	178839871.42	110198161.10
\$30001 TO \$40000	28778	11.90	971451140.00	1072829850.36	711225185.16	77343.00	150610013.87	177719720.96	73655960.10
\$40001 TO \$50000	22390	9.26	973365388.00	1068241985.88	746097930.25	65702.00	127937517.15	165810358.80	44977736.20
\$50001 TO \$60000	15856	6.56	815676730.00	923230676.83	661901490.79	48533.00	94469411.63	152000537.48	23540605.70
\$60001 TO \$70000	11225	4.64	683752605.00	777522186.01	575697419.09	35348.00	68617104.41	118871746.80	12946000.00
\$70001 TO \$80000	7883	3.26	542298283.00	636844305.28	482688052.22	25290.00	48879109.84	94435768.96	7230400.00
\$80001 TO \$90000	5208	2.15	398926188.00	485165674.57	376776961.75	16585.00	31662349.51	69861199.66	4521200.00
\$90001 TO \$100000	3243	1.34	256764893.00	349859148.04	277822663.84	10278.00	19120685.92	48547255.19	2540200.00
\$100001 TO \$150000	4837	2.00	425160325.00	668888559.51	548327386.29	15373.00	25887775.21	87967948.02	3339400.00
\$150001 TO \$200000	412	0.17	40720223.00	91310515.75	80761636.75	1223.00	743708.82	9273420.18	245100.00
\$200001 TO \$300000	55	0.02	4709336.00	22032721.97	20473845.20	128.00	6049.24	1497327.53	22000.00
\$300001 TO \$400000	93	0.04	15285945.00	44902551.74	41886181.28	297.00	0.00	2880620.46	69000.00
OVER \$400000	79	0.03	17348776.00	75394772.03	71074644.61	260.00	1950.00	4216627.42	28000.00
TOTAL	241864	100	6910821433.00	8173120946.79	5584670039.37	556699.00	1075395474.20	1512078933.40	616707496.20

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	SUM	SUM	SUM	SUM
AGI GROUP				
1055	805951.00	200322.54	786573.72	13324.86
\$0 TO \$10000	4438624.10	113000.43	3349095.35	36028.81
\$10001 TO \$20000	26219840.58	777091.59	23464027.34	218233.57
\$20001 TO \$30000	39176979.56	2773480.06	36688166.92	455076.67
\$30001 TO \$40000	46660490.14	5659491.37	44654047.80	646396.23
\$40001 TO \$50000	47545498.74	8515129.86	45797643.19	730658.97
\$50001 TO \$60000	42090912.62	9815037.85	40718882.46	704807.30
\$60001 TO \$70000	37811798.08	9620499.84	36507427.15	790003.65
\$70001 TO \$80000	34225035.73	9042808.09	33091264.77	794083.68
\$80001 TO \$90000	28681819.09	7906701.10	27886221.43	636653.01
\$90001 TO \$100000	22072167.13	6419023.32	21578111.24	430551.89
\$100001 TO \$150000	45828246.99	13580189.39	45096326.12	791755.21
\$150001 TO \$200000	6892991.47	1896647.98	6837739.72	88859.21
\$200001 TO \$300000	1000047.14	273130.16	996071.02	7574.74
\$300001 TO \$400000	4355330.30	1167429.82	4339951.93	34468.44
OVER \$400000	6134956.01	1717787.68	6123717.63	29168.83
TOTAL	393940688.69	79477771.07	377915267.78	6407645.08

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	MEAN	MEAN	MEAN	MEAN
AGI GROUP				
LOSS	280.04	69.60	273.31	4.63
\$0 TO \$10000	83.19	2.12	62.77	0.68
\$10001 TO \$20000	529.80	15.70	474.12	4.41
\$20001 TO \$30000	1085.78	76.87	1016.80	12.61
\$30001 TO \$40000	1621.39	196.66	1551.67	22.46
\$40001 TO \$50000	2123.51	380.31	2045.45	32.63
\$50001 TO \$60000	2654.57	619.01	2568.04	44.45
\$60001 TO \$70000	3368.53	857.06	3252.33	70.38
\$70001 TO \$80000	4341.63	1147.13	4197.80	100.73
\$80001 TO \$90000	5507.26	1518.18	5354.50	122.25
\$90001 TO \$100000	6806.10	1979.35	6653.75	132.76
\$100001 TO \$150000	9474.52	2807.56	9323.20	163.69
\$150001 TO \$200000	16730.56	4603.51	16596.46	215.68
\$200001 TO \$300000	18182.68	4966.00	18110.38	137.72
\$300001 TO \$400000	46831.51	12553.01	46666.15	370.63
OVER \$400000	77657.67	21744.15	77515.41	369.23
TOTAL	1628.77	328.61	1562.51	26.49

TABLE 21
1989 TAX ALTERNATIVE TWO
LOW ECONOMIC SCENARIO

	N	PCTN	WAGE & SALARY SUM	ADJ GROSS INCOME SUM	TAXABLE INCOME SUM	NUMBER OF EXEMPTIONS SUM	VALUE OF EXEMPTIONS SUM	ITEMIZED DEDUCTIONS SUM	STANDARD DEDUCTIONS SUM
AGI GROUP									
LOSS	2727	1.14	24579758.00	-59527626.97	8539877.59	7470.00	14846327.64	21084905.50	8367769.76
\$0 TO \$10000	49750	20.81	232987396.00	286672325.82	43820769.88	73786.00	147556000.00	176304462.61	163787805.25
\$10001 TO \$20000	48252	20.19	656298356.00	751585286.54	343897257.30	89031.00	178042000.00	195143890.35	157531673.01
\$20001 TO \$30000	35369	14.80	812405077.00	923763680.84	548745272.46	79515.00	159008000.00	177599705.33	112547490.52
\$30001 TO \$40000	28712	12.01	985741252.00	1070678566.88	706774140.62	76053.00	151948000.00	176830167.86	77262576.00
\$40001 TO \$50000	22522	9.42	989322698.00	1074621071.55	746927729.42	65638.00	131085200.65	166106723.06	48722923.85
\$50001 TO \$60000	15948	6.67	819697745.00	928255468.79	661843839.95	48377.00	96615931.55	153682669.80	25767530.03
\$60001 TO \$70000	11568	4.84	704321793.00	801060959.06	589753611.64	36355.00	72433344.64	123148975.88	14463323.70
\$70001 TO \$80000	8326	3.48	572604837.00	673113198.20	507520192.42	26733.00	53047841.18	100359852.33	8500826.94
\$80001 TO \$90000	5626	2.35	431283215.00	523202734.79	404613126.68	17881.00	35189627.87	75257881.92	5220974.82
\$90001 TO \$100000	3642	1.52	288673205.00	394794853.94	311889364.95	11567.00	22348398.95	55279979.96	2997955.44
\$100001 TO \$150000	5790	2.42	512296742.00	802432875.56	655680697.13	18561.00	32805332.25	105314904.19	4263216.36
\$150001 TO \$200000	541	0.23	56662960.00	119475168.33	105190074.84	1648.00	1339483.93	12180009.57	375576.60
\$200001 TO \$300000	64	0.03	6216251.00	25806499.57	24055611.52	148.00	0.00	1675688.05	24070.20
\$300001 TO \$400000	106	0.04	18829475.00	48952894.76	45458394.83	356.00	346.64	3326953.30	95235.00
OVER \$400000	90	0.04	17208477.00	94194971.63	89647513.03	285.00	4000.00	4430533.40	79197.60
TOTAL	239033	100	7129129237.00	8459082929.26	5794357474.22	553404.00	1096269835.30	1547727303.11	630008145.07

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	SUM	SUM	SUM	SUM
AGI GROUP				
LOSS	702031.58	175564.55	683889.89	11448.01
\$0 TO \$10000	3907670.17	95409.30	2866945.57	35723.00
\$10001 TO \$20000	25131022.67	761567.21	22309042.40	216444.60
\$20001 TO \$30000	38084505.38	2722826.15	35507304.99	450738.36
\$30001 TO \$40000	46436544.11	5733877.52	44337287.36	649397.15
\$40001 TO \$50000	47580392.01	8541177.00	45726616.09	740189.09
\$50001 TO \$60000	41919178.52	9754354.03	40472479.53	700788.28
\$60001 TO \$70000	38684465.03	9862651.70	37266681.00	808872.49
\$70001 TO \$80000	35971210.18	9522570.45	34697611.36	836398.06
\$80001 TO \$90000	30788824.69	8482168.65	29873813.72	674914.07
\$90001 TO \$100000	25023309.82	7264074.17	24426740.57	487725.29
\$100001 TO \$150000	55248384.16	16364553.68	54303123.36	955908.56
\$150001 TO \$200000	9220857.89	2567027.92	9139769.09	120569.23
\$200001 TO \$300000	1426380.41	374095.26	1420133.61	12528.72
\$300001 TO \$400000	4950982.18	1303539.32	4931836.98	37320.01
OVER \$400000	7656004.34	2090602.80	7643409.54	35157.00
TOTAL	412731763.13	85616059.73	395606685.05	6774121.92

AGI GROUP	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	ITEMIZED DEDUCTIONS	STANDARD DEDUCTIONS
			MEAN	MEAN	MEAN	MEAN	MEAN	MEAN	MEAN
LOSS	2727	1.14	9013.48	-21885.16	3131.60	2.74	5444.20	7731.91	4575.05
\$0 TO \$10000	49750	20.81	4683.16	5787.85	880.82	1.48	2965.95	3543.81	3438.61
\$10001 TO \$20000	48252	20.19	13601.47	15610.54	7127.11	1.85	3689.84	4044.27	3731.03
\$20001 TO \$30000	35369	14.80	22969.41	26168.20	15514.87	2.25	4495.69	5021.34	4141.43
\$30001 TO \$40000	28712	12.01	34332.03	37342.30	24615.98	2.65	5292.14	6158.75	4420.31
\$40001 TO \$50000	22522	9.42	43926.95	47771.55	33164.36	2.91	5820.32	7375.31	4631.02
\$50001 TO \$60000	15948	6.67	51398.15	58278.22	41500.12	3.03	6058.18	9636.49	4883.91
\$60001 TO \$70000	11568	4.84	60885.36	69343.92	50981.47	3.14	6261.53	10645.66	4926.20
\$70001 TO \$80000	8326	3.48	68773.10	81019.88	60956.06	3.21	6371.35	12053.79	4985.82
\$80001 TO \$90000	5626	2.35	76658.94	93146.29	71918.44	3.18	6254.82	13376.80	5054.19
\$90001 TO \$100000	3642	1.52	79262.27	108489.93	85636.84	3.18	6136.30	15178.47	5133.49
\$100001 TO \$150000	5790	2.42	88479.58	138637.33	113243.64	3.21	5665.86	18189.10	5329.02
\$150001 TO \$200000	541	0.23	104737.45	220841.35	194436.37	3.05	2475.94	22513.88	5216.34
\$200001 TO \$300000	64	0.03	97128.92	403226.56	375868.93	2.31	0.00	26182.63	4814.04
\$300001 TO \$400000	106	0.04	177636.56	461819.76	428852.78	3.36	3.27	31386.35	6349.00
OVER \$400000	90	0.04	191205.30	1070397.40	996083.48	3.17	44.44	49228.15	4949.85
TOTAL	239033	100	29824.87	35468.60	24240.83	2.32	4586.27	6474.95	3954.83

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	MEAN	MEAN	MEAN	MEAN
AGI GROUP				
LOSS	257.44	64.38	250.78	4.20
\$0 TO \$10000	78.55	1.92	57.63	0.72
\$10001 TO \$20000	520.83	15.78	462.34	4.49
\$20001 TO \$30000	1076.78	76.98	1003.91	12.74
\$30001 TO \$40000	1617.32	199.70	1544.21	22.62
\$40001 TO \$50000	2112.62	379.24	2030.31	32.87
\$50001 TO \$60000	2628.49	611.63	2537.78	43.94
\$60001 TO \$70000	3344.09	852.58	3221.53	69.92
\$70001 TO \$80000	4320.35	1143.71	4167.38	100.46
\$80001 TO \$90000	5472.60	1507.67	5309.96	119.96
\$90001 TO \$100000	6870.76	1994.53	6706.96	133.92
\$100001 TO \$150000	9542.04	2826.35	9378.78	165.10
\$150001 TO \$200000	17044.10	4744.97	16894.21	222.86
\$200001 TO \$300000	22287.19	5845.24	22189.59	195.76
\$300001 TO \$400000	46707.38	12297.54	46526.76	352.08
OVER \$400000	85066.71	23228.92	84926.77	390.63
TOTAL	1726.67	358.18	1655.03	20.34

TABLE 22
1990 TAX ALTERNATIVE TWO
LOW ECONOMIC SCENARIO

AGI GROUP	M	PCTN	WAGE & SALARY SUM	ADJ GROSS INCOME SUM	TAXABLE INCOME SUM	NUMBER OF EXEMPTIONS SUM	VALUE OF EXEMPTIONS SUM	ITEMIZED DEDUCTIONS SUM	STANDARD DEDUCTIONS SUM
LOSS	2622	1.13	25526126.00	-54911695.16	11333431.23	7222.00	14955107.50	21076660.44	8483328.04
50 TO \$10000	45246	19.52	209411184.00	260591560.84	35461641.15	67414.00	140990635.47	168623004.08	158474657.30
\$10001 TO \$20000	44833	19.34	607363524.00	699222851.60	309927139.85	81794.00	171067780.80	108890844.23	159317118.76
\$20001 TO \$30000	33958	14.63	775758196.00	886313489.07	520665780.64	74942.00	156725679.60	174641883.02	113826028.76
\$30001 TO \$40000	27907	12.03	956564806.00	1040705076.59	680127666.79	76648.00	151780933.34	175199547.49	79145947.52
\$40001 TO \$50000	22315	9.62	978806639.00	1064817448.92	733981817.95	64267.00	134250481.18	166743279.85	51893937.69
\$50001 TO \$60000	16087	6.93	828475374.00	936611011.46	663039986.41	46510.00	103311016.69	155989373.02	28052083.90
\$60001 TO \$70000	11938	5.14	724826159.00	826709341.16	605454012.30	37315.00	77766208.92	127314461.14	16396745.37
\$70001 TO \$80000	8728	3.78	604631162.00	710172238.27	53271585.96	28093.00	58339638.05	106166096.46	975494.30
\$80001 TO \$90000	6192	2.67	471860182.00	576217347.26	443325723.96	19739.00	40637328.28	83488960.27	6193680.48
\$90001 TO \$100000	4132	1.78	328407845.00	444702445.82	35006028.77	13145.00	26701728.73	61964092.34	3612900.38
\$100001 TO \$150000	6952	3.00	609539110.00	964848335.81	785154740.35	22506.00	41902973.58	127339108.48	5737862.54
\$150001 TO \$200000	709	0.31	77427061.00	153190549.32	133381755.73	2237.00	2413340.31	16365853.28	561657.74
\$200001 TO \$300000	79	0.03	8081215.00	27081756.16	25212211.63	198.00	9600.75	1756743.78	47173.20
\$300001 TO \$400000	110	0.05	17519133.00	53161612.12	48748186.34	372.00	2370.19	4237455.58	72153.50
OVER \$400000	100	0.04	18918257.00	100847367.87	95247464.78	312.00	2091.60	5456164.19	73015.70
TOTAL	332068	100	7243137973.00	8692281137.11	5973859191.81	540704.00	118856914.97	1585253547.67	641645785.17

