STATE CAPITOL
P.O. Box 110001
Juneau, AK 99811-0001
907-465-3500

550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501
907-269-7450

Governor Michael J. Dunleavy
STATE OF ALASKA

Hello Alaskans,

As I visit communities across our great state these next few months, I want you to be as informed as possible on the crucial issues facing Alaska. Without the correct information at hand, how else can we make the right decisions to guide our state into the bright and prosperous future we all hope for? During my *Conversations with Alaskans* town hall series I want to hear your thoughts and ideas on how the State should tackle our short-term fiscal challenges, so that together we may build a fiscal plan that is both permanent and sustainable.

As such, I have instructed my team to put together a comprehensive document containing information on Alaska's budget, revenue and spending picture, savings accounts, debts and obligations, oil production, potential new taxes, specific state services and more. You will find that information contained within the following document. As part of my commitment to truth in budgeting we have pulled together information showing where our budget has been, what the money has been spent on and where our current budget stands.

We recognize this packet contains a tremendous amount of information and data, some of which may be unfamiliar to you. There is nothing wrong not knowing how to interpret the various charts and graphs, nor is it a problem to have questions about specific items or terms. My team is here to help provide you with the answers to your questions. So, if you need clarification or have further questions on any of the information within this packet please be sure to contact my team. You will find contact info below for ways to reach us.

Thanks for participating and taking an interest in the future of our great state,

Mike Dunleavy, Governor of Alaska

Please reach out for more information:

Anchorage phone: 907-269-7450

Juneau phone: 907-465-3500

Mailing address: P.O. Box 110001, Juneau, AK 99811

State of Alaska Fiscal Information

Department of Revenue

January 2020

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Fiscal Overview

Department of Revenue

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

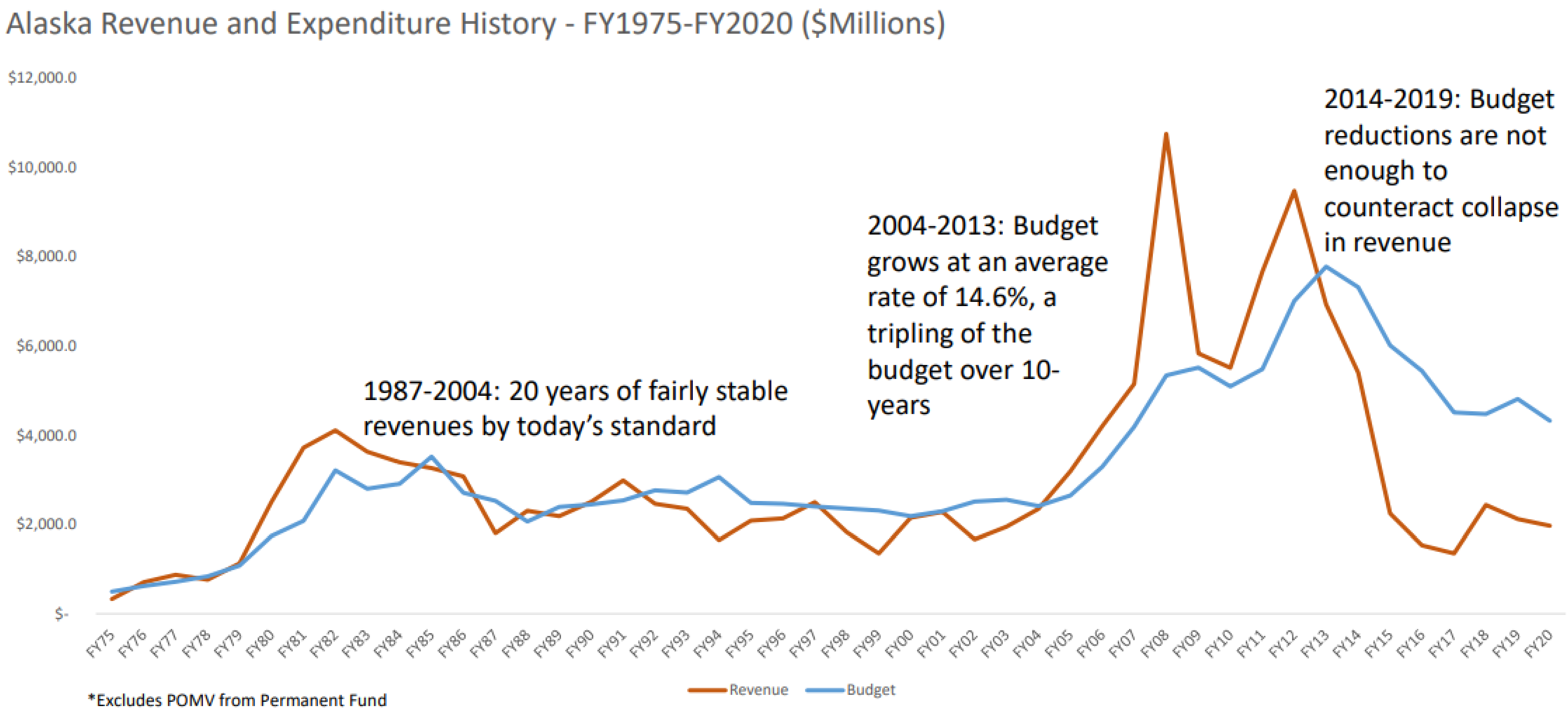
FY2021 Fiscal Summary

State of Alaska - Office of Management and Budget
Fiscal Year 2021 Fiscal Summary - December 11, 2019

(Amounts in millions)

	FY2020 Management Plan plus Likely Supplementals					FY2021 Governor					FY2020 to FY2021		
Revenues	UGF	DGF	Other	Federal	FY2020 Total	UGF	DGF	Other	Federal	FY2021 Total	UGF Change	UGF %	Total Change
Annual Revenue	2,116.3	926.3	798.4	3,932.4	7,773.5	1,967.5	972.8	760.5	3,917.8	7,618.6	(148.8)	-7%	(154.9)
POMV ERA Draw to the General Fund	2,036.6				2,036.6	1,086.4				1,086.4	(950.2)	-47%	(950.2)
Carryforward and Adjustments	(161.2)	55.8	0.7	46.1	(58.7)	-	-	-	-	-	161.2	-100%	58.7
Total Revenue	3,991.7	982.1	799.1	3,978.5	9,751.4	3,053.9	972.8	760.5	3,917.8	8,705.0	(937.8)	-23%	(1,046.4)
Expenditures	UGF	DGF	Other	Federal	FY2020 Total	UGF	DGF	Other	Federal	FY2021 Total	UGF Change	UGF %	Total Change
Total Operating	4,429.8	939.4	727.8	2,951.4	9,048.3	4,465.7	897.4	707.8	2,865.9	8,936.8	35.9	1%	(111.5)
Agency Operations	3,934.6	819.9	621.7	2,873.1	8,249.2	3,897.5	801.3	609.0	2,833.8	8,141.6	(37.0)	-1%	(107.7)
Statewide Operations	495.2	119.5	106.1	78.3	799.1	568.1	96.1	98.9	32.2	795.2	72.9	15%	(3.9)
Total Capital	146.8	39.8	71.3	1,027.1	1,285.1	135.6	75.5	52.7	1,051.8	1,315.6	(11.2)	-8%	30.5
Supplemental Capital Projects	2.5	1.9	-	-	4.4					-	(2.5)	-100%	(4.4)
Total Appropriations	4,576.6	979.2	799.1	3,978.5	10,333.5	4,601.3	972.8	760.5	3,917.8	10,252.4	24.7	1%	(81.0)
Surplus/(Deficit)	(584.9)					(1,547.4)					(962.6)	165%	(962.6)

Alaska's Revenue & Expenditure: Look Back



*Excludes POMV from Permanent Fund

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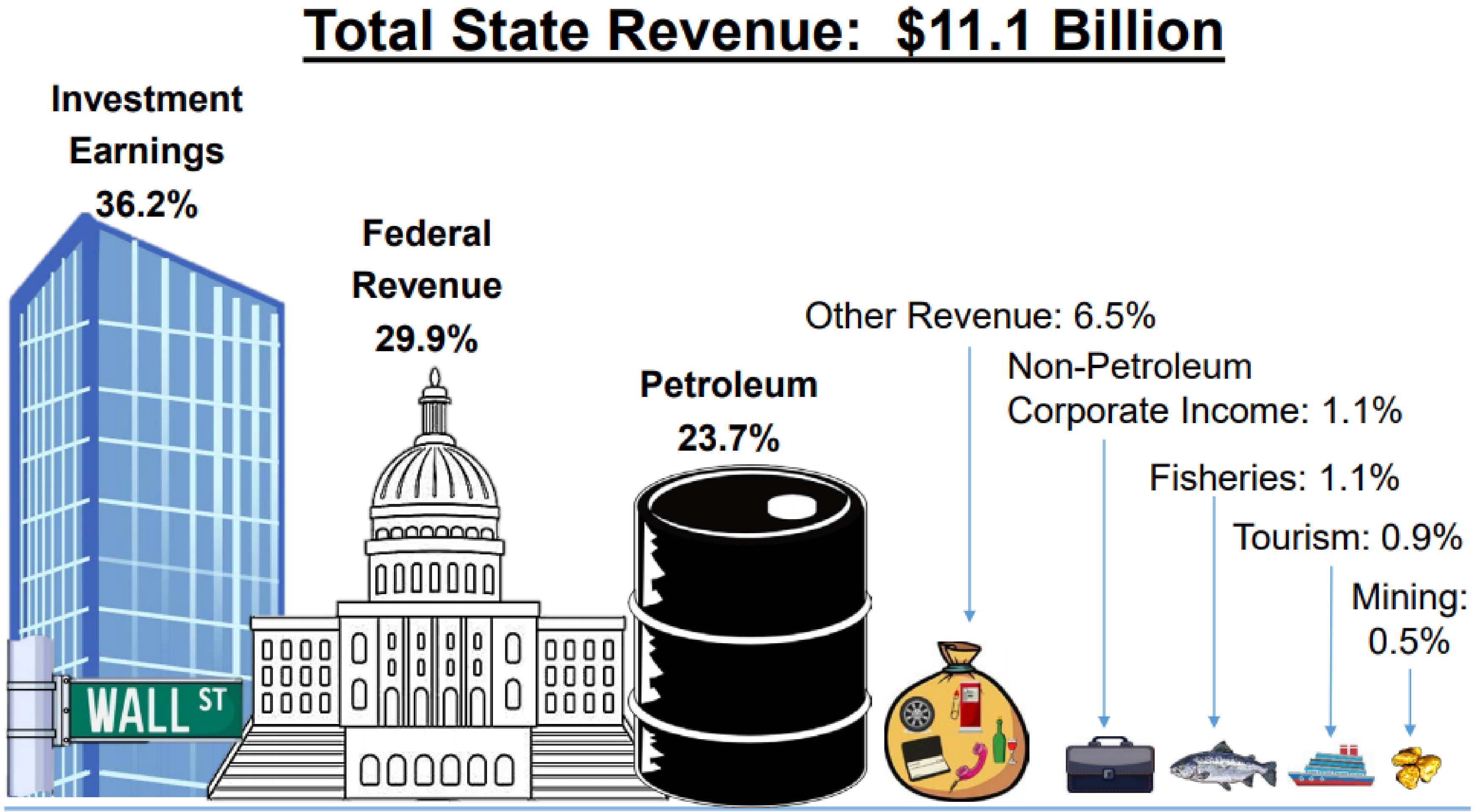
Existing Revenue Sources & State Funds

Department of Revenue

Relative Contributions to Total State Revenue: FY 2019



Source: Fall 2019 Revenue Sources Book

Disclaimer: Numbers may not add due to rounding. Examples may not be to scale.

