



State Capitol Room 111 Juneau, AK 99801 | 907.465.3709 | [Senator.Pete.Kelly@akleg.gov](mailto:Senator.Pete.Kelly@akleg.gov)

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## **Senate Defeats Income Tax**

JUNEAU – Today, the Alaska State Senate rejected a proposal to impose a state income tax on working Alaskans.

[House Bill 115](#), a priority of the Alaska House Majority and Gov. Bill Walker, would have taken approximately \$7 billion from the pockets of Alaskans over the next decade to inflate state reserves.

“Whatever agreement the Senate and the House come to this session, it will not include an income tax. Period,” said Senate President Pete Kelly, R-Fairbanks. “The Senate will not penalize Alaskans for having a job.”

The Senate Labor and Commerce Committee, chaired by Sen. Mia Costello, R-Anchorage, vetted the House income tax proposal. The negative consequences of taking income out of the economy during a recession were apparent.

“We heard from the bill’s sponsor, the Walker administration and experts on income taxes, and took extensive public testimony from Alaskans,” Sen. Costello said. “People are seriously concerned about the prospect of an income tax during a recession, and today’s vote brought clarity to working Alaskan families and the businesses that employ them that an income tax is off the table.

The Senate Majority’s plan solves Alaska’s fiscal problem – without taxing working Alaskans – through responsible reductions, a spending cap and strategic use of the state’s reserves.

“The Senate passed a [bill](#) in mid-March that provides a solution to Alaska’s fiscal challenge by capping state spending and using earnings to help pay for government and the dividend, which protects the Permanent Fund for future generations,” said Senate Majority Leader Peter Micciche, R-Soldotna. “We do not support an income tax because Alaska does not need an income tax. Our Senate plan has been proven to fund Alaska’s government by closing the fiscal gap for many, many years without a burdensome income tax on Alaska’s families. It will protect the wages of working Alaskans”

For more information, contact Senate Majority Press Secretary [Daniel McDonald](#) at (907) 465-4066.

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