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	SUM	SUM	SUM	SUM
AGI GROUP				
LOSS	979376.38	252567.04	959792.56	12628.02
\$0 TO \$10000	3194810.41	76204.66	2311315.50	26252.62
\$10001 TO \$20000	22661326.86	667333.04	20094771.21	192979.90
\$20001 TO \$30000	36134707.09	2594426.43	33697112.96	430943.18
\$30001 TO \$40000	44710987.17	5562748.90	42706914.26	631522.73
\$40001 TO \$50000	46527081.87	8280929.74	44725800.30	718932.01
\$50001 TO \$60000	41818057.52	9738912.28	40380361.70	698390.70
\$60001 TO \$70000	39453490.26	10040080.45	38019166.95	821172.09
\$70001 TO \$80000	37511896.94	9915432.48	36184081.85	876826.09
\$80001 TO \$90000	33613074.03	9237383.37	32607070.06	749865.10
\$90001 TO \$100000	27878020.81	8141973.68	27202004.64	548547.11
\$100001 TO \$150000	67371725.94	19921207.82	66221059.54	1173940.48
\$150001 TO \$200000	12079913.30	3383405.01	11968795.70	171088.77
\$200001 TO \$300000	1747435.14	468883.74	1737637.14	16742.36
\$300001 TO \$400000	5287819.24	1404220.39	5268020.84	45525.68
OVER \$400000	9341921.02	2615737.89	9326069.42	37472.70
TOTAL	430311643.96	92301446.89	413409974.63	7152829.54

AGI GROUP	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	ITEMIZED DEDUCTIONS	STANDARD DEDUCTIONS
			MEAN	MEAN	MEAN	MEAN	MEAN	MEAN	MEAN
LOSS	2622	1.13	9735.36	-20990.71	4322.44	2.75	5703.70	8038.39	4828.30
\$0 TO \$10000	45296	19.52	4623.22	5778.60	782.89	1.49	3112.65	3722.69	3619.63
\$10001 TO \$20000	44893	19.34	13529.14	15611.83	6903.69	1.82	3810.57	4207.58	3881.24
\$20001 TO \$30000	33958	14.63	22844.64	26213.99	15332.64	2.21	4615.28	5142.88	4313.39
\$30001 TO \$40000	27907	12.03	34276.88	37342.75	24371.22	2.60	5438.81	6277.98	4594.03
\$40001 TO \$50000	22315	9.62	43863.26	47773.23	32891.86	2.88	6016.15	7472.25	4786.82
\$50001 TO \$60000	16087	6.93	51499.68	58301.34	41215.89	3.01	6297.69	9696.61	5092.05
\$60001 TO \$70000	11938	5.14	60715.71	69348.99	50716.54	3.13	6514.17	10664.64	5131.38
\$70001 TO \$80000	8778	3.78	68880.29	81005.16	60696.24	3.20	6646.12	12094.57	5193.98
\$80001 TO \$90000	6192	2.67	76208.04	93223.97	71596.53	3.19	6562.88	13483.36	5280.21
\$90001 TO \$100000	4132	1.78	79479.15	107650.07	84706.20	3.18	6462.18	14996.15	5320.91
\$100001 TO \$150000	6952	3.00	87678.24	138827.13	112939.40	3.24	6027.47	18316.90	5597.91
\$150001 TO \$200000	709	0.31	109206.01	216065.65	188126.59	3.16	3403.87	23083.01	5506.45
\$200001 TO \$300000	79	0.03	102293.86	342807.04	319141.92	2.51	121.53	22237.26	5896.65
\$300001 TO \$400000	110	0.05	159264.85	483287.38	443165.33	3.38	21.55	38522.32	6559.41
OVER \$400000	100	0.04	189182.57	1018662.30	952474.85	3.12	20.92	54561.64	5616.59
TOTAL	232068	100	31211.27	37538.41	25741.85	2.33	4821.25	6830.99	4149.31

	TAX LIABILITY PFD TAXABLE		PAID FROM FEDRL TAX		TAX LIABILITY PFD NONTAXABLE		LEAKAGE TO MUNICIPALITI- ES	
	MEAN		MEAN		MEAN		MEAN	
ACI GROUP								
1055	373.52		96.33		366.05		4.82	
\$0 TO \$10000	70.53		1.68		51.03		0.58	
\$10001 TO \$20000	504.79		14.86		447.61		4.30	
\$20001 TO \$30000	1064.10		76.40		992.32		12.69	
\$30001 TO \$40000	1602.14		199.33		1530.33		22.63	
\$40001 TO \$50000	2085.01		371.09		2004.29		32.22	
\$50001 TO \$60000	2597.49		605.39		2510.12		43.41	
\$60001 TO \$70000	3304.87		841.02		3184.72		68.79	
\$70001 TO \$80000	4273.40		1129.58		4122.13		99.89	
\$80001 TO \$90000	5428.47		1491.83		5266.00		121.10	
\$90001 TO \$100000	6746.86		1970.47		6583.25		132.76	
\$100001 TO \$150000	9690.98		2865.54		9525.47		168.86	
\$150001 TO \$200000	17037.96		4772.08		16881.24		241.31	
\$200001 TO \$300000	22119.43		5935.24		21995.41		211.93	
\$300001 TO \$400000	48071.08		12765.64		47891.10		413.87	
OVER \$400000	93419.21		26157.38		93260.69		374.73	
TOTAL	1854.25		397.73		1781.42		30.82	

TABLE 23
1991 TAX ALTERNATIVE TWO
LOW ECONOMIC SCENARIO

AGI GROUP	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	ITEMIZED DEDUCTIONS	STANDARD DEDUCTIONS
			SUM	SUM	SUM	SUM	SUM	SUM	SUM
LOSS	2419	1.07	22722616.00	-48966407.45	9697792.17	6664.00	14468915.64	19574019.26	8189143.56
\$0 TO \$10000	42107	18.55	193833384.00	241699360.09	29806371.81	62257.00	136176587.00	163415328.15	155432229.09
\$10001 TO \$20000	42552	18.74	573637888.00	663765627.54	285202344.27	76780.00	167937635.00	185411324.71	158306421.37
\$20001 TO \$30000	32994	14.53	751855480.00	861414298.61	497522399.55	71271.00	155885061.00	173732249.71	115890927.74
\$30001 TO \$40000	27248	12.00	933776569.00	1016421637.12	658895697.42	69442.00	151728471.99	172656130.28	81040430.83
\$40001 TO \$50000	21843	9.62	956248447.00	1042692481.52	713241840.92	61808.00	135056358.54	165878703.87	54379153.88
\$50001 TO \$60000	16104	7.09	828050505.00	938350265.57	660747128.36	47990.00	104844269.40	156683042.18	30406753.84
\$60001 TO \$70000	12292	5.41	746748943.00	851055079.46	619440346.65	38192.00	83306535.04	131753600.07	18235957.04
\$70001 TO \$80000	9227	4.06	634749096.00	745792375.32	556753370.83	29334.00	63852393.40	111702118.27	11195935.36
\$80001 TO \$90000	6585	2.90	504345180.00	613002694.62	469110985.06	20956.00	45309622.99	89242122.52	7094186.64
\$90001 TO \$100000	4516	1.99	358621482.00	489577935.00	383977340.94	14463.00	30759375.32	68386060.98	4302698.44
\$100001 TO \$150000	7982	3.52	707583864.00	1107770863.76	898085467.76	25739.00	51258246.52	146445074.28	7255194.80
\$150001 TO \$200000	917	0.40	95826032.00	202428533.36	176850429.20	2895.00	3572277.85	20661826.31	804320.92
\$200001 TO \$300000	91	0.04	8526371.00	34485304.75	32249030.01	211.00	6936.16	2118138.57	87348.32
\$300001 TO \$400000	91	0.04	14471967.00	44541391.74	41317990.67	306.00	3398.36	3078402.71	89206.50
OVER \$400000	82	0.04	18777337.00	81885809.63	78164222.52	259.00	0.00	3599987.11	59946.20
TOTAL	227050	100	7349775161.00	8885917250.63	6111062758.12	528567.00	1144166084.22	1614338128.97	652769854.54

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	SUM	SUM	SUM	SUM
AGI GROUP				
LOSS	779018.17	195788.69	761225.61	11333.70
\$0 TO \$10000	2723817.51	65986.97	1949983.01	25258.31
\$10001 TO \$20000	20866072.63	616826.03	18498297.84	180513.13
\$20001 TO \$30000	34475269.53	2462403.14	32147589.70	407991.63
\$30001 TO \$40000	43140127.20	5409102.47	41229857.96	602692.90
\$40001 TO \$50000	44875887.18	7922280.81	43158242.01	700366.15
\$50001 TO \$60000	41334688.23	9599165.49	39926244.68	684434.11
\$60001 TO \$70000	40076977.22	10197474.33	38634482.59	824778.37
\$70001 TO \$80000	39042773.80	10307669.01	37657340.94	907148.12
\$80001 TO \$90000	35479130.58	9749151.56	34412118.54	800547.78
\$90001 TO \$100000	30710209.65	8893062.51	29968645.48	597150.97
\$100001 TO \$150000	76847109.30	22784437.92	75525106.50	1351866.79
\$150001 TO \$200000	16232508.77	4560646.05	16086559.97	213988.56
\$200001 TO \$300000	1995882.42	500809.86	1986323.62	15148.54
\$300001 TO \$400000	4276015.04	1158281.62	4259979.44	35655.37
OVER \$400000	7083086.30	1948666.14	7070013.10	37619.61
TOTAL	439938573.54	96371752.59	423272011.00	7396494.04

AGI GROUP	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	ITEMIZED DEDUCTIONS	STANDARD DEDUCTIONS
			MEAN	MEAN	MEAN	MEAN	MEAN	MEAN	MEAN
LOSS	2419	1.07	9393.39	-20284.34	4009.01	2.75	5981.36	8091.78	5058.15
\$0 TO \$10000	42107	18.55	4603.35	5765.59	707.87	1.48	3234.06	3880.95	3778.68
\$10001 TO \$20000	42552	18.74	13480.87	15631.26	6702.44	1.80	3946.64	4357.29	4047.72
\$20001 TO \$30000	32994	14.53	22787.64	26162.92	15079.18	2.16	4724.65	5265.57	4470.58
\$30001 TO \$40000	27248	12.00	34269.55	37354.71	24181.43	2.55	5568.43	6336.47	4759.25
\$40001 TO \$50000	21843	9.62	43778.26	47788.28	32653.11	2.83	6183.05	7594.14	4978.86
\$50001 TO \$60000	16104	7.09	51418.93	58344.23	41030.00	2.98	6510.45	9729.45	5287.21
\$60001 TO \$70000	12292	5.41	60750.81	69338.04	50393.78	3.11	6777.30	10718.65	5347.79
\$70001 TO \$80000	9227	4.06	68792.58	80950.00	60339.59	3.18	6920.17	12106.01	5427.02
\$80001 TO \$90000	6585	2.90	76590.00	93246.53	71239.33	3.18	6880.73	13552.33	5503.64
\$90001 TO \$100000	4516	1.99	79411.31	108457.67	85025.98	3.20	6811.20	15143.06	5646.59
\$100001 TO \$150000	7982	3.52	88647.44	138853.20	112513.84	3.22	6421.73	18346.91	5888.96
\$150001 TO \$200000	917	0.40	104499.49	220750.85	192857.61	3.16	3895.61	22531.98	5786.48
\$200001 TO \$300000	91	0.04	93696.38	378959.39	354384.95	2.32	76.22	23276.25	5823.22
\$300001 TO \$400000	91	0.04	159032.60	489465.84	454043.85	3.36	37.34	33828.60	6371.89
OVER \$400000	82	0.04	228991.91	998607.43	953222.23	3.16	0.00	43902.28	5449.65
TOTAL	227050	100	32370.73	39219.30	26915.05	2.33	5039.27	7110.06	4339.59

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	MEAN	MEAN	MEAN	MEAN
AGI GROUP				
LOSS	322.04	80.94	314.69	4.69
\$0 TO \$10000	64.69	1.57	46.31	0.60
\$10001 TO \$20000	490.37	14.50	434.72	4.24
\$20001 TO \$30000	1044.90	74.63	974.35	12.37
\$30001 TO \$40000	1583.24	198.51	1513.13	22.12
\$40001 TO \$50000	2054.47	362.69	1975.84	32.06
\$50001 TO \$60000	2566.73	596.07	2479.28	42.50
\$60001 TO \$70000	3260.41	829.60	3143.06	67.10
\$70001 TO \$80000	4231.36	1117.12	4081.21	98.31
\$80001 TO \$90000	5387.87	1480.51	5225.83	121.57
\$90001 TO \$100000	6800.31	1969.23	6636.10	132.23
\$100001 TO \$150000	9627.55	2854.48	9461.93	169.36
\$150001 TO \$200000	17701.75	4973.44	17542.60	233.36
\$200001 TO \$300000	21932.77	5503.41	21827.73	166.47
\$300001 TO \$400000	46989.18	12728.37	46812.96	391.82
OVER \$400000	86379.10	23764.22	86219.67	458.78
TOTAL	1937.63	424.45	1864.22	32.58

