

Relevant Facts of House Bill 115

The Governor and House Majority's Tax Plan

Personal income tax

- Establishes a personal income tax based on your adjusted gross income.

	SINGLE	SINGLE HEAD OF HOUSEHOLD	MARRIED FILING JOINT RETURN	MARRIED FILING JOINT RETURN
INCOME	No Children	2 Children	No Children	2 Children
\$50,000	\$867.00	\$616.00	\$484.00	\$233.00
\$75,000	\$1,792.00	\$1,390.00	\$1,109.00	\$858.00
\$100,000	\$2,792.00	\$2,390.00	\$1,734.00	\$1,483.00
\$150,000	\$5,241.00	\$4,739.00	\$3,583.00	\$3,181.00
\$200,000	\$7,741.00	\$7,239.00	\$5,583.00	\$5,181.00
\$250,000	\$10,992.50	\$10,089.00	\$7,983.00	\$7,481.00

- Provides for a \$4,000 exemption for an individual, an individual filing jointly with the individual, or a dependent of the individual.
- No mortgage interest deductions or charitable donation deductions.
- Forces employers to treat independent contractors like employees and collect their tax money.

Other tax provisions

- Sole proprietors, limited liability corporations, and S corporations will now be taxed.
- Taxes income generated from outside of Alaska.
- Institutes a new tax on trusts at 7%.
- It will also tax Alaska Native Settlement Trusts at 2.5%
- Taxes from the cradle to the grave
 - Taxes the interest on your kids' college funds.
 - Taxes retiree's pensions.
 - Institutes a death tax.
- If you sell your house, you'd be taxed by the state on any capital gains.

Key points

- Bill raises over \$650 million without reducing the size of government. This tax and spend bill will only increase government.
- Creates such a complex tax structure you will need an accountant to sort it out what you owe.
- Creates an "Alaskan IRS" with a minimum of 60 people costing nearly \$8 million.
- Governor Walker hired an outside expert to draft this new version of the income tax bill, and they have yet to make him available to the committee for questions.
- Unfairly punished unmarried Alaskans who use fewer government services, particularly single women as the wage gap between men and women is so severe in Alaska.
- The cost for just the software alone to implement these new taxes will be over \$40 million.