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Revenue Forecast: 2019 to 2021 Totals

$ Millions	History	Forecast	
Revenue Type	**FY 2019**	**FY 2020**	**FY 2021**
Unrestricted General Fund			
Petroleum Revenue	2,047.3	1,559.4	1,410.0
Non-Petroleum Revenue	491.4	502.9	505.7
Investment Earnings	2,815.9	2,987.2	3,143.3
Subtotal	**5,354.6**	**5,049.4**	**5,059.0**
Designated General Fund			
Non-Petroleum Revenue	451.4	428.3	430.7
Investment Earnings	53.3	43.7	45.1
Subtotal	**504.7**	**472.0**	**475.8**
Other Restricted Revenue			
Petroleum Revenue	563.5	586.5	418.1
Non-Petroleum Revenue	180.2	250.3	252.4
Investment Earnings	1,134.7	1,244.0	1,421.3
Subtotal	**1,878.4**	**2,080.8**	**2,091.8**
Federal Revenue			
Federal Receipts	3,311.4	3,715.9	3,715.9
Petroleum Revenue	12.3	11.3	9.5
Subtotal	**3,323.7**	**3,727.2**	**3,725.4**
Total State Revenue	**11,061.5**	**11,329.5**	**11,352.0**

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Balance of State Savings

Alaska's Funds	FY21 Estimated Beg Balance (billions)
Traditional Rainy Day Fund: ➢ **Constitutional Budget Reserve Fund (CBRF)**	 $1.9
Other Large Funds that could be turned to when CBRF is exhausted: ➢ **Power Cost Equalization Fund** ➢ **Alaska Higher Education Investment Fund**	 $1.1 $0.4
Other Designated Funds (Subfunds of the General Fund) (e.g. AMHS Vessel Replacement, Major Maintenance Grant, Community Assistance, Alaska Capital Income, Highway Equipment Working Capital)	$0.4 Minimum
Total Funds Available before unstructured draw from ERA	$3.8
Earnings Reserve Account (uncommitted at 12/31/19)*	$10.2
Total with ERA	$14.0

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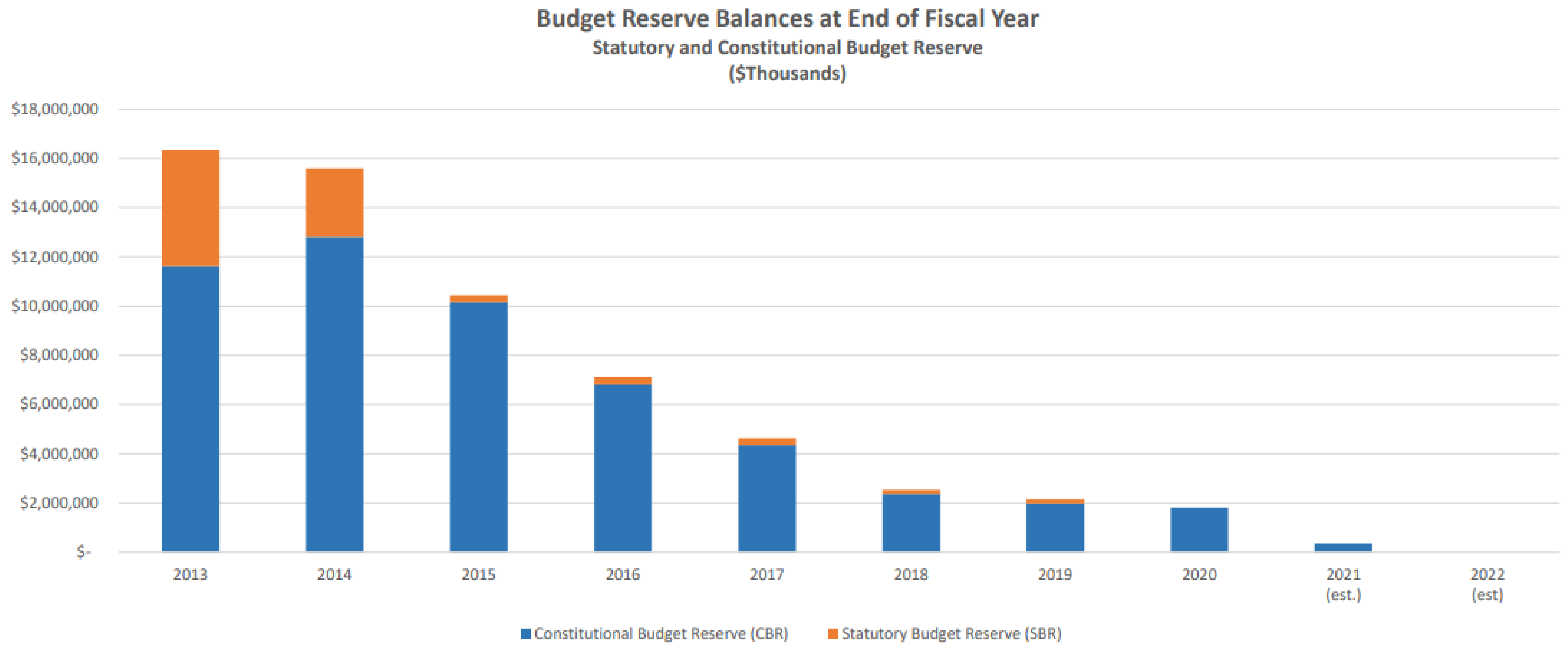
Historical CBR/SBR Balances



- Over $16 Billion in budget reserves have been spent.
- $542.4 million estimated remaining in the CBR at the end of FY2021.

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State Corporation Values

Alaska International Airport System – Net Position $971 million (2019).

AIDEA – Net Position $1.214 billion (2019).

AHFC – Net Position $1.571 billion (2019).

Alaska Student Loan Corporation – Net Position $219.4 million (2019).

Alaska Railroad Corporation – Net Position $357 million (2018).

University of Alaska – According to Commonwealth North, the book value of the University system was $1.73 billion in FY2018.

AEA – Net Assets $1.61 billion (2019) which includes the PCE fund.

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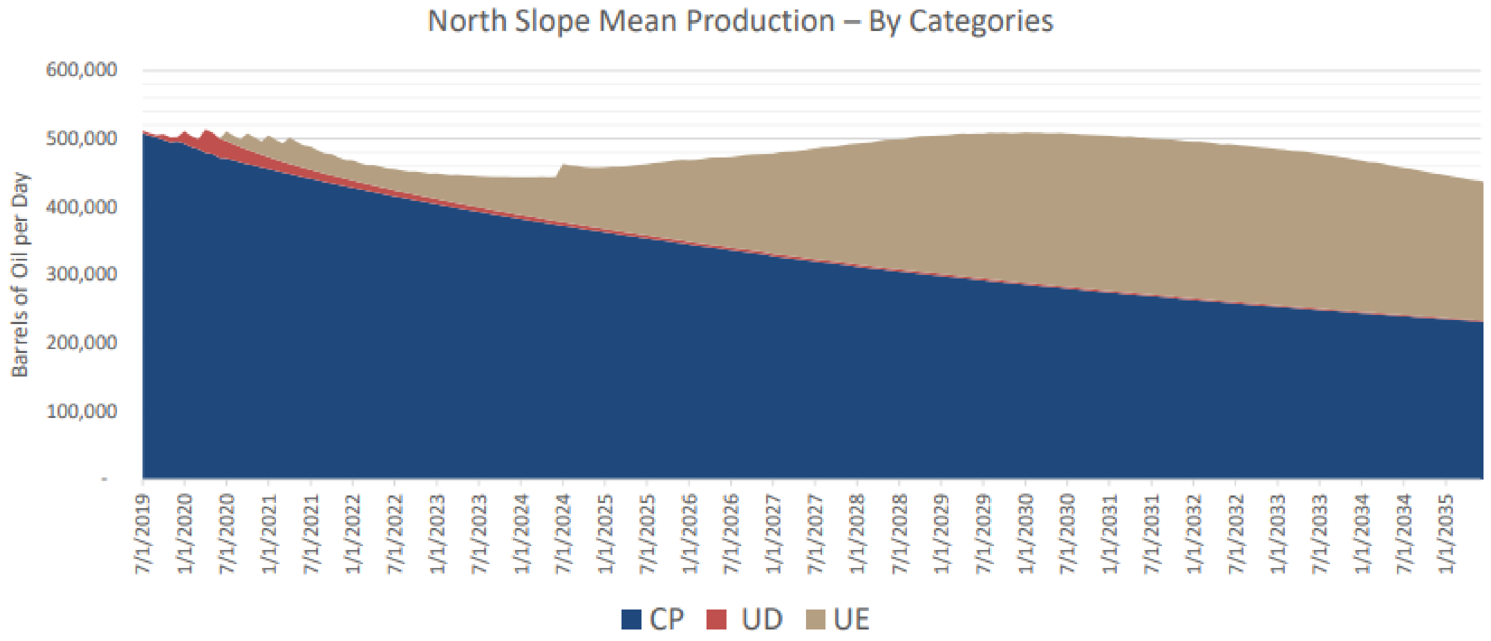
Long Term Oil Production Outlook



- Currently producing (CP) fields remain backbone of state oil production in near and medium term. Near-term projects under development (UD), often within existing fields, impact 12-month outlook.
- Future fields (UE), which are currently being evaluated by operators, begin to play a more significant role in production in the next 5-6 years
- All new production/projects add to a declining base production