TABLE 24
1992 TAX ALTERNATIVE TWO
LOW ECONOMIC SCENARIO

	N	PCTN	WAGE & SALARY SUM	ADJ GROSS INCOME SUM	TAXABLE INCOME SUM	NUMBER OF EXEMPTIONS SUM	VALUE OF EXEMPTIONS SUM	ITEMIZED DEDUCTIONS SUM	STANDARD DEDUCTIONS SUM
AGI GROUP									
LOSS	2264	1.03	21510055.00	-48921117.13	8114347.25	6330.00	14384194.44	18863524.74	8114243.02
\$0 TO \$10000	38092	17.35	173424469.00	218101755.25	23788322.16	56474.00	129185347.20	155174388.06	147773688.14
\$10001 TO \$20000	39603	18.04	531457697.00	618621308.98	257937418.47	70168.00	160509454.00	179307812.24	155171903.87
\$20001 TO \$30000	31514	14.35	715441887.00	822644758.59	467034651.20	66914.00	153042727.60	170561026.02	117073787.49
\$30001 TO \$40000	26099	11.89	884436553.00	969951666.68	620734000.89	65254.00	149178971.20	169210251.67	81851749.25
\$40001 TO \$50000	21295	9.70	925620350.00	1017112468.21	690264912.17	59416.00	135753966.36	163329146.61	56694376.20
\$50001 TO \$60000	16056	7.31	824716113.00	935551453.61	654404147.90	47366.00	108233956.20	157095074.37	32668999.51
\$60001 TO \$70000	12422	5.66	752396329.00	862414743.02	624635880.11	38291.00	87347154.61	133696562.59	20038019.25
\$70001 TO \$80000	9564	4.36	657913473.00	77328676.35	573470189.91	30524.00	69524885.52	116622587.60	12781926.80
\$80001 TO \$90000	7028	3.20	536363704.00	655823705.91	500347250.32	22269.00	50447780.07	95256782.34	8289646.80
\$90001 TO \$100000	4866	2.22	385216038.00	526313960.95	409804453.11	15613.00	34820123.27	74625087.75	5142120.00
\$100001 TO \$150000	9346	4.26	835105299.00	1304899322.58	1055418619.10	30255.00	63751156.73	171645717.94	8996436.00
\$150001 TO \$200000	1171	0.53	126341782.00	258367717.96	224494628.73	3716.00	5403653.06	26731036.17	1093440.00
\$200001 TO \$300000	143	0.07	13834587.00	50797706.62	47043251.32	378.00	28787.04	3532868.26	131494.40
\$300001 TO \$400000	37	0.02	5966913.00	17275554.88	16280573.60	110.00	0.00	939781.28	47270.00
OVER \$400000	84	0.04	16066422.00	77910048.33	73140582.27	275.00	0.00	4644666.06	65788.00
TOTAL	219584	100	7405811671.00	9060393730.75	6246913228.49	513353.00	1161612157.31	1641236313.68	655934888.73

	TAX LIABILITY PFD TAXABLE		PAID FROM FEDRL TAX		TAX LIABILITY PFD NONTAXABLE		LEAKAGE TO MUNICIPALITI- ES	
	SUM		SUM		SUM		SUM	
AGI GROUP								
1055	669336.40		168998.96		653945.35		10295.72	
\$0 TO \$10000	2193775.97		56995.08		1550366.78		20175.82	
\$10001 TO \$20000	18854038.22		542939.34		16709237.19		161323.28	
\$20001 TO \$30000	32361416.26		2303961.33		30193582.61		380239.40	
\$30001 TO \$40000	40620982.75		5067769.78		38835094.14		560592.36	
\$40001 TO \$50000	43273139.70		7569076.77		41634999.33		654888.96	
\$50001 TO \$60000	40769515.62		944555.49		39390426.99		675415.71	
\$60001 TO \$70000	40155833.34		10247933.97		38727810.99		821261.87	
\$70001 TO \$80000	39920002.91		10554881.98		38500523.09		932517.45	
\$80001 TO \$90000	37491451.70		10273439.10		36362104.97		852659.55	
\$90001 TO \$100000	32767620.79		9502986.87		31967502.75		653833.45	
\$100001 TO \$150000	91033657.39		27143717.93		89476021.79		1577162.60	
\$150001 TO \$200000	20920648.69		5853790.82		20730171.89		280600.49	
\$200001 TO \$300000	3719224.83		986462.36		3700364.83		29560.97	
\$300001 TO \$400000	1611082.08		451102.98		1604982.48		7164.13	
OVER \$400000	6699342.54		1846610.18		6685901.34		32511.12	
TOTAL	453081063.19		102015222.92		436723016.50		7650182.87	

	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	ITEMIZED DEDUCTIONS	STANDARD DEDUCTIONS
			MEAN	MEAN	MEAN	MEAN	MEAN	MEAN	MEAN
AGI GROUP									
LOSS	2264	1.03	9500.91	-21656.09	3584.08	2.80	6353.44	8331.95	5334.81
\$0 TO \$10000	38092	17.35	4552.78	5750.26	624.50	1.48	3391.40	4073.67	3968.89
\$10001 TO \$20000	39603	18.04	13419.63	15652.98	6513.08	1.77	4052.96	4527.63	4226.50
\$20001 TO \$30000	31514	14.35	22702.35	26162.22	14819.91	2.12	4856.34	5412.23	4644.13
\$30001 TO \$40000	26099	11.89	33887.76	37219.94	23783.82	2.50	5715.89	6483.40	4953.21
\$40001 TO \$50000	21295	9.70	43466.56	47816.86	32414.41	2.79	6374.92	7669.84	5198.93
\$50001 TO \$60000	16056	7.31	51364.98	58340.70	40757.61	2.95	6741.03	9784.20	5493.91
\$60001 TO \$70000	12422	5.66	60569.66	69515.94	50284.65	3.08	7031.65	10762.89	5567.66
\$70001 TO \$80000	9564	4.36	68790.62	81006.25	59961.33	3.19	7269.44	12193.91	5658.22
\$80001 TO \$90000	7028	3.20	76318.11	93462.12	71193.40	3.17	7178.11	13553.90	5748.71
\$90001 TO \$100000	4866	2.22	79164.82	108206.00	84217.93	3.21	7155.80	15336.02	5863.31
\$100001 TO \$150000	9346	4.26	89354.30	139680.94	112927.31	3.24	6821.22	18365.69	6103.42
\$150001 TO \$200000	1171	0.53	107892.21	220638.53	191711.89	3.17	4614.56	22827.53	6177.63
\$200001 TO \$300000	143	0.07	96745.36	355228.72	328973.79	2.64	201.31	24705.37	6261.64
\$300001 TO \$400000	37	0.02	161267.92	466906.89	440015.50	2.97	0.00	25399.49	6752.86
OVER \$400000	84	0.04	191266.93	927500.58	870721.22	3.27	0.00	55293.64	5980.73
TOTAL	219584	100	33726.55	41346.55	28448.85	2.34	5290.06	7474.30	4557.79

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	MEAN	MEAN	MEAN	MEAN
AGI GROUP				
LOSS	295.64	74.65	288.85	4.55
\$0 TO \$10000	57.59	1.50	40.70	0.53
\$10001 TO \$20000	476.08	13.71	421.92	4.07
\$20001 TO \$30000	1027.52	73.11	958.10	12.07
\$30001 TO \$40000	1556.42	194.17	1487.99	21.48
\$40001 TO \$50000	2032.08	355.44	1955.15	30.75
\$50001 TO \$60000	2539.21	588.23	2453.32	42.07
\$60001 TO \$70000	3232.64	824.98	3117.68	66.11
\$70001 TO \$80000	4173.99	1103.61	4025.57	97.50
\$80001 TO \$90000	5334.58	1461.79	5173.89	121.32
\$90001 TO \$100000	6734.00	1952.94	6569.56	134.37
\$100001 TO \$150000	9740.39	2904.31	9573.72	168.75
\$150001 TO \$200000	17865.63	4998.97	17702.96	239.62
\$200001 TO \$300000	26008.57	6898.34	25876.68	206.53
\$300001 TO \$400000	43542.76	12191.97	43377.90	193.63
OVER \$400000	79754.08	21983.45	79594.06	387.04
TOTAL	2063.36	464.58	1988.87	34.84

Liability to Collections

The projected time pattern generated from 1970 - 1979 accounting data can be used to translate the projected tax year collections presented in the tables below into gross receipts (col. 2), refunds (col. 3), and net receipts (col. 4) by quarter and fiscal year. The U. S. Consumer Price Index (col. 5) is used to deflate or inflate the net receipts in nominal dollars to real 1986 dollars (col. 6) so we can compare estimated 1988 through 1992 projected fiscal year collections to actual collections from 1975 through 1979.

TABLE 25
(PFD TAXABLE)
LIABILITY TO COLLECTIONS
TAX ALTERNATIVE TWO

-----USING HISTORICAL DATA-----										
FY/Q	GROSS RECEIPTS (\$m nom)	REFUNDS (\$m nom)	NET RECEIPTS (\$m nom)	CPI	NET REC \$86 (\$m real)	FY/Q	GROSS RECEIPTS (\$m nom)	REFUNDS (\$m nom)	NET RECEIPTS (\$m nom)	NET REC \$86 (\$m real)
86				325.98		86				325.98
75/1	\$18	\$1	\$17			88/1	\$0	\$1	(\$1)	
/2	\$25	\$0	\$25			/2	\$0	\$0	(\$0)	
/3	\$27	\$2	\$25			/3	\$1	\$3	(\$1)	
/4	\$34	\$14	\$21			/4	\$79	\$6	\$73	
TOTAL	\$104	\$16	\$87	155.16	\$184	TOTAL	\$80	\$9	\$71	338.66 \$68
76/1	\$36	\$2	\$34			89/1	\$105	\$5	\$99	
/2	\$46	\$1	\$45			/2	\$138	\$2	\$136	
/3	\$47	\$13	\$34			/3	\$134	\$16	\$118	
/4	\$50	\$16	\$34			/4	\$112	\$36	\$76	
TOTAL	\$178	\$31	\$147	166.17	\$288	TOTAL	\$489	\$60	\$429	354.17 \$395
77/1	\$53	\$3	\$50			90/1	\$110	\$6	\$103	
/2	\$62	\$1	\$61			/2	\$144	\$2	\$142	
/3	\$77	\$15	\$63			/3	\$141	\$20	\$121	
/4	\$60	\$22	\$38			/4	\$117	\$44	\$73	
TOTAL	\$252	\$41	\$210	175.80	\$390	TOTAL	\$512	\$72	\$440	370.39 \$387
78/1	\$46	\$3	\$43			91/1	\$114	\$5	\$109	
/2	\$43	\$1	\$42			/2	\$151	\$2	\$149	
/3	\$42	\$6	\$36			/3	\$147	\$16	\$131	
/4	\$50	\$25	\$25			/4	\$120	\$35	\$86	
TOTAL	\$181	\$36	\$146	187.62	\$253	TOTAL	\$532	\$57	\$475	387.35 \$400
79/1	\$43	\$10	\$33			92/1	\$117	\$5	\$112	
/2	\$42	\$1	\$41			/2	\$154	\$2	\$152	
/3	\$42	\$15	\$27			/3	\$150	\$15	\$135	
/4	\$47	\$31	\$16			/4	\$121	\$34	\$87	
TOTAL	\$174	\$57	\$117	205.22	\$186	TOTAL	\$542	\$55	\$486	405.09 \$391

TABLE 26
1988 TAX ALTERNATIVE TWO
MODERATE ECONOMIC SCENARIO

	N	PCTN	WAGE & SALARY SUM	ADJ GROSS INCOME SUM	TAXABLE INCOME SUM	NUMBER OF EXEMPTIONS SUM	VALUE OF EXEMPTIONS SUM	ITEMIZED DEDUCTIONS SUM	STANDARD DEDUCTIONS SUM
AGI GROUP									
LOSS	3100	1.17	28281141.00	-61444490.96	11505727.51	8295.00	16031015.29	23199403.58	8920079.40
\$0 TO \$10000	59403	22.42	270128023.00	338555016.00	56644579.29	85667.00	167031150.00	202316548.83	188501300.20
\$10001 TO \$20000	54784	20.68	728576580.00	851035482.08	404898280.60	98951.00	192938850.00	216241954.99	174005920.40
\$20001 TO \$30000	39411	14.88	891007933.00	1030107863.38	623992788.56	88043.00	171646333.31	194628692.21	119972065.00
\$30001 TO \$40000	31031	11.71	1030650179.00	1150799371.58	764557341.66	81746.00	159257939.75	191698072.98	79069707.80
\$40001 TO \$50000	23954	9.04	1032909499.00	1142649829.99	799475004.57	69458.00	135255859.46	178033078.14	48153836.10
\$50001 TO \$60000	17163	6.48	882968616.00	998647869.19	718014053.73	51769.00	100765961.63	163584738.02	25302837.20
\$60001 TO \$70000	12206	4.61	742422172.00	844152753.33	625583999.21	38244.00	74256265.58	128844532.84	14164300.00
\$70001 TO \$80000	8524	3.22	588115204.00	688799061.32	522169281.65	27190.00	52566559.84	102377161.71	7935050.00
\$80001 TO \$90000	5672	2.14	432324512.00	528886838.01	411022653.00	17968.00	34313376.56	76079694.81	4994400.00
\$90001 TO \$100000	3549	1.34	282732742.00	381335884.95	301526506.32	11218.00	20913480.42	54197458.58	2602100.00
\$100001 TO \$150000	5427	2.05	473620536.00	748821667.34	614044733.23	17285.00	29172404.62	98084229.49	3845000.00
\$150001 TO \$200000	470	0.18	47369847.00	101944043.67	90063530.18	1404.00	906224.67	10364538.82	322800.00
\$200001 TO \$300000	49	0.02	4666366.00	18125990.20	16787484.76	116.00	8474.81	1277530.62	15200.00
\$300001 TO \$400000	95	0.04	15666462.00	46314279.44	42683468.92	339.00	0.00	3489810.52	47100.00
OVER \$400000	83	0.03	17633031.00	85184874.61	81601792.58	256.00	0.00	3467582.03	42900.00
TOTAL	264921	100	7469072843.00	8893916334.10	6084571225.77	597949.00	1155063895.95	1647885028.16	677894596.10

AGI GROUP	TAX LIABILITY PFD TAXABLE	PAYD FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITIES
	SUM	SUM	SUM	SUM
LOSS	972072.33	241851.04	952116.26	13567.82
50 TO \$10000	4911733.32	108083.62	3692978.82	37470.19
\$10001 TO \$20000	29287030.43	849348.23	26274323.13	234957.70
\$20001 TO \$30000	42994516.14	3006364.63	40318484.26	484075.52
\$30001 TO \$40000	50012330.48	5997923.94	47901413.64	669000.41
\$40001 TO \$50000	50634865.30	9001474.60	48807081.38	766785.45
\$50001 TO \$60000	45311118.80	10591465.47	43852614.64	757167.45
\$60001 TO \$70000	40883976.47	10406263.18	39478360.87	852135.39
\$70001 TO \$80000	36916400.99	9775562.15	35699709.32	856265.07
\$80001 TO \$90000	31083418.35	8564669.69	30223628.41	684473.50
\$90001 TO \$100000	23861775.68	6935813.05	23322764.78	471942.64
\$100001 TO \$150000	51072372.14	15162504.26	50255547.89	874205.83
\$150001 TO \$200000	7696761.81	2110076.07	7633238.68	98691.36
\$200001 TO \$300000	860059.27	216817.24	855962.40	8676.17
\$300001 TO \$400000	4575422.69	1266656.87	4559285.32	38550.91
OVER \$400000	7365341.55	2027675.23	7352912.93	39567.82
TOTAL	428439195.76	86262549.26	411180422.73	6887553.23