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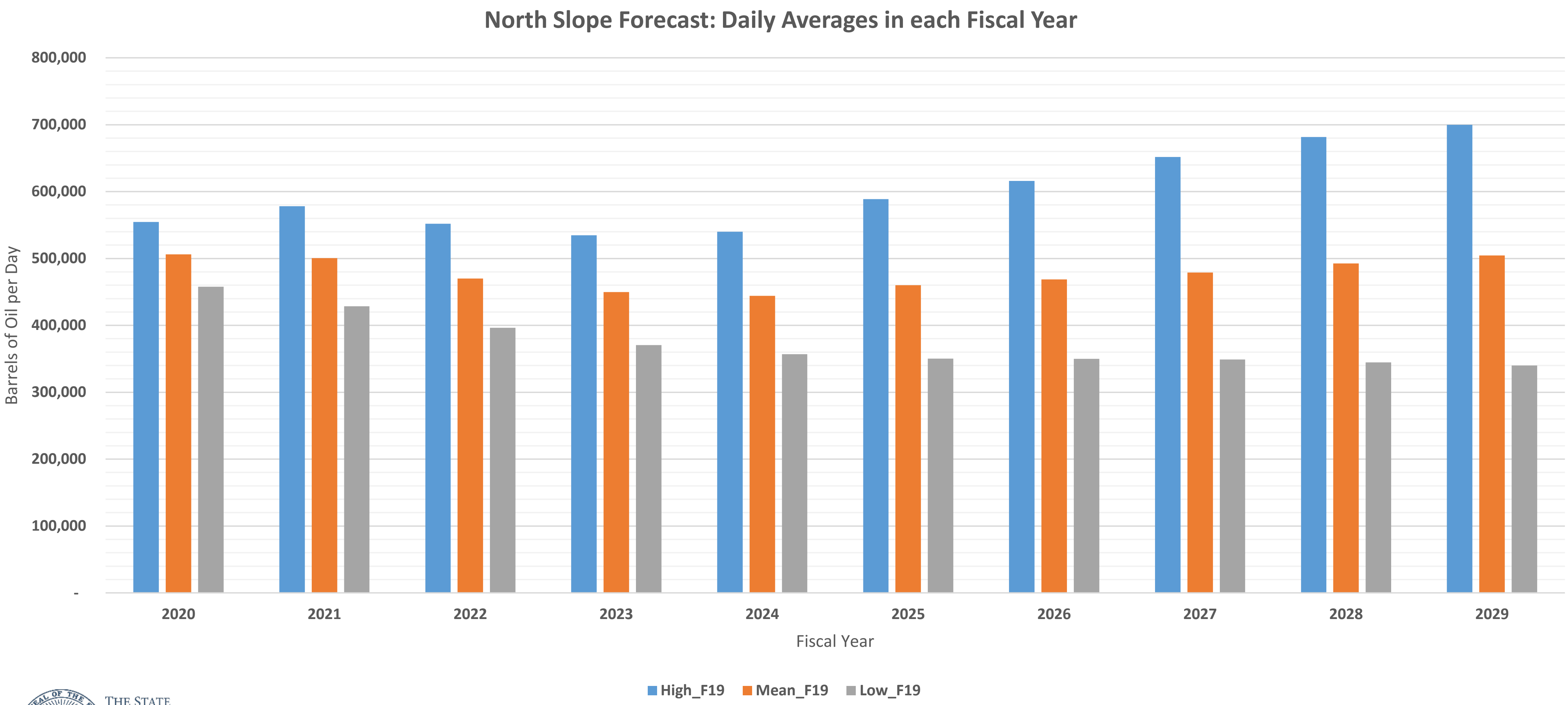
Long Term Oil Production Outlook – High, Medium, Low Scenarios



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Current State Expenses & Liabilities

Department of Revenue

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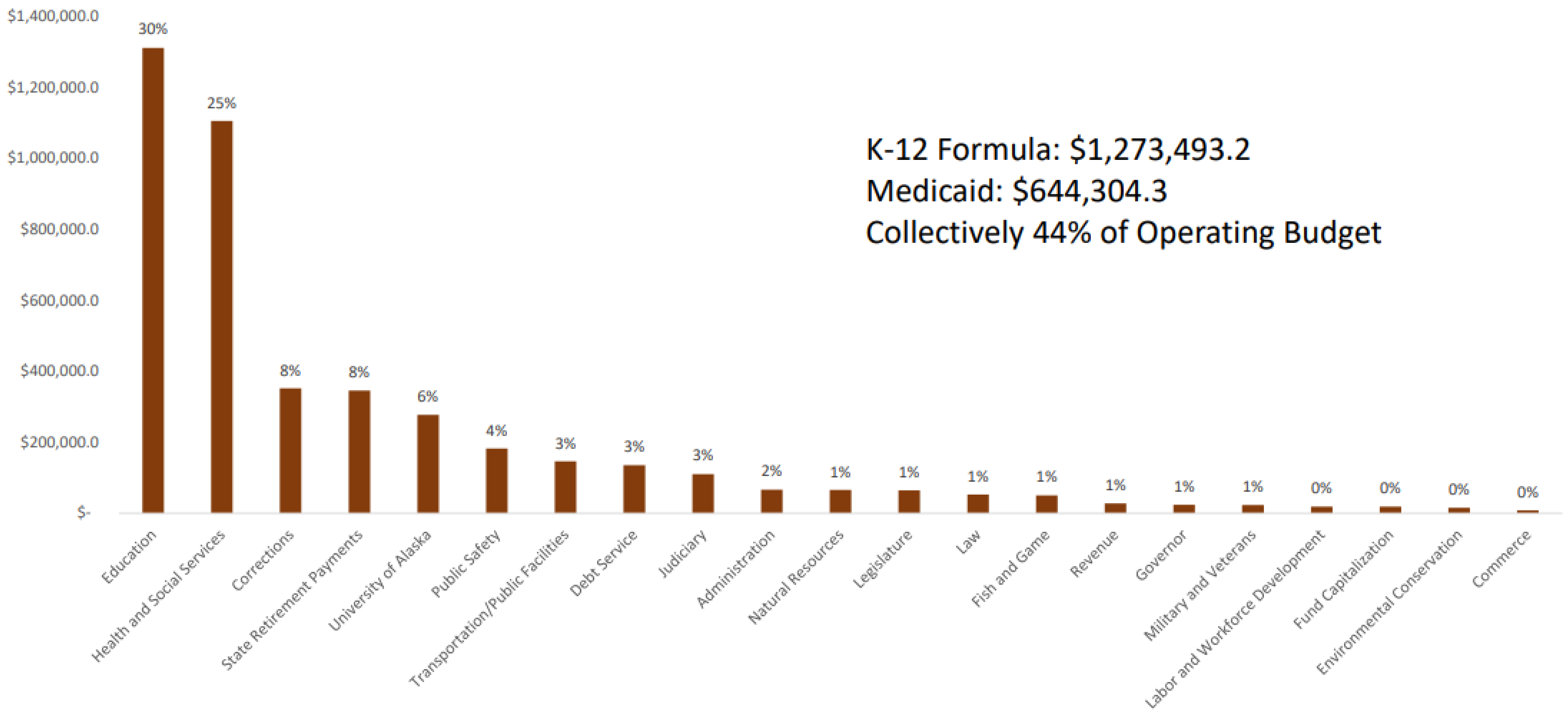
FY2021 Budget by Agency (UGF) - $Thousands



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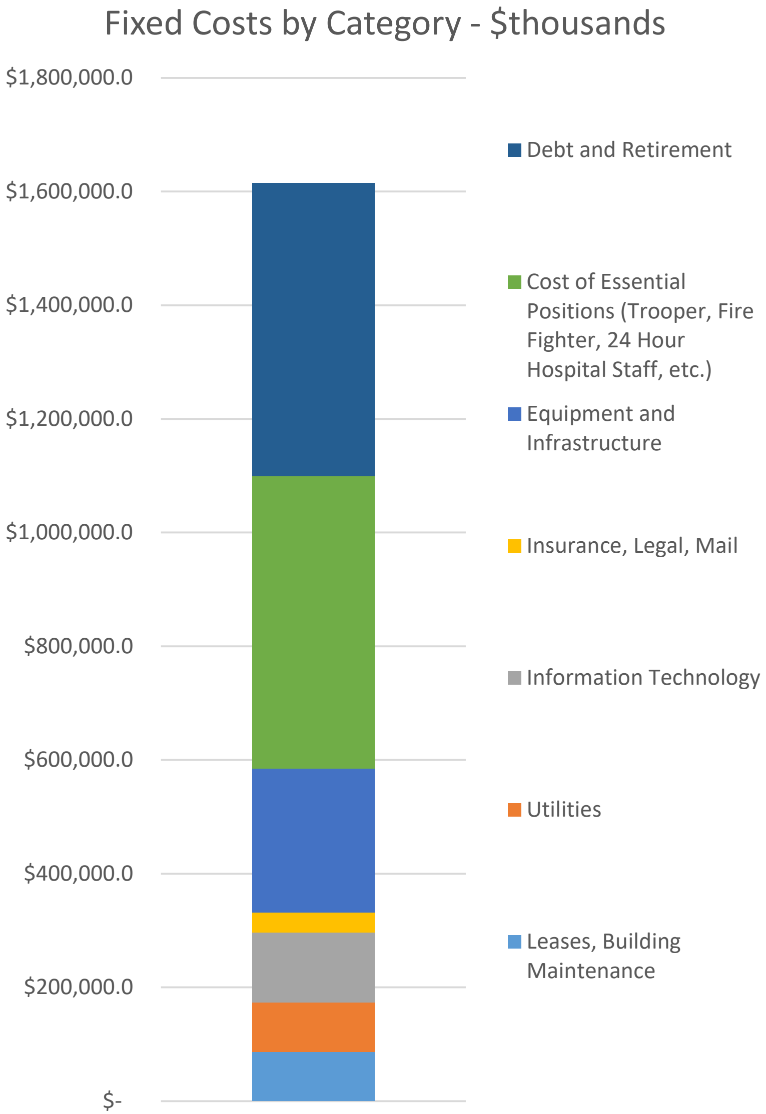
State "Fixed" Costs -

Fixed Costs of State Government	Total Including Federal	General Fund
Leases, Building Maintenance	$86,194.7	$37,269.9
Utilities	$87,692.6	$37,917.6
Information Technology	$123,240.7	$53,288.3
Insurance, Legal, Mail	$34,543.5	$14,936.3
Equipment and Infrastructure	$253,117.8	$109,446.0
Cost of Essential Positions (Trooper, Fire Fighter, 24 Hour Hospital Staff, etc.)	$514,230.7	$386,243.4
Debt and Retirement	$516,254.0	$430,689.4
Total Fixed Costs	**$1,615,274.0**	**$1,069,790.9**



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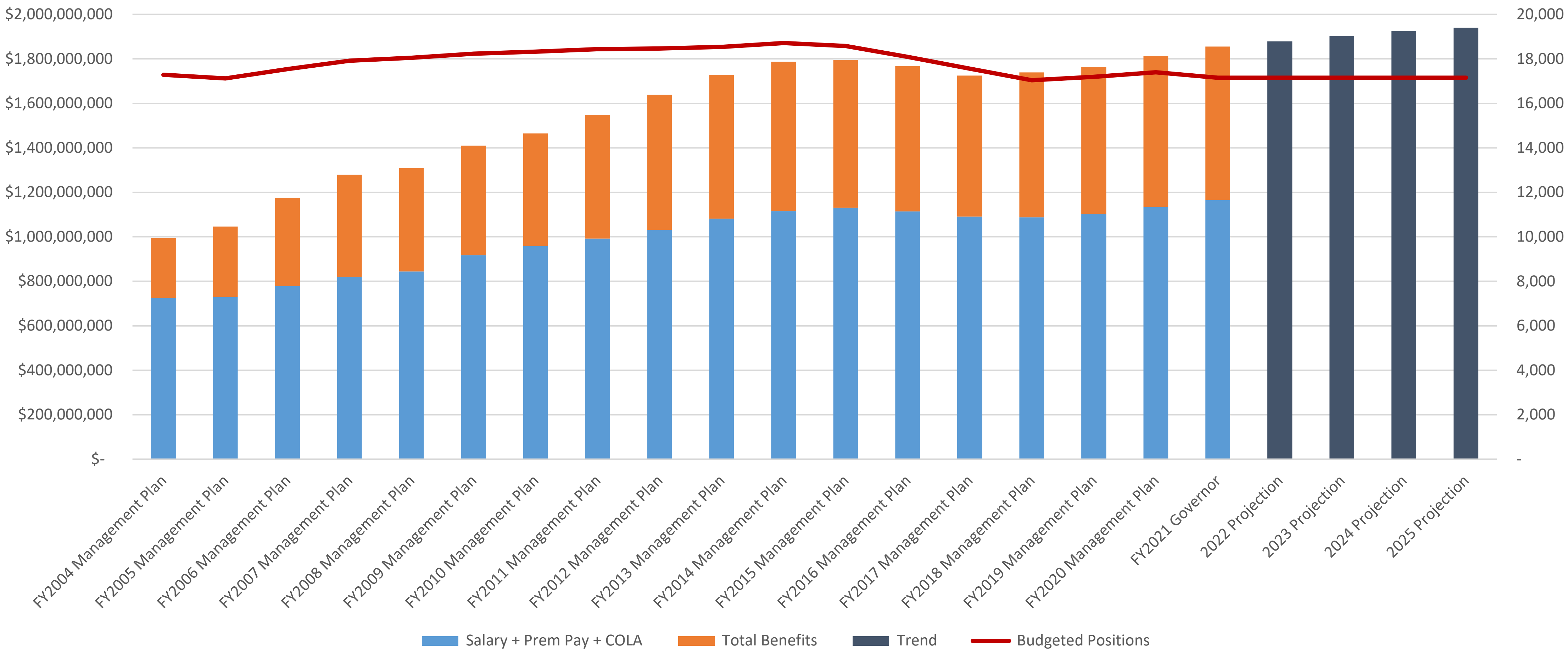
Personnel – Projection: Inflation and Health Care Increases



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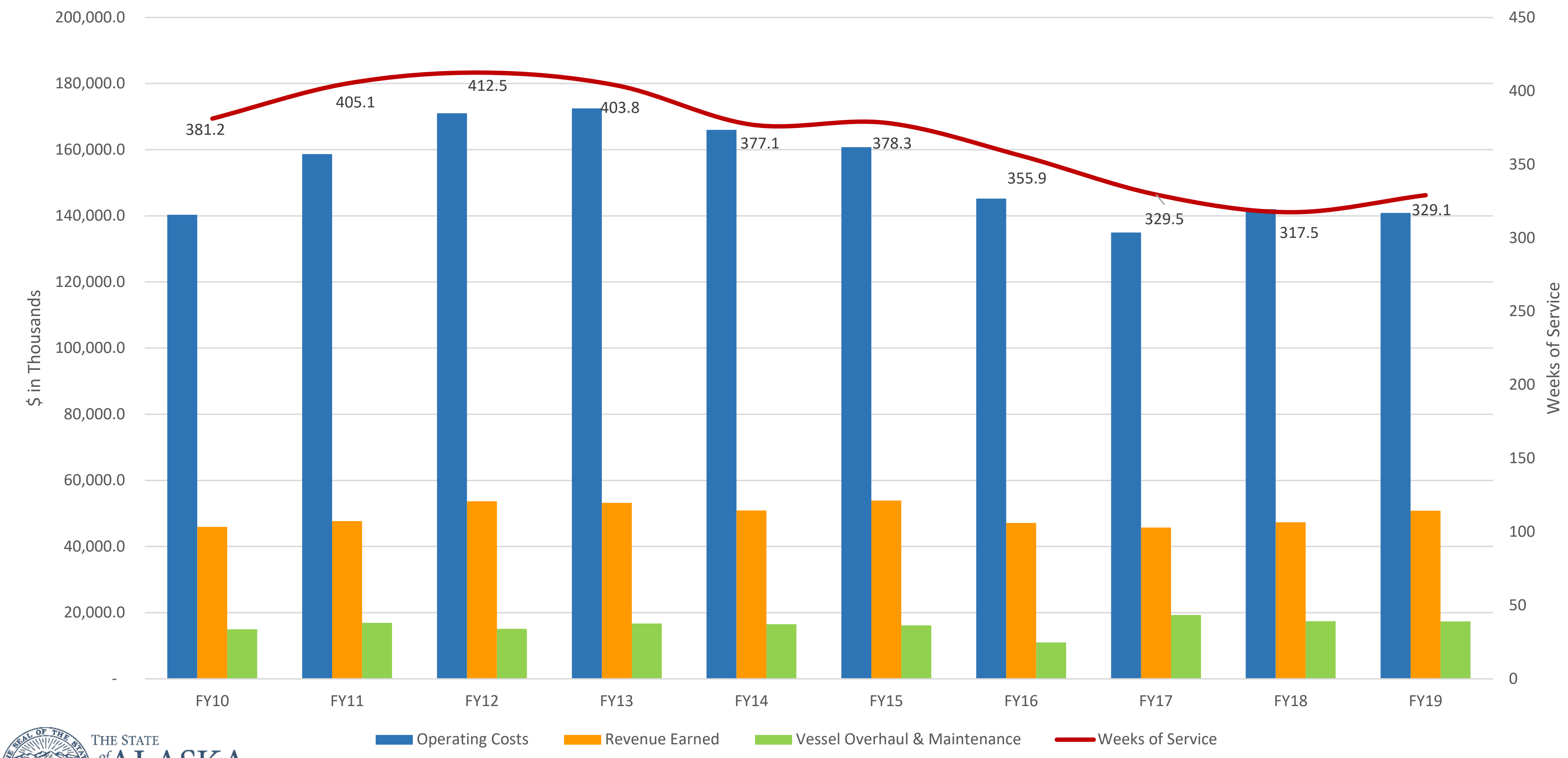
Alaska Marine Highway System – Ten Year Look Back



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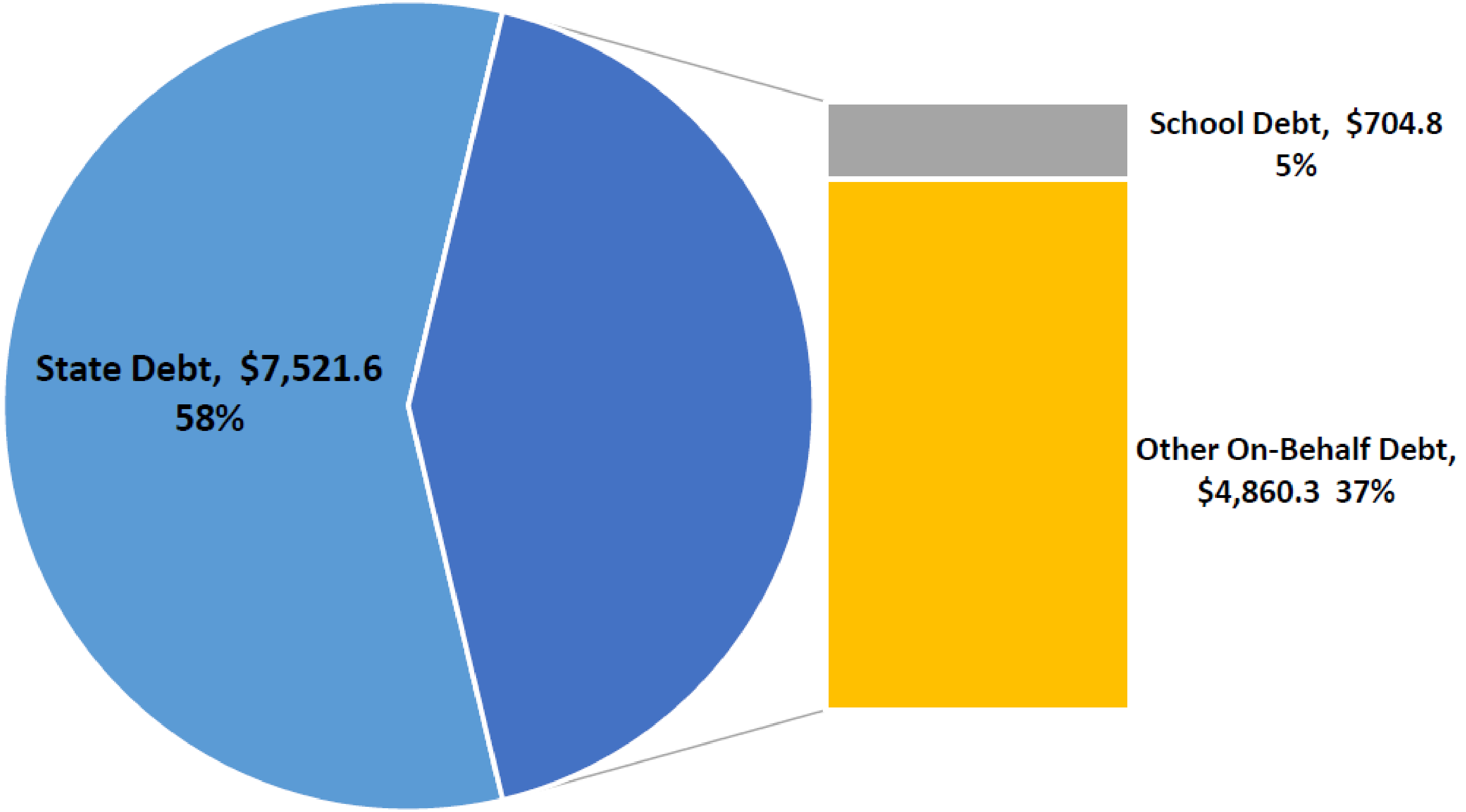
Alaska Marine Highway System – Ten Year Look Back

FY2010 - FY2019 Alaska Marine Highway Historical Statistics							
Fiscal Year	Weeks of Service	Operating Costs	Revenue Earned	Overhaul & Maintenance	Passengers	Vehicles	Fare Box Recovery
FY2010	381.2	140,300.0	45,914.0	14,970.0	320,713	109,219	32.72%
FY2011	405.1	158,700.0	47,697.0	16,925.0	336,047	113,352	30.06%
FY2012	412.5	171,000.0	53,684.0	15,131.0	339,125	115,480	31.40%
FY2013	403.8	172,500.0	53,234.0	16,724.0	331,660	114,231	30.84%
FY2014	377.1	166,000.0	50,877.0	16,539.0	306,064	106,000	30.66%
FY2015	378.3	160,798.0	53,896.0	16,184.0	309,593	106,128	33.52%
FY2016	355.9	145,187.0	47,157.0	11,002.0	283,662	101,883	32.51%
FY2017	329.5	134,930.0	45,759.0	19,299.0	269,302	107,481	33.95%
FY2018	317.5	142,012.0	47,316.0	17,432.0	251,099	99,779	33.31%
FY2019	329.1	140,871.0	50,804.0	17,373.0	236,881	92,166	36.06%

THE STATE of ALASKA
Governor Mike Dunleavy

Total State Debt Principal ($Millions)



- State debt falls into two categories:
  - Debt accrued by the state such as for capital projects and defined benefit retirement programs.
  - Debt payments the state has agreed to make on behalf of other entities such as school construction bonds and municipal retirement plans.
- The state owes $7.5 billion for debt it has accrued $5.5 billion for debt “on behalf”.
- The annual servicing cost of this debt is $480.6

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Total Debt in Alaska at June 30, 2019 ($Millions)

	Principal Outstanding	Interest to Maturity	Total Debt Service to Maturity
Total State and State Agency Debt 13,086.7			
State Debt			
State of Alaska General Obligation Bonds	670.1	278.5	948.6
State Guaranteed Debt			
Alaska Housing Finance Corporation State Guaranteed Bonds (Veterans' Mortgage Program)	106.8	54.9	161.7
State Supported Debt			
Certificates of Participation	22.4	6.5	28.9
Lease Revenue Bonds with State Credit Pledge and Payment	192.8	73.6	266.4
Total State Supported Debt	215.2	80.1	295.3
State Supported Municipal Debt[1]			
State Reimbursement of Municipal School Debt Service	704.8	201.4	906.2
State Reimbursement of capital projects	22.5	9.7	32.2
Total State Supported Municipal Debt	727.3	211.1	938.4
Pension System Unfunded Actuarial Accrued Liability (UAAL)[3]			
Public Employees' Retirement System UAAL	5,147.0	N/A	5,147.0
Teachers' Retirement System UAAL	1,520.0	N/A	1,520.0
Total UAAL	6,667.0	N/A	6,667.0
State Moral Obligation Debt			
Alaska Municipal Bond Bank:			
2005, 2010, & 2016 General Resolution General Obligation Bonds	1,111.1	539.4	1,650.5
Alaska Energy Authority:			
Power Revenue Bonds #1 through #8	74.7	32.4	107.1
Alaska Student Loan Corporation			
Education Loan Backed Notes	43.7	2.9	46.6
Total State Moral Obligation Debt	1,229.5	574.7	1,804.2
State Revenue Debt			
Sportfish Revenue Bonds	13.9	1.8	15.7
International Airports Revenue Bonds	346.5	160.0	506.5