	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	ITEMIZED DEDUCTIONS	STANDARD DEDUCTIONS
			MEAN	MEAN	MEAN	MEAN	MEAN	MEAN	MEAN
AGI GROUP									
LOSS	3100	1.17	9122.95	-19878.52	3711.53	2.68	5171.30	7483.68	4340.67
\$0 TO \$10000	59403	22.42	4547.38	5726.77	953.56	1.44	2811.83	3405.83	3295.25
\$10001 TO \$20000	54784	20.68	13299.08	15570.76	7390.81	1.81	3521.81	3947.17	3591.75
\$20001 TO \$30000	39411	14.88	22608.10	26192.07	15832.96	2.23	4355.29	4938.44	3992.81
\$30001 TO \$40000	31031	11.71	33213.57	37138.13	24638.50	2.63	5132.22	6177.63	4274.73
\$40001 TO \$50000	23954	9.04	43120.54	47765.65	33375.43	2.90	5646.48	7432.29	4502.04
\$50001 TO \$60000	17163	6.48	51446.05	58264.17	41835.00	3.02	5871.12	9531.24	4674.46
\$60001 TO \$70000	12206	4.61	60824.36	69255.29	51252.17	3.13	6083.59	10555.84	4701.06
\$70001 TO \$80000	8524	3.22	68995.21	80939.96	61258.71	3.19	6166.89	12010.46	4740.17
\$80001 TO \$90000	5672	2.14	76220.82	93376.91	72465.21	3.17	6049.61	13413.20	4806.93
\$90001 TO \$100000	3549	1.34	79665.47	107539.73	84960.98	3.16	5892.78	15271.19	4881.99
\$100001 TO \$150000	5427	2.05	87271.15	138031.64	113146.26	3.19	5375.42	18073.38	5099.47
\$150001 TO \$200000	470	0.18	100786.91	216902.22	191624.53	2.99	1928.14	22052.21	4966.15
\$200001 TO \$300000	49	0.02	95231.96	369918.17	342601.73	2.37	172.96	26072.05	5066.67
\$300001 TO \$400000	95	0.04	164910.13	487518.73	449299.67	3.57	0.00	36734.85	5887.50
OVER \$400000	83	0.03	212446.16	1026323.79	983154.13	3.08	0.00	41778.10	4766.67
TOTAL	264921	100	28193.59	33654.15	22967.49	2.26	4360.03	6220.29	3777.50

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	MEAN	MEAN	MEAN	MEAN
AGI GROUP				
LOSS	313.57	78.02	307.13	4.38
\$0 TO \$10000	82.68	1.82	62.17	0.63
\$10001 TO \$20000	534.59	15.50	479.60	4.29
\$20001 TO \$30000	1090.93	76.28	1023.03	12.28
\$30001 TO \$40000	1611.69	193.29	1543.66	21.56
\$40001 TO \$50000	2113.84	375.78	2037.53	32.01
\$50001 TO \$60000	2640.05	617.11	2555.07	44.12
\$60001 TO \$70000	3349.50	852.55	3234.34	69.81
\$70001 TO \$80000	4330.88	1146.83	4188.14	100.45
\$80001 TO \$90000	5480.15	1509.99	5328.57	120.68
\$90001 TO \$100000	6723.52	1954.30	6571.64	132.98
\$100001 TO \$150000	9410.79	2793.90	9260.28	161.08
\$150001 TO \$200000	16376.09	4489.52	16240.93	209.98
\$200001 TO \$300000	17552.23	4424.84	17468.62	177.06
\$300001 TO \$400000	48162.34	13333.23	47992.48	405.80
OVER \$400000	88739.05	24429.82	88589.31	476.96
TOTAL	1617.23	325.62	1552.09	26.00

TABLE 27
1989 TAX ALTERNATIVE TWO
MODERATE ECONOMIC SCENARIO

AGI GROUP	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	ITEMIZED DEDUCTIONS	STANDARD DEDUCTIONS
			SUM	SUM	SUM	SUM	SUM	SUM	SUM
LOSS	3006	1.12	28070529.00	-64487886.75	12527197.24	8114.00	16054655.29	23485964.55	9031311.99
\$0 TO \$10000	56662	21.11	257635640.00	324767512.55	49707681.10	82012.00	164004000.00	201516525.51	188252971.03
\$10001 TO \$20000	54308	20.24	720811102.00	844326250.27	390899175.82	97269.00	194522000.00	221137337.87	180274961.14
\$20001 TO \$30000	39735	14.81	897217379.00	1038269296.78	622409739.02	87008.00	173964000.00	199618758.65	126400873.11
\$30001 TO \$40000	31588	11.77	1055289336.00	1174989186.46	777546279.07	81557.00	162894000.00	196678224.06	84411576.09
\$40001 TO \$50000	24634	9.18	1062494637.00	1175937775.50	818647183.43	70535.00	140867549.44	183764348.07	52882562.28
\$50001 TO \$60000	17785	6.63	913542735.00	1035260965.56	739312225.99	53447.00	106743931.55	170569901.29	28633225.61
\$60001 TO \$70000	13042	4.86	791237713.00	903171006.17	666591012.64	40429.00	80564991.87	138267945.76	16448045.34
\$70001 TO \$80000	9356	3.49	643333916.00	757004148.90	571722995.34	29782.00	59048005.95	112581320.48	9607889.88
\$80001 TO \$90000	6388	2.38	486846827.00	595002856.86	460538317.14	20259.00	39829895.91	85622644.16	5926512.78
\$90001 TO \$100000	4223	1.57	333768399.00	456522662.61	360691218.15	13467.00	26015499.13	63676806.25	3515644.80
\$100001 TO \$150000	6717	2.50	592160693.00	933514844.65	763688792.71	21486.00	37687267.22	122155700.73	5090038.56
\$150001 TO \$200000	658	0.25	67581334.00	143041504.29	125800597.88	1992.00	1608859.59	14708846.82	472561.20
\$200001 TO \$300000	78	0.03	6477017.00	32038015.94	30026468.92	180.00	0.00	1916347.02	39757.20
\$300001 TO \$400000	90	0.03	13946040.00	45523451.28	42368441.86	311.00	346.64	3013862.78	45988.50
OVER \$400000	80	0.03	15339488.00	76761347.92	71342843.07	264.00	0.00	5300104.85	40811.40
TOTAL	268350	100	7885752785.00	9471642938.98	6503820169.33	608112.00	1203805002.59	1744014638.84	711074730.90

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	SUM	SUM	SUM	SUM
AGI GROUP				
LOSS	1081575.60	278966.99	1060568.93	14367.79
00 TO \$10000	4426568.31	104804.75	3240924.70	35337.05
\$10001 TO \$20000	28494209.89	810030.50	25360323.15	223626.97
\$20001 TO \$30000	43094391.17	3036755.28	40259220.93	484825.70
\$30001 TO \$40000	50874466.40	6238092.11	48640215.71	676183.42
\$40001 TO \$50000	51784155.23	9229498.54	49812111.33	770911.98
\$50001 TO \$60000	46587502.19	10861459.61	44997382.98	771571.41
\$60001 TO \$70000	43413919.92	11066291.84	41835452.94	895708.56
\$70001 TO \$80000	40300429.48	10662287.51	38884676.81	936339.68
\$80001 TO \$90000	34803555.86	9575037.72	33776067.66	764989.03
\$90001 TO \$100000	28723799.22	8332613.20	28035205.67	560911.27
\$100001 TO \$150000	64599783.92	19086128.72	63505698.72	1114595.30
\$150001 TO \$200000	10937780.48	3019728.49	10840637.68	141997.84
\$200001 TO \$300000	1949921.60	532499.81	1941540.40	18455.30
\$300001 TO \$400000	4520717.03	1242162.15	4504690.63	33575.76
OVER \$400000	6690870.40	1849596.67	6678165.20	34938.32
TOTAL	462283646.70	95925953.89	443372883.43	7478335.37

	N	PCTN	WAGE & SALARY		ADJ GROSS INCOME		TAXABLE INCOME		NUMBER OF EXEMPTIONS		VALUE OF EXEMPTIONS		ITEMIZED DEDUCTIONS		STANDARD DEDUCTIONS	
			MEAN		MEAN		MEAN		MEAN		MEAN		MEAN		MEAN	
AGI GROUP																
LOSS	3006	1.12	9338.17		-21510.30		4167.40		2.70		5340.87		7813.03		4542.91	
50 TO \$10000	56662	21.11	4546.89		5759.00		877.27		1.45		2894.43		3556.47		3447.67	
\$10001 TO \$20000	54308	20.24	13272.65		15582.86		7197.82		1.79		3581.83		4071.91		3734.02	
\$20001 TO \$30000	39735	14.81	22580.03		26186.52		15664.02		2.19		4378.10		5023.75		4137.37	
\$30001 TO \$40000	31588	11.77	33407.92		37257.48		24615.24		2.58		5156.83		6226.36		4418.99	
\$40001 TO \$50000	24634	9.18	43131.23		47798.46		33232.41		2.86		5718.42		7459.79		4652.70	
\$50001 TO \$60000	17785	6.63	51365.91		58281.88		41569.43		3.01		6001.91		9590.66		4865.46	
\$60001 TO \$70000	13042	4.86	60668.43		69330.70		51111.10		3.10		6177.35		10601.74		4902.55	
\$70001 TO \$80000	9356	3.49	68761.64		81058.37		61107.63		3.18		6311.24		12033.06		4955.07	
\$80001 TO \$90000	6388	2.38	76212.72		93304.51		72094.29		3.17		6235.11		13403.67		5026.73	
\$90001 TO \$100000	4223	1.57	79035.85		108155.10		85411.13		3.19		6160.43		15078.57		5109.95	
\$100001 TO \$150000	6717	2.50	88158.51		139060.75		113694.92		3.20		5610.73		18186.05		5374.91	
\$150001 TO \$200000	658	0.25	102707.19		217388.30		191186.32		3.03		2445.08		22353.87		5081.30	
\$200001 TO \$300000	78	0.03	83038.68		410743.79		364954.73		2.31		0.00		24588.55		4969.65	
\$300001 TO \$400000	90	0.03	154956.00		505816.13		470760.47		3.46		3.85		33487.36		6569.79	
OVER \$400000	80	0.03	191743.60		959516.85		891785.54		3.30		0.00		66251.31		5830.20	
TOTAL	268350	100	29386.07		35380.50		24236.33		2.27		4485.95		6499.03		3950.48	

	TAX LIABILITY PFD TAXABLE		PAID FROM FEDRL TAX		TAX LIABILITY PFD NONTAXABLE		LEAKAGE TO MUNICIPALITI- ES	
	MEAN		MEAN		MEAN		MEAN	
AGI GROUP								
LOSS		359.81		92.80		352.82		4.78
\$0 TO \$10000		78.12		1.85		57.20		0.62
\$10001 TO \$20000		524.68		14.92		466.97		4.12
\$20001 TO \$30000		1084.54		76.43		1013.19		12.20
\$30001 TO \$40000		1610.56		197.48		1539.83		21.41
\$40001 TO \$50000		2102.14		374.67		2022.09		31.29
\$50001 TO \$60000		2619.48		610.71		2530.07		43.38
\$60001 TO \$70000		3328.78		848.51		3207.75		68.68
\$70001 TO \$80000		4307.44		1139.62		4156.12		100.08
\$80001 TO \$90000		5448.27		1498.91		5287.42		119.75
\$90001 TO \$100000		6801.75		1973.15		6638.69		132.82
\$100001 TO \$150000		9617.36		2841.47		9454.47		165.94
\$150001 TO \$200000		16622.77		4589.25		16475.13		215.80
\$200001 TO \$300000		24998.99		6826.92		24891.54		236.61
\$300001 TO \$400000		50230.19		13801.80		50052.12		373.06
OVER \$400000		83635.88		23119.96		83477.06		436.73
TOTAL		1722.69		357.47		1652.22		27.87

TABLE 28
1990 TAX ALTERNATIVE TWO
MODERATE ECONOMIC SCENARIO

	N	PCTN	WAGE & SALARY SUM	ADJ GROSS INCOME SUM	TAXABLE INCOME SUM	NUMBER OF EXEMPTIONS SUM	VALUE OF EXEMPTIONS SUM	ITEMIZED DEDUCTIONS SUM	STANDARD DEDUCTIONS SUM
AGI GROUP									
LOSS	2925	1.09	26365568.00	-59283482.17	11337997.98	7950.00	16496112.09	22824015.78	9373639.40
\$0 TO \$10000	53944	20.14	244905721.00	308713792.33	43056718.50	77609.00	162308222.67	199670764.38	183244312.37
\$10001 TO \$20000	52742	19.70	703208749.00	821126187.45	370647855.45	93055.00	194619196.80	220867731.34	136756467.60
\$20001 TO \$30000	39408	14.72	893115999.00	1028639440.14	609644898.11	84237.00	176173376.40	201989234.29	131116493.43
\$30001 TO \$40000	31554	11.78	1062534280.00	1173442339.22	770072221.35	80088.00	167362366.65	198689943.63	83535178.35
\$40001 TO \$50000	24721	9.23	1067862265.00	1177443432.09	812942509.28	69872.00	145995525.29	186123844.48	57144337.87
\$50001 TO \$60000	18138	6.77	932249695.00	1056722125.05	750862451.92	53910.00	112595198.69	174443488.61	31564743.03
\$60001 TO \$70000	13563	5.06	822511897.00	939857608.90	690064852.08	41827.00	87163767.72	144311044.92	18607855.21
\$70001 TO \$80000	10073	3.76	695422872.00	814731935.87	611876117.07	31954.00	66362892.92	121867843.56	11260025.10
\$80001 TO \$90000	6963	2.60	532100419.00	649054524.68	500150049.99	22062.00	45426453.02	93618955.43	6986209.03
\$90001 TO \$100000	4660	1.74	370013362.00	504648932.17	397286463.18	14755.00	29914591.71	70727157.77	4049718.98
\$100001 TO \$150000	7947	2.97	701929743.00	1102871983.44	898160155.21	25661.00	47835041.27	144969873.56	6519886.20
\$150001 TO \$200000	853	0.32	89488808.00	186064265.47	163004905.63	2641.00	2735090.69	19093369.16	726619.36
\$200001 TO \$300000	109	0.04	9900570.00	42186195.84	39206127.93	274.00	6330.58	2840137.33	104252.06
\$300001 TO \$400000	108	0.04	15989348.00	53490334.51	49940619.07	357.00	105.66	3378409.78	109430.25
OVER \$400000	74	0.03	14865466.00	74469794.42	70193242.72	240.00	2091.60	4170232.80	76103.10
TOTAL	267782	100	8182464762.00	9874179409.39	6788447185.41	606492.00	1254996363.75	1809586546.80	741175271.40