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Total Debt in Alaska at June 30, 2019 ($Millions), Continued

	Principal Outstanding	Interest to Maturity	Total Debt Service to Maturity
Total State and State Agency Debt	13,086.7		
University of Alaska Debt			
University of Alaska Revenue Bonds	271.3	144.4	415.7
University Lease Liability and Notes Payable	15.4	3.7	19.1
Installment Contracts	0.7	0.1	0.8
Total University of Alaska Debt	287.4	148.2	435.6
Total State Revenue and University Debt	647.8	310.0	957.8
State Agency Debt			
Alaska Housing Finance Corporation:			
Commercial Paper	49.6	N/A	49.6
Alaska Municipal Bond Bank Coastal Energy Loan Bonds	9.9	2.1	12.0
Alaska Railroad	78.7	10.2	88.9
Northern Tobacco Securitization Corporation			
2006 Tobacco Settlement Asset-Backed Bonds[5]	302.2	387.2	689.4
Total State Agency Debt	440.4	399.5	839.9
State Agency Collateralized or Insured Debt			
Alaska Housing Finance Corporation:			
Collateralized Home Mortgage Revenue Bonds & Mortgage Revenue Bonds:			
2002 Through 2011 (First Time Homebuyer Program)	694.1	312.6	1,006.7
General Mortgage Revenue Bonds II -2012 & 2016	346.4	164.3	510.7
Government Purpose Bonds 1997 & 2001	105.2	22.0	127.2
State Capital Project Bonds, 2002-2011[2]	27.7	2.3	30.0
State Capital Project Bonds, II 2012-2018[2]	1,112.3	451.0	1,563.3
Alaska Industrial Development and Export Authority:			
Revolving Fund Bonds	39.7	11.1	50.8
Power Revenue Bonds, 2015 Series (Snettisham Hydro Project)	57.2	24.7	81.9
Total State Agency Collateralized or Insured Debt	2,382.6	988.0	3,370.6
Total State and State Agency Debt	13,086.7		

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Total Debt in Alaska at June 30, 2019 ($Millions), Continued

Total State and State Agency Debt	13,086.7

NOTES
1. In the Enacted FY2020 Budget, and Proposed FY2021 Budget, School Debt and Capital Project Reimbursements were funded at 50% and 0%, respectively. See description in Section 1(E) above, and Table 5.0 for outstanding debt levels
2. Does not include defeased bonds
3. From most recent 6/30/2018 actuarial valuation. See table 5.3 for a summary of the Retirement System's Funding Levels
4. 'Other G.O. Debt' includes certain information directly from municipal CAFRs, and Alaska Taxable January 2020
5. "Interest to Maturity" and "Total Debt Service to Maturity" includes accreted interest due at matuirty of $125.2 million

Sources: Annual reports and financial statements of AHFC, AMBBA, AIDEA, AEA, UofA, AKRR, AIAS, and directly from State Agencies

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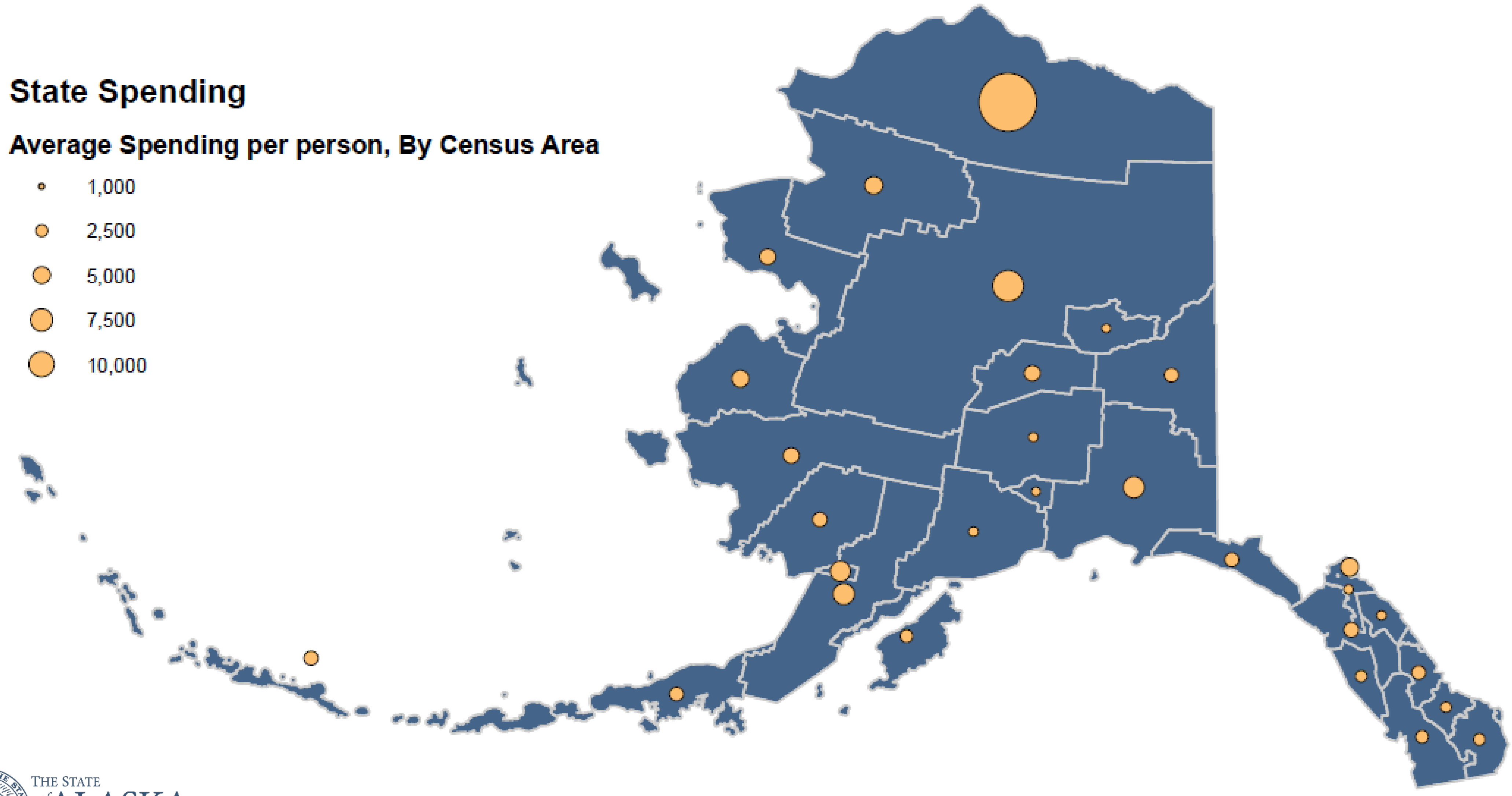
Spending – Per Person



Spending – Community Break-Out

Census	Totals (Millions)	Percent Population	Percent Spend
Aleutian East Borough	$ 19.2	0.4%	0.3%
Aleutians West Census Area	$ 28.0	0.7%	0.4%
Anchorage Municipality	$ 2,478.6	40.1%	37.0%
Bethel Census Area	$ 279.6	2.5%	4.2%
Bristol Bay Borough	$ 20.0	0.1%	0.3%
City and Borough of Juneau	$ 584.2	4.4%	8.7%
Denali Borough	$ 13.9	0.2%	0.2%
Dillingham Census Area	$ 66.5	0.7%	1.0%
Fairbanks North Star Borough	$ 536.5	13.2%	8.0%
Haines Borough	$ 27.0	0.3%	0.4%
Hoonah-Angoon Census Area	$ 21.7	0.3%	0.3%
Kenai Peninsula Borough	$ 467.7	7.9%	7.0%
Ketchikan Gateway Borough	$ 109.4	1.9%	1.6%
Kodiak Island Borough	$ 111.1	1.8%	1.7%
Kusilvak	$ 123.1	1.1%	1.8%
Lake and Peninsula Borough	$ 22.9	0.2%	0.3%
Matanuska-Susitna Borough	$ 659.4	14.4%	9.8%
Nome Census Area	$ 167.8	1.4%	2.5%
North Slope Borough	$ 79.3	1.3%	1.2%
Northwest Arctic Borough	$ 114.6	1.1%	1.7%
Petersburg Census Area	$ 29.0	0.4%	0.4%
Prince of Wales-Hyder Census Area	$ 102.0	0.8%	1.5%
Sitka City and Borough	$ 87.0	1.2%	1.3%
Skagway Municipality	$ 11.3	0.1%	0.2%
Southeast Fairbanks	$ 60.0	0.9%	0.9%
Valdez-Cordova Census Area	$ 95.1	1.3%	1.4%
Wrangell City and Borough	$ 19.2	0.3%	0.3%
Yakutat City and Borough	$ 5.9	0.1%	0.1%
Yukon-Koyukuk Census Area	$ 356.4	0.7%	5.3%

THE STATE of ALASKA
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Formula Programs