AGI GROUP	TAX LIABILITY PFD TAXABLE	PAYD FROM FEDRL TAX	TAX LIABILITY PFD NON TAXABLE	LEAKAGE TO MUNICIPALITI- ES
	SUM	SUM	SUM	SUM
1055	935737.03	237853.17	914902.90	13259.14
50 TO \$10000	3867330.11	91723.07	2803078.17	31091.68
\$10001 TO \$20000	27017331.22	776745.83	24041674.48	219664.31
\$20001 TO \$30000	42134371.87	2964518.40	39372827.47	475261.97
\$30001 TO \$40000	50271861.26	6217708.86	48085139.38	686035.78
\$40001 TO \$50000	51135570.89	9024039.79	49196957.12	769675.23
\$50001 TO \$60000	46956525.11	10923974.29	45388966.05	772112.68
\$60001 TO \$70000	44689728.52	11361565.29	43083899.04	919119.20
\$70001 TO \$80000	42861336.97	11342896.44	41352998.73	992969.58
\$80001 TO \$90000	37718007.15	10369219.70	36598827.91	838679.04
\$90001 TO \$100000	31496523.63	9155554.43	30739304.68	620917.48
\$100001 TO \$150000	76448228.01	22721651.02	75141594.41	1331737.20
\$150001 TO \$200000	14654285.71	4063208.42	14522477.31	194269.12
\$200001 TO \$300000	2595321.11	662832.66	2583517.51	21328.04
\$300001 TO \$400000	5380987.03	1444756.99	5361361.83	44341.04
OVER \$400000	6539864.88	1807332.83	6527923.28	22444.83
TOTAL	484703020.51	10318571.19	46569470.27	7952906.10

AGI GROUP	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	ITEMIZED DEDUCTIONS	STANDARD DEDUCTIONS
			MEAN	MEAN	MEAN	MEAN	MEAN	MEAN	MEAN
LOSS	2925	1.09	9013.87	-20309.52	3876.24	2.72	5639.70	7803.08	4792.25
\$0 TO \$10000	53944	20.14	4540.00	5749.72	798.17	1.44	3008.83	3701.45	3599.04
\$10001 TO \$20000	52742	19.70	13332.99	15603.35	7027.57	1.76	3690.02	4187.70	3868.28
\$20001 TO \$30000	39408	14.72	22663.32	26149.41	15470.08	2.14	4470.50	5125.59	4274.52
\$30001 TO \$40000	31554	11.78	33673.52	37239.13	24404.90	2.54	5304.00	6296.82	4572.15
\$40001 TO \$50000	24721	9.23	43196.56	47687.15	32884.69	2.83	5905.73	7528.93	4800.03
\$50001 TO \$60000	18138	6.77	51397.60	58337.32	41397.20	2.97	6207.70	9617.57	5051.98
\$60001 TO \$70000	13563	5.06	60643.80	69377.55	50878.48	3.08	6426.58	10640.05	5086.89
\$70001 TO \$80000	10073	3.76	69038.31	81043.66	60744.18	3.17	6588.20	12098.47	5179.40
\$80001 TO \$90000	6963	2.60	76418.27	93375.70	71829.68	3.17	6523.98	13445.20	5244.90
\$90001 TO \$100000	4660	1.74	79402.01	108317.01	85254.61	3.17	6419.44	15177.50	5314.59
\$100001 TO \$150000	7947	2.97	88326.38	138813.34	113018.77	3.23	6019.26	18242.09	5596.47
\$150001 TO \$200000	853	0.32	104910.68	218129.27	191096.02	3.10	3206.44	22384.37	5382.37
\$200001 TO \$300000	109	0.04	90830.92	387029.32	359689.25	2.51	58.08	26056.31	5486.95
\$300001 TO \$400000	108	0.04	148049.52	495280.88	462413.14	3.31	0.98	31281.57	6437.07
OVER \$400000	74	0.03	200884.68	1020134.17	948557.33	3.24	28.26	56354.50	5854.08
TOTAL	267782	100	30556.44	36956.06	25350.65	2.26	4686.63	6757.69	4117.53

	TAX LIABILITY PFD TAXABLE		PAID FROM FEDRL TAX		TAX LIABILITY PFD NONTAXABLE		LEAKAGE TO MUNICIPALITI- ES	
	MEAN		MEAN		MEAN		MEAN	
AGI GROUP								
LOSS		319.91		81.32		312.79		4.53
\$0 TO \$10000		71.69		1.70		51.96		0.58
\$10001 TO \$20000		512.25		14.73		455.84		4.16
\$20001 TO \$30000		1069.18		75.23		999.11		12.06
\$30001 TO \$40000		1593.20		197.05		1523.90		21.74
\$40001 TO \$50000		2068.51		365.04		1990.09		31.13
\$50001 TO \$60000		2588.85		602.27		2501.32		42.57
\$60001 TO \$70000		3294.97		839.16		3176.58		67.77
\$70001 TO \$80000		4255.07		1126.07		4105.33		98.58
\$80001 TO \$90000		5416.92		1489.19		5256.19		120.45
\$90001 TO \$100000		6758.91		1964.71		6596.42		133.24
\$100001 TO \$150000		9619.76		2859.15		9455.34		167.58
\$150001 TO \$200000		17179.70		4763.43		17025.18		227.75
\$200001 TO \$300000		23810.29		6081.03		23702.00		195.67
\$300001 TO \$400000		49823.95		13377.38		49642.42		410.57
OVER \$400000		88376.55		24423.28		88215.18		303.31
TOTAL		1810.07		385.33		1739.08		29.70

TABLE 29
1991 TAX ALTERNATIVE TWO
MODERATE ECONOMIC SCENARIO

	N	PCTN	WAGE & SALARY SUM	ADJ GROSS INCOME SUM	TAXABLE INCOME SUM	NUMBER OF EXEMPTIONS SUM	VALUE OF EXEMPTIONS SUM	ITEMIZED DEDUCTIONS SUM	STANDARD DEDUCTIONS SUM
AGI GROUP									
LOSS	2826	1.05	26151717.00	-58930891.94	11872666.66	7702.00	16712452.69	22704079.67	9613025.57
\$0 TO \$10000	51193	19.07	233394604.00	292786918.06	36408907.86	74429.00	162795057.60	198011904.68	188677056.95
\$10001 TO \$20000	51365	19.14	686318284.00	799113086.17	348699801.46	90083.00	197027867.60	223647139.26	190566584.05
\$20001 TO \$30000	39219	14.61	889736838.00	1022530539.62	595998716.60	82853.00	181193279.00	205168826.57	136473268.16
\$30001 TO \$40000	31792	11.85	1071210898.00	1181316606.58	768577005.95	79365.00	173430339.69	202249836.33	93983364.12
\$40001 TO \$50000	25107	9.35	1086818833.00	1197238525.45	821357692.71	69920.00	152772111.14	190643103.37	62066212.91
\$50001 TO \$60000	18680	6.96	959615727.00	1087936586.28	767582659.23	55022.00	120208567.00	180798508.82	35065388.29
\$60001 TO \$70000	14172	5.28	862239297.00	983541884.84	717558041.14	43674.00	95213638.27	151635463.79	21077462.14
\$70001 TO \$80000	10701	3.99	734 5610.00	866083961.40	647604945.86	33882.00	73706630.40	129320745.22	13229483.90
\$80001 TO \$90000	7572	2.82	5761 5.00	705032371.02	541238140.72	23906.00	51677673.59	101179027.58	8368573.74
\$90001 TO \$100000	5223	1.95	412975522.00	565674142.95	443513266.89	16559.00	35189173.36	79515744.94	4880433.00
\$100001 TO \$150000	9204	3.43	813480190.00	1285842525.18	1043039035.46	29707.00	58979616.15	170026835.97	8268831.12
\$150001 TO \$200000	1073	0.40	113944305.00	231801267.08	201633784.26	3371.00	4370942.86	24230939.96	901382.44
\$200001 TO \$300000	143	0.05	15670147.00	52588873.08	48697808.45	349.00	15526.73	3690737.90	134281.32
\$300001 TO \$400000	44	0.02	7005312.00	22124906.06	20646225.25	142.00	0.00	1412280.81	68730.50
OVER \$400000	79	0.03	15733671.00	86653603.57	82178076.31	251.00	0.00	4360327.26	58014.80
TOTAL	268393	100	8505137113.00	10321334905	7096606274.75	611215.00	1323292876.09	1888595502.14	773432893.01

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	SUM	SUM	SUM	SUM
AGI GROUP				
LOSS	1055593.14	278322.34	1036789.11	13723.65
\$0 TO \$10000	3318606.65	85968.51	2377186.88	30487.72
\$10001 TO \$20000	25390554.73	712001.77	22560363.53	206268.59
\$20001 TO \$30000	41266377.95	2928040.45	38549653.04	474539.08
\$30001 TO \$40000	50123231.75	6218385.55	47962929.83	673221.00
\$40001 TO \$50000	51450103.85	9080924.39	49523561.14	766299.12
\$50001 TO \$60000	47732058.89	11083139.22	46125932.31	781126.32
\$60001 TO \$70000	46114937.63	11757638.98	44471054.74	940522.03
\$70001 TO \$80000	44953432.37	11896045.57	43375319.88	1039349.89
\$80001 TO \$90000	40541161.56	11128119.07	39329356.27	899276.75
\$90001 TO \$100000	35248918.10	10234790.70	34401929.92	686964.56
\$100001 TO \$150000	88626082.71	26207406.44	87113010.71	1527391.51
\$150001 TO \$200000	18197218.12	5130469.02	18027938.12	249363.57
\$200001 TO \$300000	3254277.01	833662.44	3237082.21	30080.94
\$300001 TO \$400000	2007614.02	505826.92	2000226.42	9389.03
OVER \$400000	7109793.94	1966911.04	7097705.14	32630.82
TOTAL	506389962.42	110047652.39	487190039.25	8360634.58

AGI GROUP	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	ITEMIZED DEDUCTIONS	STANDARD DEDUCTIONS
			MEAN	MEAN	MEAN	MEAN	MEAN	MEAN	MEAN
LOSS	2826	1.05	9253.97	-20904.89	4201.23	2.73	5913.82	8034.00	5009.81
\$0 TO \$10000	51193	19.07	4559.11	5746.33	711.20	1.45	3180.03	3867.95	3768.72
\$10001 TO \$20000	51365	19.14	13361.59	15592.75	6788.67	1.75	3835.84	4354.08	4028.64
\$20001 TO \$30000	39219	14.61	22686.37	26124.95	15196.68	2.11	4620.04	5231.36	4435.99
\$30001 TO \$40000	31792	11.85	33694.35	37213.85	24175.17	2.50	5455.16	6361.66	4733.01
\$40001 TO \$50000	25107	9.35	43287.48	47742.49	32714.29	2.78	6084.84	7593.23	4972.06
\$50001 TO \$60000	18680	6.96	51371.29	58309.39	41091.15	2.95	6435.15	9678.72	5250.10
\$60001 TO \$70000	14172	5.28	60841.05	69473.89	50632.09	3.08	6718.43	10699.65	5311.86
\$70001 TO \$80000	10701	3.99	68658.69	81094.00	60518.17	3.17	6887.83	12084.92	5373.47
\$80001 TO \$90000	7572	2.82	76086.26	93245.92	71478.89	3.16	6824.84	13362.26	5491.19
\$90001 TO \$100000	5223	1.95	79068.64	108345.94	84915.43	3.17	6737.35	15224.15	5564.92
\$100001 TO \$150000	9204	3.43	88383.33	139735.11	113324.54	3.23	6408.04	18473.15	5839.57
\$150001 TO \$200000	1073	0.40	106192.27	216031.00	187915.92	3.14	4073.57	22582.42	5704.95
\$200001 TO \$300000	143	0.05	109581.45	367754.36	340544.12	2.44	108.58	25809.36	6103.70
\$300001 TO \$400000	44	0.02	159211.64	502838.77	469232.39	3.23	0.00	32097.29	6873.05
OVER \$400000	79	0.03	199160.39	1096881.06	1040228.81	3.18	0.00	55194.02	5801.48
TOTAL	268393	100	31689.12	38541.35	26441.10	2.28	4930.43	7036.68	4308.41

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	MEAN	MEAN	MEAN	MEAN
AGI GROUP				
LOSS	373.53	98.49	366.88	4.86
\$0 TO \$10000	64.83	1.68	46.44	0.60
\$10001 TO \$20000	494.32	13.86	439.22	4.02
\$20001 TO \$30000	1052.20	74.66	982.93	12.10
\$30001 TO \$40000	1576.60	195.60	1508.65	21.18
\$40001 TO \$50000	2049.23	361.69	1972.50	30.52
\$50001 TO \$60000	2555.25	593.32	2469.27	41.82
\$60001 TO \$70000	3253.95	829.64	3137.95	66.36
\$70001 TO \$80000	4200.86	1111.68	4053.39	97.13
\$80001 TO \$90000	5354.09	1469.64	5194.05	118.76
\$90001 TO \$100000	6748.79	1959.56	6586.62	131.53
\$100001 TO \$150000	9629.08	2847.39	9464.69	165.95
\$150001 TO \$200000	16959.20	4781.42	16801.43	232.40
\$200001 TO \$300000	22757.18	5829.81	22636.94	210.36
\$300001 TO \$400000	45627.59	11496.07	45459.69	213.39
OVER \$400000	89997.39	24897.61	89844.37	413.05
TOTAL	1886.75	410.02	1815.21	31.15

TABLE 30
1992 TAX ALTERNATIVE TWO
MODERATE ECONOMIC SCENARIO

	N	PCTN	WAGE & SALARY SUM	ADJ GROSS INCOME SUM	TAXABLE INCOME SUM	NUMBER OF EXEMPTIONS SUM	VALUE OF EXEMPTIONS SUM	ITEMIZED DEDUCTIONS SUM	STANDARD DEDUCTIONS SUM
AGI GROUP									
LOSS	2782	1.03	25603313.00	-59702639.05	10093941.91	7712.00	17534219.64	23117590.28	10112748.75
\$0 TO \$10000	48792	18.13	223074635.00	278533905.75	31083547.41	71311.00	163121893.20	196487788.19	187724315.76
\$10001 TO \$20000	50190	18.65	676856501.00	781699606.62	330045403.10	87589.00	200352583.20	223917120.72	194515019.66
\$20001 TO \$30000	38976	14.48	888895439.00	1015967845.12	583680017.10	80948.00	185153768.80	207987386.91	142916341.15
\$30001 TO \$40000	32175	11.96	1106841949.00	1198468641.04	775128730.30	78924.00	180405355.49	205316610.90	99733008.05
\$40001 TO \$50000	25484	9.47	1115540797.00	1217226964.02	830492206.51	70076.00	160127424.80	194024120.63	66688582.03
\$50001 TO \$60000	18908	7.03	972929669.00	1100596817.88	772178558.60	54889.00	125429476.70	183563174.45	38343422.91
\$60001 TO \$70000	14503	5.39	880193746.00	1006003243.51	730736458.78	44089.00	100552474.48	156264946.87	23516550.80
\$70001 TO \$80000	11144	4.14	765860468.00	901551955.07	669984614.85	35168.00	80047845.52	135445269.78	14948299.33
\$80001 TO \$90000	8039	2.99	611409955.00	749701168.29	571757051.78	25269.00	57239380.77	109355337.09	9596233.60
\$90001 TO \$100000	5768	2.14	455260282.00	625050219.33	487649380.69	18361.00	40948603.67	88024673.89	6242568.00
\$100001 TO \$150000	10728	3.99	956129483.00	1494754712.25	1208526139.92	34613.00	72967216.34	197215927.20	10237601.20
\$150001 TO \$200000	1357	0.50	144745472.00	297047438.64	257914997.04	4346.00	6347380.72	30778660.88	1286368.80
\$200001 TO \$300000	170	0.06	16224039.00	62192474.87	57614008.24	449.00	45981.68	4302084.94	156614.40
\$300001 TO \$400000	28	0.01	4277365.00	13337617.96	12565041.78	99.00	0.00	727776.18	28720.00
OVER \$400000	85	0.03	18159817.00	82022574.16	77743067.26	307.00	0.00	4151506.90	60416.00
TOTAL	1269129	100	8862002930.00	10764452545	7407193165.22	614150.00	1390273605.02	1960679975.81	806106810.44