State of Alaska

THE STATE of ALASKA
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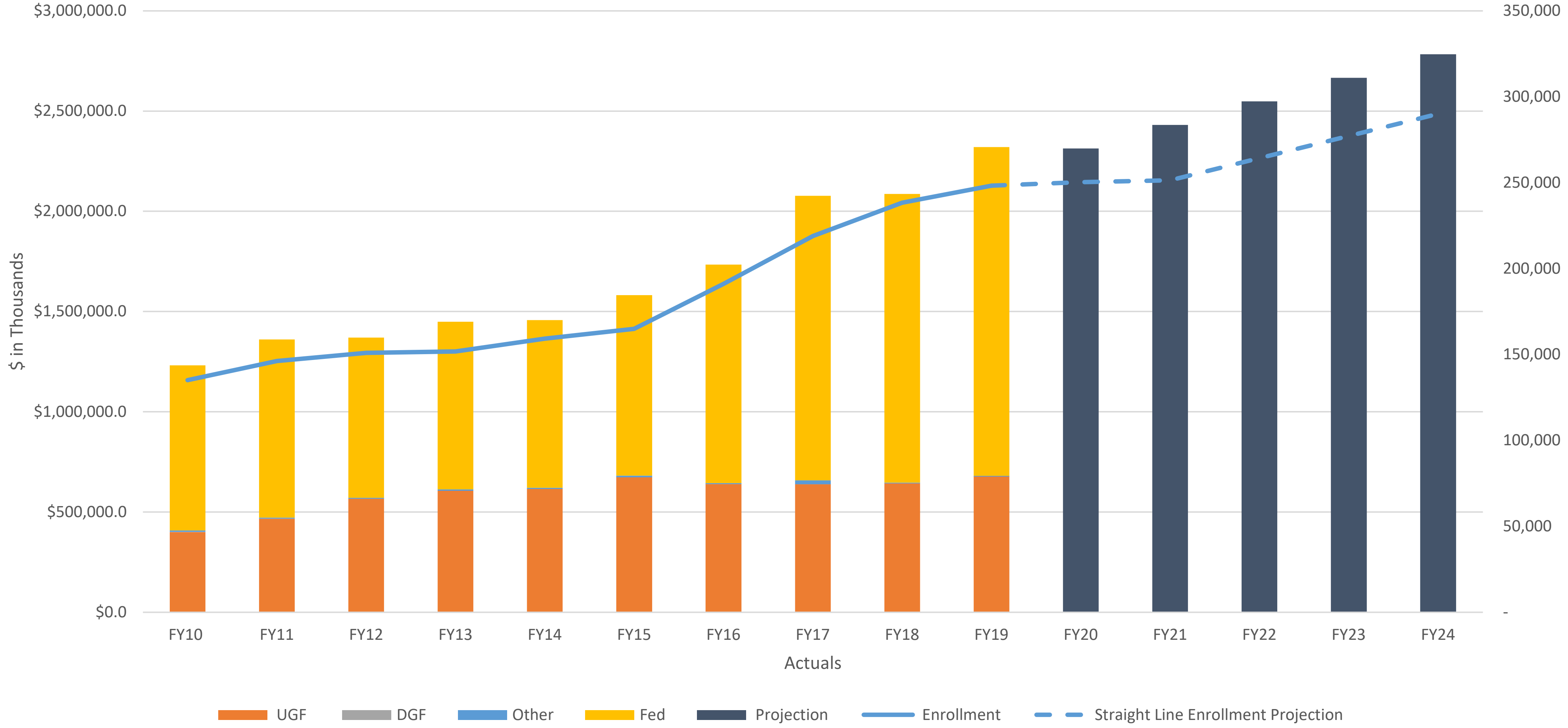
State Formula Programs: Medicaid– Ten Year Look Back



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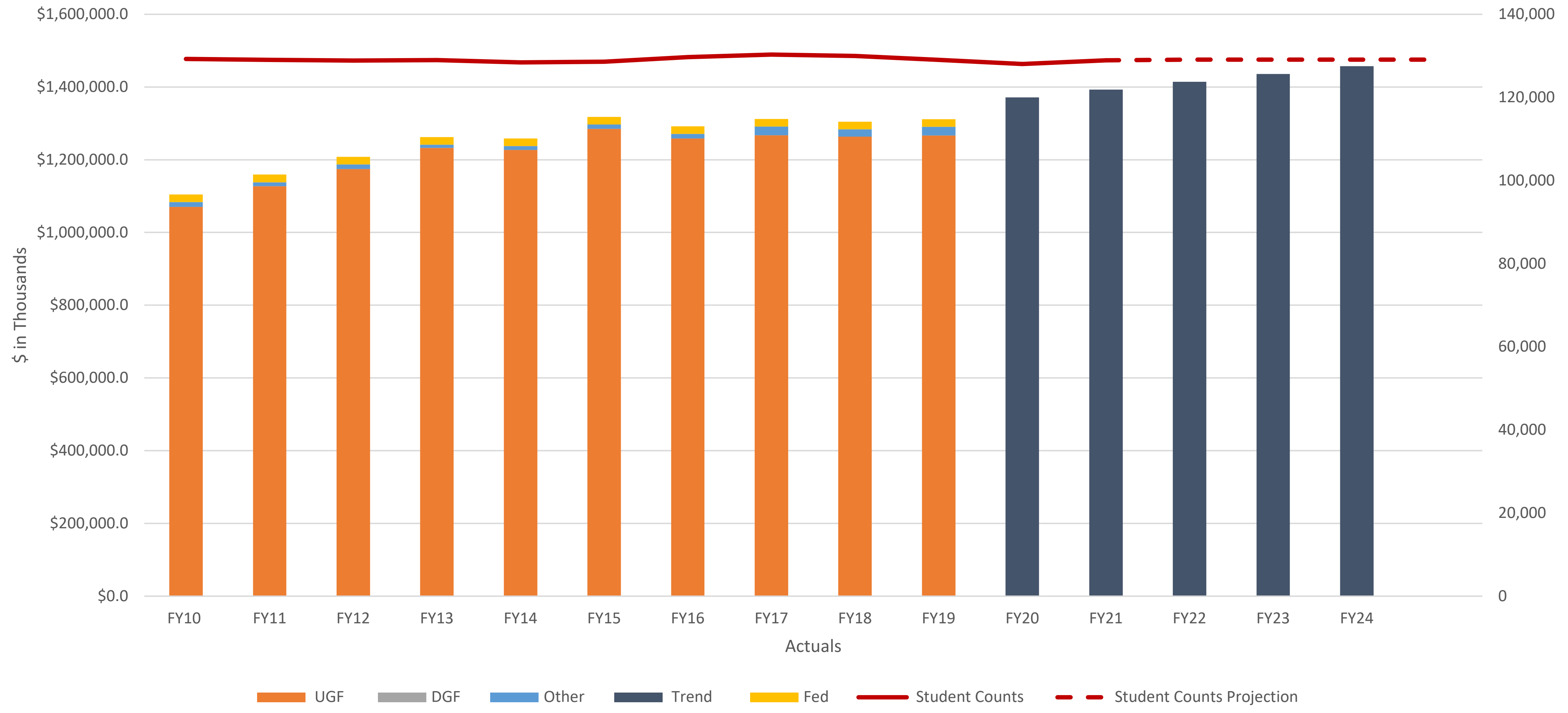
State Formula Programs: K-12 Aid to School Districts – Ten Year Look Back



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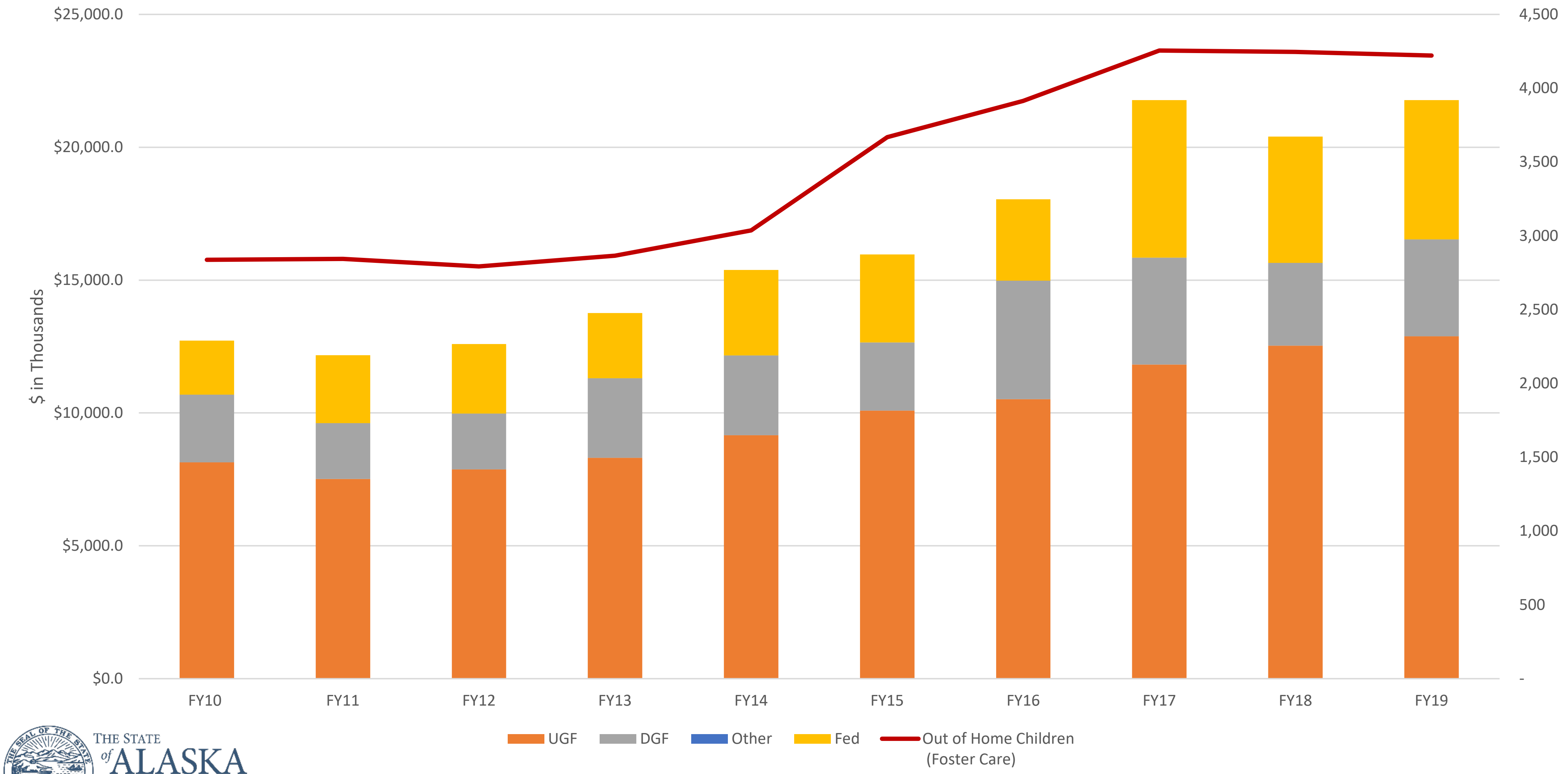
Formula Programs: Foster Care Base Rate – Ten Year Look Back



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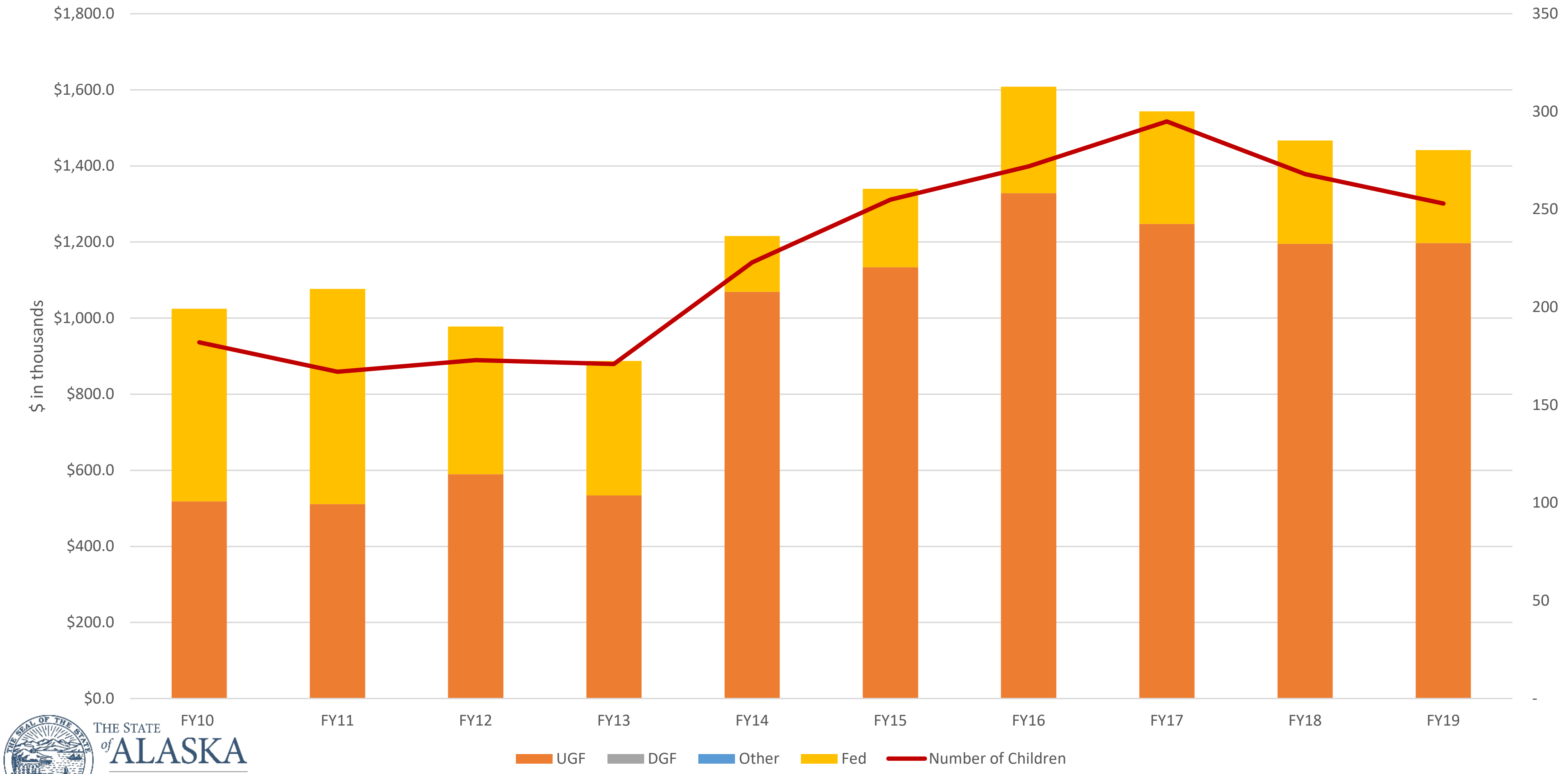
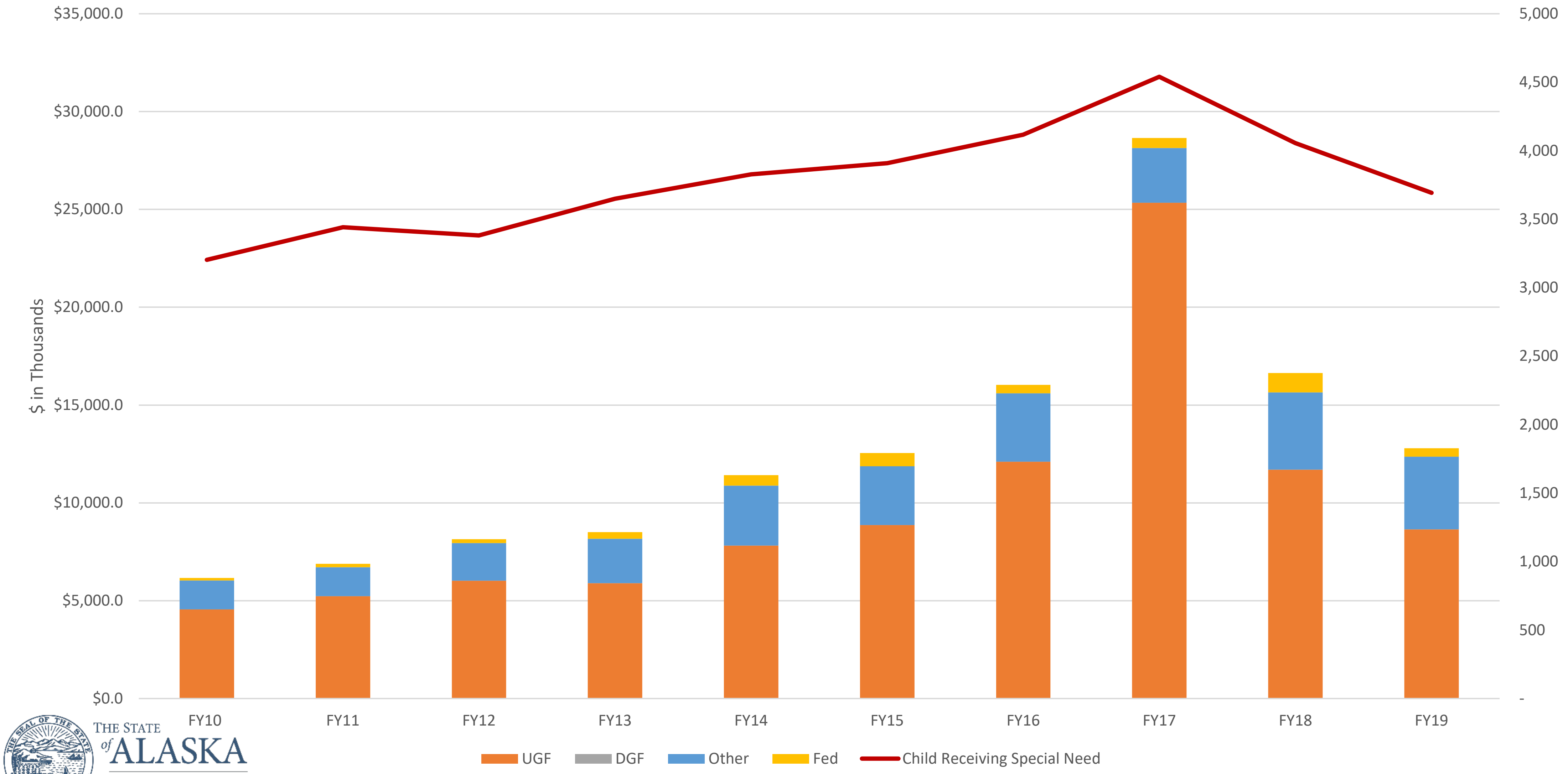
Formula Programs: Foster Care Augmented Rate – Ten Year Look Back



Formula Programs: Foster Care Special Need – Ten Year Look Back



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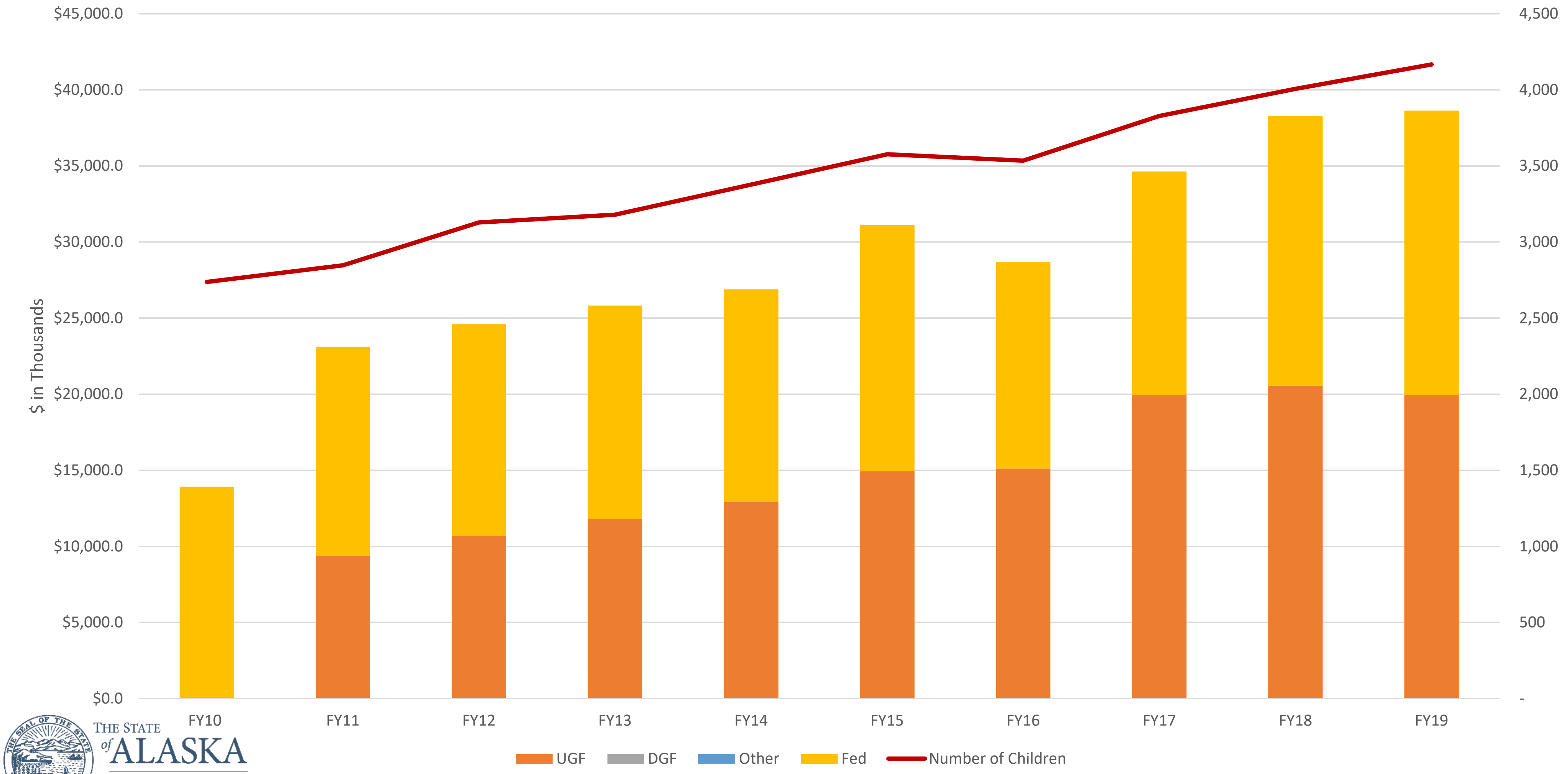
Formula Programs: Subsidized Adoption and Guardianship – Ten Year Look Back