	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX	TAX LIABILITY PFD NONTAXABLE	LEAKAGE TO MUNICIPALITI- ES
	SUM	SUM	SUM	SUM
AGI GROUP				
LOSS	894306.50	228027.11	874955.29	12820.32
\$0 TO \$10000	2870655.80	89809.65	2039692.84	26601.64
\$10001 TO \$20000	24103632.47	699310.65	21393831.28	202443.26
\$20001 TO \$30000	40347063.75	2888106.27	37687002.60	467983.11
\$30001 TO \$40000	50629199.34	6472611.84	48480037.89	703030.23
\$40001 TO \$50000	51843461.61	9178522.55	49927476.56	782387.49
\$50001 TO \$60000	47634811.23	11035471.55	46047038.39	775903.75
\$60001 TO \$70000	46461027.29	11868295.57	44824693.94	946345.94
\$70001 TO \$80000	46400593.04	12292700.48	44769390.73	1081088.92
\$80001 TO \$90000	42543464.74	11658924.34	41269268.53	953038.43
\$90001 TO \$100000	38599128.25	11217342.28	37664612.27	766018.98
\$100001 TO \$150000	102849627.93	30572553.84	101088336.33	1783178.54
\$150001 TO \$200000	23850469.80	6638894.66	23631243.00	321607.53
\$200001 TO \$300000	4628336.61	1217256.26	4605649.41	39350.21
\$300001 TO \$400000	1380131.80	372734.36	1374979.80	6829.62
OVER \$400000	7368541.30	2039368.70	7354566.50	46239.76
TOTAL	532404451.46	118469930.11	513032775.37	8914867.92

AGI GROUP	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	ITEMIZED DEDUCTIONS	STANDARD DEDUCTIONS
			MEAN	MEAN	MEAN	MEAN	MEAN	MEAN	MEAN
LOSS	2782	1.03	9203.20	-21514.46	3628.30	2.77	6302.74	8309.70	5305.74
\$0 TO \$10000	48792	18.13	4571.95	5735.52	637.06	1.46	3343.21	4027.05	3931.40
\$10001 TO \$20000	50190	18.65	13485.88	15611.82	6575.92	1.75	3991.88	4461.39	4174.68
\$20001 TO \$30000	38976	14.48	22806.23	26120.78	14975.37	2.08	4750.46	5336.29	4575.67
\$30001 TO \$40000	32175	11.96	34400.68	37302.93	24091.03	2.45	5607.00	6381.25	4877.87
\$40001 TO \$50000	25484	9.47	43774.16	47822.53	32588.77	2.75	6283.45	7613.57	5128.31
\$50001 TO \$60000	18908	7.03	51455.98	58278.89	40838.72	2.90	6633.67	9708.23	5455.03
\$60001 TO \$70000	14503	5.39	60690.46	69451.38	50385.19	3.04	6933.22	10774.66	5521.61
\$70001 TO \$80000	11144	4.14	68724.02	81038.38	60120.66	3.16	7183.04	12154.10	5630.24
\$80001 TO \$90000	8039	2.99	76055.47	93409.07	71122.91	3.14	7120.21	13603.10	5698.48
\$90001 TO \$100000	5768	2.14	78928.62	108402.74	84543.93	3.18	7099.27	15260.87	5796.26
\$100001 TO \$150000	10728	3.99	89124.67	139384.06	112651.58	3.23	6801.57	18383.29	6072.12
\$150001 TO \$200000	1357	0.50	106665.79	218900.10	190062.64	3.20	4677.51	22681.40	5983.11
\$200001 TO \$300000	170	0.06	95435.52	365838.09	338905.93	2.64	270.48	25306.38	6264.58
\$300001 TO \$400000	28	0.01	152763.04	476343.50	448751.49	3.54	0.00	25992.01	7180.00
OVER \$400000	85	0.03	213644.91	964971.46	914624.32	3.61	0.00	48841.26	6041.60
TOTAL	269129	100	32928.46	40085.70	27522.84	2.28	5165.83	7285.28	4488.90

	TAX LIABILITY PFD TAXABLE		PAID FROM FEDRL TAX		TAX LIABILITY PFD NONTAXABLE		LEAKAGE TO MUNICIPALITI- ES	
	MEAN		MEAN		MEAN		MEAN	
AGI GROUP								
LOSS		321.46		81.97		314.51		4.61
\$0 TO \$10000		58.83		1.84		41.80		0.55
\$10001 TO \$20000		480.25		13.93		426.26		4.03
\$20001 TO \$30000		1035.18		74.10		966.93		12.01
\$30001 TO \$40000		1573.56		201.17		1506.76		21.85
\$40001 TO \$50000		2034.35		360.17		1959.17		30.70
\$50001 TO \$60000		2519.29		563.64		2435.32		41.04
\$60001 TO \$70000		3203.55		818.33		3090.72		65.25
\$70001 TO \$80000		4163.73		1103.08		4017.35		97.01
\$80001 TO \$90000		5292.13		1450.30		5133.63		118.55
\$90001 TO \$100000		6691.94		1944.75		6529.93		132.80
\$100001 TO \$150000		9587.03		2849.79		9422.85		166.22
\$150001 TO \$200000		17575.88		4892.33		17414.33		237.00
\$200001 TO \$300000		27225.51		7160.33		27092.06		231.47
\$300001 TO \$400000		49290.42		13311.94		49106.42		243.91
OVER \$400000		86638.72		23992.57		86524.31		544.00
TOTAL		1978.25		440.20		1906.27		33.12

Liability to Collections

The projected time pattern generated from 1970 - 1979 accounting data can be used to translate the projected tax year collections presented in the tables below into gross receipts (col. 2), refunds (col. 3), and net receipts (col. 4) by quarter and fiscal year. The U. S. Consumer Price Index (col. 5) is used to deflate or inflate the net receipts in nominal dollars to real 1986 dollars (col. 6) so we can compare estimated 1988 through 1992 projected fiscal year collections to actual collections from 1975 through 1979.

TABLE 31
(PFD TAXABLE)
LIABILITY TO COLLECTIONS
TAX ALTERNATIVE TWO
MODERATE ECONOMIC SCENARIO

FY/Q	GROSS RECEIPTS (\$m nom)	REFUNDS (\$m nom)	NET RECEIPTS (\$m nom)	CPI	NET REC \$86 (\$m real)
86				325.98	
88/1	\$0	\$1	(\$1)		
/2	\$0	\$0	(\$0)		
/3	\$1	\$3	(\$1)		
/4	\$86	\$6	\$80		
TOTAL	\$87	\$9	\$78	338.66	\$75
89/1	\$114	\$5	\$109		
/2	\$150	\$2	\$148		
/3	\$146	\$16	\$130		
/4	\$125	\$36	\$88		
TOTAL	\$534	\$60	\$475	354.17	\$437
90/1	\$123	\$6	\$116		
/2	\$162	\$2	\$160		
/3	\$158	\$20	\$138		
/4	\$132	\$44	\$88		
TOTAL	\$574	\$72	\$502	370.39	\$442
91/1	\$129	\$5	\$124		
/2	\$170	\$2	\$168		
/3	\$165	\$16	\$150		
/4	\$138	\$35	\$103		
TOTAL	\$601	\$57	\$544	387.35	\$458
92/1	\$135	\$5	\$130		
/2	\$177	\$2	\$176		
/3	\$172	\$15	\$157		
/4	\$139	\$34	\$106		
TOTAL	\$623	\$55	\$568	405.09	\$457

**ALTERNATIVE THREE: FLAT RATES/ FEDERAL TAX BASE,
NO EXCLUSIONS OR DEDUCTIONS,
HIGH PERSONAL EXEMPTION**

A true flat tax has two attributes: (1) it applies the same rate of tax to everyone and to each component of the tax base; and (2) to arrive at the tax base there are no deductions from total income except personal exemptions and strictly defined business expenses.

To raise a certain amount of tax revenue it is necessary to make a trade-off between the size of the personal exemption and the marginal tax rate.⁽¹⁷⁾

"A higher exemption may be desirable to secure relief for those at the bottom of the income schedule and to increase progressiveness (with respect to average tax rates). But a higher exemption means that a higher marginal tax rate must be applied to maintain revenues."

Tax Base

As with the previous alternatives, this tax system is tied to the Federal tax law. In this case, however, it is piggybacked to the federal law only for its income inclusion elements. It is not tied to the federal law for exemptions, deductions or income exclusions. The advantage in being tied to the federal system is largely administrative, as discussed previously. The disadvantage is that federal changes can automatically affect state law and revenues dramatically.

The federal law has changed since the Alaska individual income tax was in effect. This proposal assumes that the changes adopted by the federal government will be referenced in Alaska Statute much as they were in 1978-1979, but only for income inclusions. This will result in the expansion of the adjusted gross income; and therefore, the tax base. The specifics of the changes resulting from tax reform at the federal level are available in a number of publications and we will not attempt to discuss those here. The provisions of the new law that we assume would be effective for this proposal are summarized below.

Income Inclusions and Exclusions

Included as total income are wages, salaries, tips, interest income, dividends, income tax refunds, alimony received, business income, capital gains, pensions, IRA and annuity distributions, rents, royalties, partnership, estates, trusts, farm income, unemployment insurance (which we were unable to include in our model), social security benefits and other income. The new Federal law eliminates the \$100 - \$200 exclusion of dividend income and treats the full amount of capital gain as ordinary income. The Alaska Permanent Fund Dividend is included as income.

New restrictions are now included in the Federal law which define passive and active participation in ventures and set limits for higher income taxpayers on offsetting losses of any kind. Passive losses cannot be used to offset other income except for \$25,000 in participatory rental losses. (Passive losses occur particularly in some partnership and rental activities.)

Income Adjustments

Under the new Federal law, only the Keogh plan contributions, savings withdrawal penalties and alimony paid adjustments from income remain. Eliminated is the Two Earner adjustment; while the IRA adjustment is phased out at higher income levels or eliminated if the employer covers the employee with a retirement plan. The moving expense and employee business expense adjustment are now deductions.

Treatment of the Alaska Permanent Fund Dividend

All of the alternatives presented include the Alaska Permanent Fund Dividend as taxable income. The 1988 low case Table 32 indicates a loss of \$14.4 million dollars in tax if the PFD is not taxable (\$399.8 million with PFD included - \$385.5 million with PFD excluded). The taxable income in the tables is with PFD not taxable. Children and other persons not required to file will not pay tax on the PFD. The estimates of the PFD are as follows:

1988	\$750
1989	\$800
1990	\$800
1991	\$800
1992	\$800

These are rounded values from the December 1986 Long Run Fiscal Model of the Department of Revenue.(18)

Nonresident Apportionment

Nonresident workers apportion their income by source state in this proposal. The apportionment ratio is obtained by dividing Alaska adjusted gross income (income earned in this state or attributable to investments in this state) by total adjusted gross income. The ratio obtained from Alaska to total income is used to adjust exemptions also.

Personal Exemption

The personal exemption in this alternative is set high both as a proxy for a subsistence amount and to respond to family size. The high personal exemption helps to make the effective rates of this proposal more progressive. The exemption value for taxpayer, spouse and dependents is \$3,000 each starting in 1988, and is inflation adjusted each year.

Tax Credits

We have not included any tax credits in these proposals. Summaries of the major tax credits effective in Alaska and profiles of the taxpayers and amounts credited have been published previously and are available from this office.(19)

Tax Rates

The tax rate in this alternative was designed to provide a revenue neutral tax compared to alternative one in 1988 only. That is, total revenues are approximately the same as the previous two cases. A six percent tax rate was used for all income. Progressive rates could also be applied to this tax base but it would be difficult to develop a revenue neutral (compared to the other alternatives) case with these rates.

ISSUES

Economic Efficiency

Proponents argue that because a flat tax lowers marginal rates, this reduces the incentive to alter decisions based on tax considerations. Personal, business and investment decisions would be primarily based on economic as opposed to tax considerations. In addition, the lower rates reduce the payoffs to time spent trying to avoid or in some cases evade taxes.

Income Elasticity

Michigan, one state with this type of tax, has found that tax revenues have tended to grow more than in proportion to the growth of income because of the fixed dollar value of exemptions in that state. This responsiveness was found to decrease over time as income rose relative to the value of exemptions. Because the exemption is indexed in this presentation, this source of elasticity is probably not a factor.

Equity

The key to vertical equity or adherence to ability to pay principles in this tax is the size of the personal exemption. The exemption combined with the flat rate determine the progressivity of the system.

In general this type of tax takes the view that income from all sources is equivalent in defining the tax base. Problems of equity arise when certain income flows are excluded from the tax base or are taxed at preferential rates. In Michigan, for instance, there is no subtraction of itemized or standardized deductions. There is however some allowance for tax credits which represents a deviation from this ideal.

The main concerns with a flat rate tax involve its incidence. It may distribute burdens from upper to middle income taxpayers.

Administration and Compliance

The structure of this tax is the simplest of the three presented. The tax base is typically federal adjusted gross income modified by a limited number of additions and subtractions. The use of federal AGI in defining the state tax base simplifies the filing process for individuals as well as the administrative costs involved in tax collection. The fact that deductions or adjustments are very limited means that auditing problems are greatly reduced.

Nonresident Taxpayers

This alternative captures the nonresident worker in the tax base fairly effectively. Alaskan employers submit payroll taxes regardless of the residence of the worker. The potential for avoiding estimated payments remains but is no worse or better for this alternative than any other.

The apportionment of nonresident (or part year resident) income seems fair and is consistent with practice generally used in other states.

Intergovernmental Effects

All state income taxes are deductible from Federal income. This causes a leakage of tax from the federal government to the State. The 1988 low case Table 32 below shows is that for every dollar of Alaska tax paid, the taxpayer pays only 80¢ while the Federal government leaks 20¢ of it to the State (\$81.6 million in Federal tax leakage / \$399.8 million in State tax liability).

Since there are no deductions from this tax, leakage of tax from the State to local government under this alternative is zero. It has been argued that it undermines the ability of local government to levy taxes when they are not deductible from the taxes of higher level governments.

Inflation Effects

Inflation adjustment is present in the exemption amount of this tax alternative. Because the exemption is indexed, this alternative is less distorted by inflation than the previous cases.

TABLE 32
1988 TAX ALTERNATIVE THREE
LOW ECONOMIC SCENARIO

AGI GROUP	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX
			SUM	SUM	SUM	SUM	SUM	SUM	SUM
LOSS	2878	1.19	26309170.00	-61678792.91	10925054.91	7805.00	23415000.00	674442.83	160867.36
\$0 TO \$10000	53355	22.06	248499609.00	305298080.85	99873230.57	78669.00	236007000.00	7499842.24	150853.93
\$10001 TO \$20000	49490	20.46	668214244.00	769719577.88	457938010.39	91714.00	275142000.00	30091066.41	1015019.60
\$20001 TO \$30000	36082	14.92	822338578.00	943559133.02	659139490.96	82151.00	246453000.00	41876832.22	3559527.46
\$30001 TO \$40000	28778	11.90	971451140.00	1072829850.36	806086558.39	77343.00	232029000.00	50465208.15	6857070.84
\$40001 TO \$50000	22390	9.26	973365388.00	1068241985.88	842143343.68	65702.00	197106000.00	52281835.36	10616598.85
\$50001 TO \$60000	15856	6.56	815676730.00	923230676.83	756425426.83	48533.00	145599000.00	46667980.61	11449069.15
\$60001 TO \$70000	11225	4.64	683752605.00	777522186.01	656118936.01	35348.00	106044000.00	40294811.16	10444835.94
\$70001 TO \$80000	7883	3.26	542298283.00	636844305.28	550116555.28	25290.00	75870000.00	33667458.32	9081740.13
\$80001 TO \$90000	5208	2.15	398926188.00	485165674.57	428142424.57	16585.00	49755000.00	26128240.47	7710371.74
\$90001 TO \$100000	3243	1.34	256764893.00	349859148.04	314495898.04	10278.00	30834000.00	19142228.88	5775457.18
\$100001 TO \$150000	4837	2.00	425160325.00	668888559.51	616058559.51	15373.00	46119000.00	37367793.57	11060776.36
\$150001 TO \$200000	412	0.17	40720223.00	91310515.75	87109765.75	1223.00	3669000.00	5258490.94	1417698.31
\$200001 TO \$300000	55	0.02	4709336.00	22032721.97	21593221.97	128.00	384000.00	1298923.32	333598.36
\$300001 TO \$400000	93	0.04	15285945.00	44902551.74	43875801.74	297.00	891000.00	2640693.10	710867.51
OVER \$400000	79	0.03	17348776.00	75394772.03	74511272.03	260.00	780000.00	4477066.32	1253578.57
TOTAL	241864	100	6910821433.00	8173120946.79	6424553550.62	556699.00	1670097000.00	399832913.97	81597931.30

	TAX LIABILITY PFD NON- TAXABLE
	SUM
AGI GROUP	
LOSS	655503.29
\$0 TO \$10000	5992393.83
\$10001 TO \$20000	27476280.62
\$20001 TO \$30000	39548369.46
\$30001 TO \$40000	48365193.50
\$40001 TO \$50000	50528600.62
\$50001 TO \$60000	45385525.61
\$60001 TO \$70000	39367136.16
\$70001 TO \$80000	33006993.32
\$80001 TO \$90000	25688545.47
\$90001 TO \$100000	18869753.88
\$100001 TO \$150000	36963513.57
\$150001 TO \$200000	5226585.94
\$200001 TO \$300000	1295593.32
\$300001 TO \$400000	2632548.10
OVER \$400000	4470676.32
TOTAL	385473213.04

	N	PCTN	WAGE & SALARY MEAN	ADJ GROSS INCOME MEAN	TAXABLE INCOME MEAN	NUMBER OF EXEMPTIONS MEAN	VALUE OF EXEMPTIONS MEAN	TAX LIABILITY PFD TAXABLE MEAN	PAID FROM FEDRL TAX MEAN
AGI GROUP									
LOSS	2878	1.19	9141.48	-21498.36	3796.06	2.71	8135.86	234.34	55.90
\$0 TO \$10000	53355	22.06	4657.48	5748.09	1871.86	1.47	4423.33	140.56	2.83
\$10001 TO \$20000	49490	20.46	13502.01	15587.05	9253.14	1.85	5559.55	608.02	20.51
\$20001 TO \$30000	36082	14.92	22790.83	26205.61	18267.82	2.28	6830.36	1160.60	98.65
\$30001 TO \$40000	28778	11.90	33756.73	37330.10	28010.51	2.69	8062.72	1753.60	238.27
\$40001 TO \$50000	22390	9.26	43473.22	47761.87	37612.48	2.93	8803.31	2335.05	474.17
\$50001 TO \$60000	15856	6.56	51442.78	58303.17	47705.94	3.06	9182.58	2943.24	722.07
\$60001 TO \$70000	11225	4.64	60913.37	69341.14	58451.58	3.15	9447.13	3589.74	930.50
\$70001 TO \$80000	7883	3.26	68793.39	80930.78	69785.18	3.21	9624.51	4270.89	1152.07
\$80001 TO \$90000	5208	2.15	76598.73	93283.15	82208.61	3.18	9553.57	5016.94	1480.49
\$90001 TO \$100000	3243	1.34	79175.11	107947.90	96976.84	3.17	9507.86	5902.63	1780.90
\$100001 TO \$150000	4837	2.00	87897.52	138371.65	127363.77	3.18	9534.63	7725.41	2286.70
\$150001 TO \$200000	412	0.17	98835.49	221627.47	211431.47	2.97	8905.34	12763.33	3441.02
\$200001 TO \$300000	55	0.02	85624.29	400594.94	392604.04	2.33	6981.82	23616.79	6065.42
\$300001 TO \$400000	93	0.04	164365.00	482823.14	471782.81	3.19	9580.65	28394.55	7643.74
OVER \$400000	79	0.03	219604.76	966599.64	943180.66	3.29	9873.42	56671.73	15868.08
TOTAL	241864	100	28573.17	33870.36	26562.67	2.30	6905.11	1653.13	337.37

	TAX LIABILITY PFD NON- TAXABLE
	MEAN
AGI GROUP	
LOSS	227.76
\$0 TO \$10000	112.31
\$10001 TO \$20000	555.19
\$20001 TO \$30000	1096.07
\$30001 TO \$40000	1680.63
\$40001 TO \$50000	2256.75
\$50001 TO \$60000	2862.36
\$60001 TO \$70000	3507.09
\$70001 TO \$80000	4187.11
\$80001 TO \$90000	4932.52
\$90001 TO \$100000	5818.61
\$100001 TO \$150000	7641.83
\$150001 TO \$200000	12685.89
\$200001 TO \$300000	23556.24
\$300001 TO \$400000	28306.97
OVER \$400000	56590.84
TOTAL	1593.76

TABLE 33
1989 TAX ALTERNATIVE THREE
LOW ECONOMIC SCENARIO

	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX
			SUM	SUM	SUM	SUM	SUM	SUM	SUM
AGI GROUP									
LOSS	2727	1.14	24579758.00	-59527626.97	9809884.36	7470.00	23436378.00	606401.48	147025.76
\$0 TO \$10000	49750	20.81	232987396.00	286672325.82	88069777.42	73786.00	231496196.40	6739372.13	129076.45
\$10001 TO \$20000	48252	20.19	656298356.00	751585286.54	435955207.35	89031.00	279325859.40	28828415.35	978169.32
\$20001 TO \$30000	35369	14.80	812405077.00	923763680.84	635086366.03	79515.00	249470361.00	40511958.93	3452780.72
\$30001 TO \$40000	28712	12.01	985741252.00	1070678566.88	795541030.38	76053.00	238608682.20	49942245.23	6833744.51
\$40001 TO \$50000	22522	9.42	989322698.00	1074621071.55	837795094.35	65638.00	205932661.20	52137305.66	10516112.28
\$50001 TO \$60000	15948	6.67	819697745.00	928255468.79	753883625.99	48377.00	151777999.80	46599001.56	11417539.17
\$60001 TO \$70000	11568	4.84	704321793.00	801060959.06	670174890.26	36355.00	114060177.00	41228141.42	10701209.33
\$70001 TO \$80000	8326	3.48	572604837.00	673113198.20	577039540.20	26733.00	83872114.20	35366324.41	9547886.12
\$80001 TO \$90000	5626	2.35	431283215.00	523202734.79	458748457.79	17881.00	56099849.40	28031067.47	8233888.00
\$90001 TO \$100000	3642	1.52	288673205.00	394794853.94	353060972.54	11567.00	36290305.80	21511402.35	6486727.52
\$100001 TO \$150000	5790	2.42	512296742.00	802432875.56	735564018.56	18561.00	58233281.40	44653105.11	13215558.18
\$150001 TO \$200000	541	0.23	56662960.00	119475168.33	113539133.13	1648.00	5170435.20	6858283.99	1867478.62
\$200001 TO \$300000	64	0.03	6216251.00	25806499.57	25266964.37	148.00	464335.20	1520529.86	385680.06
\$300001 TO \$400000	106	0.04	18829475.00	48952894.76	47668780.36	356.00	1116914.40	2870158.82	758239.78
OVER \$400000	90	0.04	17208477.00	94194971.63	93183887.43	285.00	894159.00	5598425.25	1515947.11
TOTAL	239033	100	7129129237.00	8459082929.26	6630387630.47	553404.00	1736249709.59	413002139.01	86187062.92

	TAX LIABILITY PFD NON- TAXABLE
	SUM
AGI GROUP	
LOSS	588593.06
\$0 TO \$10000	5284186.65
\$10001 TO \$20000	26157312.44
\$20001 TO \$30000	38105181.96
\$30001 TO \$40000	47732461.82
\$40001 TO \$50000	50267705.66
\$50001 TO \$60000	45233017.56
\$60001 TO \$70000	40210493.42
\$70001 TO \$80000	34622372.41
\$80001 TO \$90000	27524907.47
\$90001 TO \$100000	21183658.35
\$100001 TO \$150000	44133841.11
\$150001 TO \$200000	6812347.99
\$200001 TO \$300000	1516017.86
\$300001 TO \$400000	2860126.82
OVER \$400000	5591033.25
TOTAL	397823257.83

	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX
			MEAN	MEAN	MEAN	MEAN	MEAN	MEAN	MEAN
AGI GROUP									
LOSS	2727	1.14	9013.48	-21885.16	3597.32	2.74	8594.20	222.37	53.91
\$0 TO \$10000	49750	20.81	4683.16	5787.85	1770.25	1.48	4653.19	135.46	2.59
\$10001 TO \$20000	48252	20.19	13601.47	15610.54	9034.97	1.85	5788.90	597.46	20.27
\$20001 TO \$30000	35369	14.80	22969.41	26168.20	17956.02	2.25	7053.36	1145.41	97.62
\$30001 TO \$40000	28712	12.01	34332.03	37342.30	27707.61	2.65	8310.42	1739.42	238.01
\$40001 TO \$50000	22522	9.42	43926.95	47771.95	37198.97	2.91	9143.62	2314.95	466.93
\$50001 TO \$60000	15948	6.67	51398.15	58278.22	47271.36	3.03	9517.06	2921.93	715.92
\$60001 TO \$70000	11568	4.84	60885.36	69343.92	57933.51	3.14	9859.97	3563.98	925.07
\$70001 TO \$80000	8326	3.48	68773.10	81019.88	69305.73	3.21	10073.52	4247.70	1146.76
\$80001 TO \$90000	5626	2.35	76658.94	93146.29	81540.79	3.18	9971.53	4982.42	1463.54
\$90001 TO \$100000	3642	1.52	79262.27	108489.93	96941.51	3.18	9964.39	5906.48	1781.09
\$100001 TO \$150000	5790	2.42	88479.58	138637.33	127040.42	3.21	10057.56	7712.11	2282.48
\$150001 TO \$200000	541	0.23	104737.45	220841.35	209869.01	3.05	9557.18	12677.05	3451.90
\$200001 TO \$300000	64	0.03	97128.92	403226.56	394796.32	2.31	7255.24	23758.28	6026.25
\$300001 TO \$400000	106	0.04	177636.56	461819.76	449705.48	3.36	10536.93	27076.97	7153.21
OVER \$400000	90	0.04	191205.30	1070397.40	1035376.53	3.17	9935.10	62204.72	16843.86
TOTAL	239033	100	29824.87	35468.60	27738.38	2.32	7263.64	1727.80	360.57

	TAX LIABILITY PFD NON- TAXABLE
	MEAN
AGI GROUP	
LOSS	215.84
\$0 TO \$10000	106.21
\$10001 TO \$20000	542.10
\$20001 TO \$30000	1077.36
\$30001 TO \$40000	1662.46
\$40001 TO \$50000	2231.94
\$50001 TO \$60000	2836.28
\$60001 TO \$70000	3476.01
\$70001 TO \$80000	4158.34
\$80001 TO \$90000	4892.45
\$90001 TO \$100000	5816.49
\$100001 TO \$150000	7622.43
\$150001 TO \$200000	12592.14
\$200001 TO \$300000	23687.78
\$300001 TO \$400000	26982.33
OVER \$400000	62122.59
TOTAL	1664.30

TABLE 34
1990 TAX ALTERNATIVE THREE
LOW ECONOMIC SCENARIO

	N	PCTN	WAGE & SALARY SUM	ADJ GROSS INCOME SUM	TAXABLE INCOME SUM	NUMBER OF EXEMPTIONS SUM	VALUE OF EXEMPTIONS SUM	TAX LIABILITY PFD TAXABLE SUM	PAID FROM FEDRL TAX SUM
AGI GROUP									
LOSS	2622	1.13	25526126.00	-54911695.16	12631430.57	7222.00	23696104.20	776545.33	192545.25
\$0 TO \$10000	45296	19.52	209413184.00	260591560.84	75902800.74	67414.00	221192075.40	5831094.35	111926.72
\$10001 TO \$20000	44893	19.34	607363524.00	699222851.80	399182024.17	81794.00	268374293.40	26392802.87	871649.76
\$20001 TO \$30000	33958	14.63	775758196.00	888313489.07	605518798.37	74942.00	245892196.20	38606494.81	3302598.82
\$30001 TO \$40000	27907	12.03	956564806.00	1040705076.59	767305794.13	72648.00	238365352.80	48158601.82	6604134.27
\$40001 TO \$50000	22315	9.62	978808639.00	1064817448.92	823665500.45	64267.00	210866453.70	51253641.31	10246684.20
\$50001 TO \$60000	16087	6.93	828475374.00	936611011.46	754856127.46	48500.00	159133350.00	46660471.65	11467762.79
\$60001 TO \$70000	11938	5.14	724824159.00	826709341.16	686994825.26	37315.00	122434246.50	42265561.52	10950401.71
\$70001 TO \$80000	8778	3.78	604631162.00	710172238.27	605107864.37	28093.00	92175942.30	37088439.86	9992461.90
\$80001 TO \$90000	6192	2.67	471880182.00	576217347.26	502273509.56	19739.00	64765632.90	30693402.57	8972187.55
\$90001 TO \$100000	4132	1.78	328407845.00	444702445.62	395385348.32	13145.00	43130059.50	24094736.90	7299516.60
\$100001 TO \$150000	6952	3.00	609539110.00	964848535.81	880548585.81	22506.00	73844436.60	53461427.15	15818060.50
\$150001 TO \$200000	709	0.31	77427061.00	153190549.32	144821128.62	2237.00	7339820.70	8751043.72	2388607.89
\$200001 TO \$300000	79	0.03	8081215.00	27081756.16	26328898.36	198.00	649657.80	1585925.90	410426.81
\$300001 TO \$400000	110	0.05	17519133.00	53161612.1	51767442.92	372.00	1220569.20	3116462.58	830687.85
OVER \$400000	100	0.04	18918257.00	100847567.87	99679945.77	312.00	1023703.20	5989628.75	1677096.05
TOTAL	232068	100	7243137973.00	8692281137.11	6831970024.84	540704.00	1774103894.39	424726281.07	91136748.66

	TAX LIABILITY PFD NON- TAXABLE
	SUM
AGI GROUP	
LOSS	757885.83
\$0 TO \$10000	4554168.04
\$10001 TO \$20000	23950921.45
\$20001 TO \$30000	36331127.90
\$30001 TO \$40000	46038347.65
\$40001 TO \$50000	49419930.03
\$50001 TO \$60000	45291367.65
\$60001 TO \$70000	41219689.52
\$70001 TO \$80000	36306471.86
\$80001 TO \$90000	30136410.57
\$90001 TO \$100000	23723120.90
\$100001 TO \$150000	52832915.15
\$150001 TO \$200000	8689267.72
\$200001 TO \$300000	1579733.90
\$300001 TO \$400000	3106046.58
OVER \$400000	5980796.75
TOTAL	409918201.49

	N	PCTN	WAGE & SALARY MEAN	ADJ GROSS INCOME MEAN	TAXABLE INCOME MEAN	NUMBER OF EXEMPTIONS MEAN	VALUE OF EXEMPTIONS MEAN	TAX LIABILITY PFD TAXABLE MEAN	PAID FROM FEDRL TAX MEAN
AGI GROUP									
LOSS	2622	1.13	9735.36	-20990.71	4817.48	2.75	9037.42	296.17	73.43
\$0 TO \$10000	45296	19.52	4623.22	5778.60	1675.71	1.49	4883.26	128.73	2.47
\$10001 TO \$20000	44893	19.34	13529.14	15611.83	8891.85	1.82	5978.09	587.90	19.42
\$20001 TO \$30000	33958	14.63	22844.64	26213.99	17831.40	2.21	7241.07	1136.89	97.26
\$30001 TO \$40000	27907	12.03	34276.88	37342.75	27495.10	2.60	8541.42	1725.68	236.65
\$40001 TO \$50000	22315	9.62	43863.26	47773.23	36910.84	2.88	9449.54	2296.82	459.18
\$50001 TO \$60000	16087	6.93	51499.68	58301.34	46923.36	3.01	9892.05	2900.51	712.86
\$60001 TO \$70000	11938	5.14	60715.71	69348.99	57546.89	3.13	10255.84	3540.42	917.27
\$70001 TO \$80000	8778	3.78	68880.29	81005.16	68934.59	3.20	10500.79	4225.16	1138.35
\$80001 TO \$90000	6192	2.67	76208.04	93223.97	81116.52	3.19	10459.57	4956.94	1449.00
\$90001 TO \$100000	4132	1.78	79479.15	107650.07	95688.61	3.18	10438.06	5831.25	1766.58
\$100001 TO \$150000	6952	3.00	87678.24	138827.13	126661.19	3.24	10622.04	7690.08	2275.33
\$150001 TO \$200000	709	0.31	109206.01	216065.65	204261.11	3.16	10352.36	12342.80	3368.98
\$200001 TO \$300000	79	0.03	102293.86	342807.04	333277.19	2.51	8223.52	20075.01	5195.28
\$300001 TO \$400000	110	0.05	159264.85	483287.38	470613.12	3.38	11096.08	28331.48	7551.71
OVER \$400000	100	0.04	189182.57	1018662.30	996799.46	3.12	10237.03	59896.29	16770.96
TOTAL	232068	100	31211.27	37538.41	29439.52	2.33	7644.76	1830.18	392.72

	TAX LIABILITY PFD NON- TAXABLE
	MEAN
AGI GROUP	
LOSS	289.05
\$0 TO \$10000	100.54
\$10001 TO \$20000	533.51
\$20001 TO \$30000	1069.88
\$30001 TO \$40000	1649.71
\$40001 TO \$50000	2214.65
\$50001 TO \$60000	2815.40
\$60001 TO \$70000	3452.81
\$70001 TO \$80000	4136.08
\$80001 TO \$90000	4866.99
\$90001 TO \$100000	5741.32
\$100001 TO \$150000	7599.67
\$150001 TO \$200000	12255.67
\$200001 TO \$300000	19996.63
\$300001 TO \$400000	28236.79
OVER \$400000	59807.97
TOTAL	1766.37

TABLE 35
1991 TAX ALTERNATIVE THREE
LOW ECONOMIC SCENARIO

	N	PCTN	WAGE & SALARY SUM	ADJ GROSS INCOME SUM	TAXABLE INCOME SUM	NUMBER OF EXEMPTIONS SUM	VALUE OF EXEMPTIONS SUM	TAX LIABILITY PFD TAXABLE SUM	PAID FROM FEDRL TAX SUM
AGI GROUP									
LOSS	2419	1.07	22722616.00	-48966407.45	10987015.69	6664.00	22866849.60	676856.76	163825.43
\$0 TO \$10000	42107	18.55	193833384.00	241699360.09	67439334.42	62257.00	213628669.80	5197715.78	97522.32
\$10001 TO \$20000	42552	18.74	573637888.00	663765627.54	372797394.86	76780.00	263462892.00	24633228.14	807840.61
\$20001 TO \$30000	32994	14.53	751855480.00	861414298.61	581902572.85	71271.00	244559309.40	37084363.59	3177631.61
\$30001 TO \$40000	27248	12.00	933776569.00	1016421637.12	744495207.88	69442.00	238283278.80	46706478.58	6438839.68
\$40001 TO \$50000	21843	9.62	956248447.00	1042692481.52	801382007.08	61808.00	212087971.20	49852200.42	9837293.06
\$50001 TO \$60000	16104	7.09	826050505.00	938350265.57	751251600.77	47990.00	164672886.00	46432584.05	11396083.00
\$60001 TO \$70000	12292	5.41	746748943.00	851055079.46	702341483.46	38192.00	131052028.80	43210889.01	11198499.43
\$70001 TO \$80000	9227	4.06	634749096.00	745792375.32	631632394.92	29334.00	100656687.60	38718023.70	10404172.79
\$80001 TO \$90000	6585	2.90	504345180.00	613002694.62	531339281.02	20956.00	71908418.40	32472244.86	9474439.52
\$90001 TO \$100000	4516	1.99	358621482.00	489577935.00	433180122.40	14463.00	49628338.20	26397799.34	7960894.27
\$100001 TO \$150000	7982	3.52	707583864.00	1107770863.76	1007460035.96	25739.00	88320804.60	61169474.16	18142980.98
\$150001 TO \$200000	917	0.40	95826032.00	202428533.36	191150630.36	2895.00	9933903.00	11549677.82	3153412.68
\$200001 TO \$300000	91	0.04	8526371.00	34485304.75	33650079.35	211.00	724025.40	2025676.76	508725.98
\$300001 TO \$400000	91	0.04	14471967.00	44541391.74	43349783.34	306.00	1050008.40	2609483.00	709360.36
OVER \$400000	82	0.04	18777337.00	81885809.63	80875477.03	259.00	888732.60	4859824.62	1295762.30
TOTAL	227050	100	7349775161.00	8885917250.63	6985234421.35	528567.00	1813724803.79	433596520.59	94817284.82

	TAX LIABILITY PFD NON- TAXABLE
	SUM
AGI GROUP	
LOSS	659220.94
\$0 TO \$10000	4046360.07
\$10001 TO \$20000	22367843.69
\$20001 TO \$30000	34914154.37
\$30001 TO \$40000	44669712.47
\$40001 TO \$50000	48082920.42
\$50001 TO \$60000	45075096.05
\$60001 TO \$70000	42140489.01
\$70001 TO \$80000	37897943.70
\$80001 TO \$90000	31880356.86
\$90001 TO \$100000	25990807.34
\$100001 TO \$150000	60447602.16
\$150001 TO \$200000	11469037.82
\$200001 TO \$300000	2019004.76
\$300001 TO \$400000	2600987.00
OVER \$400000	4852528.62
TOTAL	419114065.28

AGI GROUP	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX
			MEAN	MEAN	MEAN	MEAN	MEAN	MEAN	MEAN
LOSS	2419	1.07	9393.39	-20284.34	4541.97	2.75	9453.02	279.81	67.72
\$0 TO \$10000	42107	18.55	4603.35	5765.59	1601.62	1.48	5073.47	123.44	2.32
\$10001 TO \$20000	42552	18.74	13480.87	15631.26	8760.98	1.80	6191.55	578.90	18.98
\$20001 TO \$30000	32994	14.53	22787.64	26162.92	17636.62	2.16	7412.24	1123.97	96.31
\$30001 TO \$40000	27248	12.00	34269.55	37354.71	27322.93	2.55	8744.98	1714.13	236.31
\$40001 TO \$50000	21843	9.62	43778.26	47788.28	36688.28	2.83	9709.65	2282.30	452.65
\$50001 TO \$60000	16104	7.09	51418.93	58344.23	46650.00	2.98	10225.59	2883.30	707.66
\$60001 TO \$70000	12292	5.41	60750.81	69338.04	57138.10	3.11	10661.57	3515.37	911.04
\$70001 TO \$80000	9227	4.06	68792.58	80950.00	68454.80	3.18	10908.93	4196.17	1127.58
\$80001 TO \$90000	6585	2.90	76590.00	93246.53	80689.34	3.18	10920.03	4931.24	1438.79
\$90001 TO \$100000	4516	1.99	79411.31	108457.67	95921.20	3.20	10989.45	5845.39	1762.82
\$100001 TO \$150000	7982	3.52	88647.44	138853.20	126216.49	3.22	11065.00	7663.43	2272.99
\$150001 TO \$200000	917	0.40	104499.49	220750.85	208452.16	3.16	10833.05	12595.07	3438.84
\$200001 TO \$300000	91	0.04	93696.38	378959.39	369781.09	2.32	7956.32	22260.18	5590.40
\$300001 TO \$400000	91	0.04	159032.60	489465.84	476371.25	3.36	11538.55	28675.64	7795.17
OVER \$400000	82	0.04	228991.91	998607.43	986286.31	3.16	10838.20	59266.15	15801.98
TOTAL	227050	100	32370.73	39219.30	30765.18	2.33	7988.22	1909.70	417.61

AGI GROUP	TAX LIABILITY PFD NON- TAXABLE
	MEAN
LOSS	272.52
\$0 TO \$10000	96.10
\$10001 TO \$20000	525.66
\$20001 TO \$30000	1058.20
\$30001 TO \$40000	1639.38
\$40001 TO \$50000	2201.30
\$50001 TO \$60000	2799.00
\$60001 TO \$70000	3428.29
\$70001 TO \$80000	4107.29
\$80001 TO \$90000	4841.36
\$90001 TO \$100000	5755.27
\$100001 TO \$150000	7572.99
\$150001 TO \$200000	12507.13
\$200001 TO \$300000	22186.87
\$300001 TO \$400000	28582.27
OVER \$400000	59177.18
TOTAL	1845.91

TABLE 36
1992 TAX ALTERNATIVE THREE
LOW ECONOMIC SCENARIO

AGI GROUP	N	PCTN	WAGE & SALARY	ADJ GROSS INCOME	TAXABLE INCOME	NUMBER OF EXEMPTIONS	VALUE OF EXEMPTIONS	TAX LIABILITY PFD TAXABLE	PAID FROM FEDRL TAX
			SUM	SUM	SUM	SUM	SUM	SUM	SUM
LOSS	2264	1.03	21510055.00	-48921117.13	9130408.10	6330.00	22712040.00	563093.07	135264.50
\$0 TO \$10000	38092	17.35	173424469.00	218101755.25	57470317.42	56474.00	202628712.00	4445953.22	85154.95
\$10001 TO \$20000	39603	18.04	531457697.00	618621308.98	343148419.14	70168.00	251762784.00	22656168.33	730792.86
\$20001 TO \$30000	31514	14.35	715441887.00	822644758.59	550069431.56	66914.00	240087432.00	35042972.27	2992348.87
\$30001 TO \$40000	26099	11.89	884436553.00	969951666.68	704216004.82	65254.00	234131352.00	44172335.36	6048637.36
\$40001 TO \$50000	21295	9.70	925620350.00	1017112468.21	775788676.01	59416.00	213184608.00	48252359.64	9463318.93
\$50001 TO \$60000	16056	7.31	824716113.00	935551453.61	743421985.61	47366.00	169949208.00	45947975.14	11265020.14
\$60001 TO \$70000	12422	5.66	752396329.00	862414743.02	707250543.02	38291.00	137388108.00	43510424.58	11296425.56
\$70001 TO \$80000	9564	4.36	657913473.00	773528676.35	650079116.35	30524.00	109520112.00	39852138.98	10688663.71
\$80001 TO \$90000	7028	3.20	536363704.00	655823705.91	565534173.91	22269.00	79901172.00	34561810.43	10016987.31
\$90001 TO \$100000	4866	2.22	385216038.00	526113960.95	462990468.95	15613.00	56019444.00	28218532.14	8524256.47
\$100001 TO \$150000	9346	4.26	835105299.00	1304899322.58	1182252238.58	30255.00	108554940.00	71783246.31	21395259.61
\$150001 TO \$200000	1171	0.53	126341782.00	258367717.96	243296309.96	3716.00	13333008.00	14702082.60	4003950.49
\$200001 TO \$300000	143	0.07	13834587.00	50797706.62	49248642.62	378.00	1356264.00	2966486.56	773822.74
\$300001 TO \$400000	37	0.02	5966913.00	17275554.88	16825674.88	110.00	394680.00	1012852.49	283598.70
OVER \$400000	84	0.04	16066422.00	77910048.33	76798548.33	275.00	986700.00	4615400.90	1253467.45
TOTAL	219584	100	7405811671.00	9060393730.75	7137520959.23	513353.00	1841910563.99	442303832.01	98953979.66