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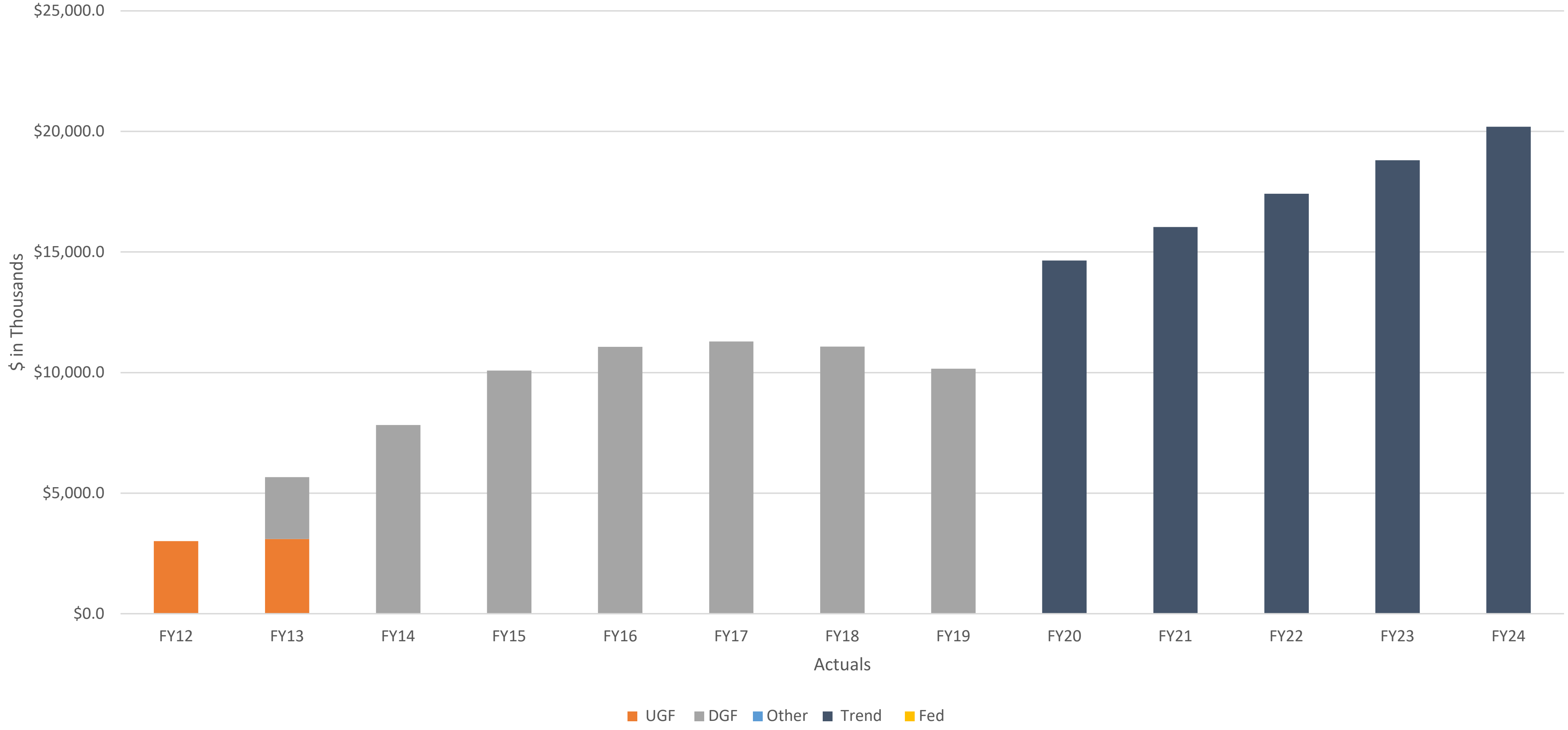
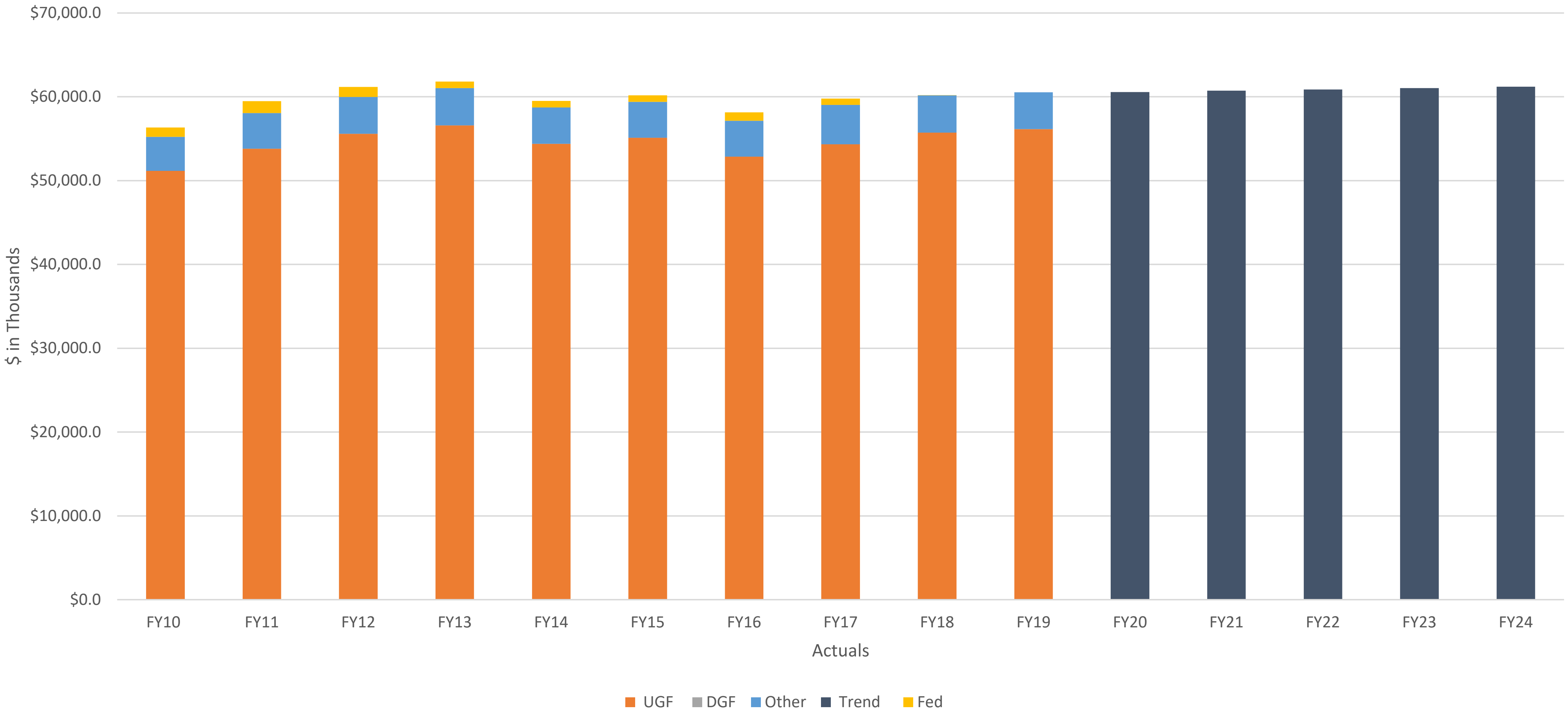
State Formula Programs: Alaska Performance Scholarship – Ten Year Look Back



State Formula Programs: Adult Public Assistance – Ten Year Look Back



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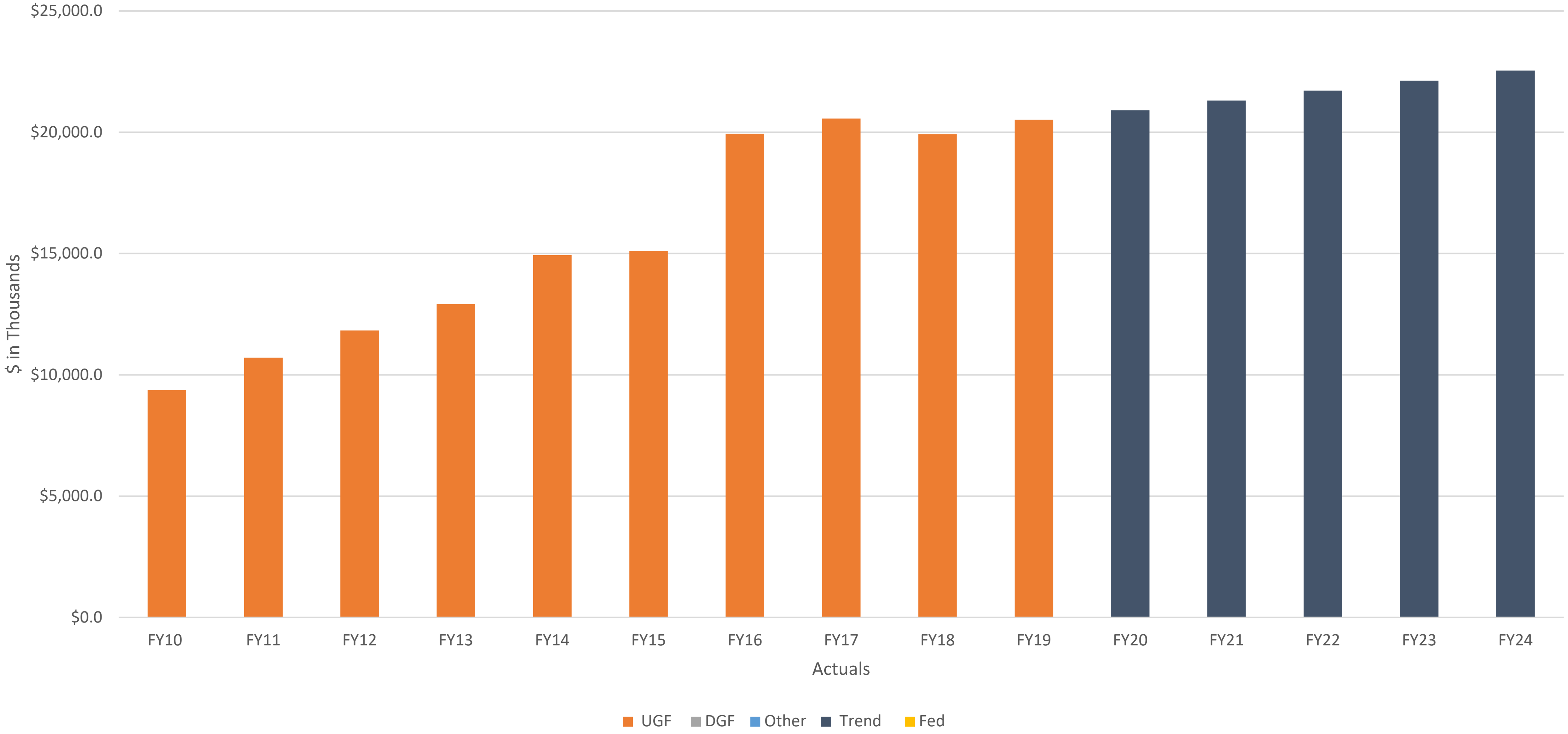
State Formula Programs: PFD Hold Harmless – Ten Year Look Back



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Potential Options: Revenues and Expenses

Department of Revenue

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Summary of Potential Changes to Existing Non-Petroleum Revenue Sources

Revenue Source	Potential Revenue Increase
Non-Petroleum CIT	$14,000,000
Alcoholic Beverage Tax	$19,000,000
Commercial Passenger Vessel Tax	$7,000,000
Large Passenger Vessel Gambling Tax	$3,000,000
Fisheries Business Tax	$16,000,000
Fisheries Resource Landing Tax	$5,000,000
Marijuana Tax	$7,000,000
Mining License Tax	$9,000,000
Motor Fuel Tax	$44,800,000
Tire Fee	$1,300,000
Cigarette and Other Tobacco Products Tax	$26,500,000
Vehicle Rental Tax	$11,800,000

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Potential Changes to Existing Non-Petroleum Revenue Sources

Increase Existing Non-Petroleum Corporate Income Tax

Increase the tax levied on Alaska taxable income of C-corporations. A one percent increase to each tax bracket could raise an additional $14 million in non-petroleum corporate income tax revenues.

Percent of Deficit Filled by New Revenue: 1%

Increase Existing Alcoholic Beverage Tax

Increase the per-gallon tax with four rates based on different products: distilled spirits, wine, beer, and beer brewed in qualifying small breweries. An increase to each tax equivalent to five cents per drink could generate an increase of roughly $19 million per year in tax revenue.

Percent of Deficit Filled by New Revenue: 1%

Increase Existing Commercial Passenger Vessel Tax

Increase the tax levied on commercial passenger vessels that have at least 250 berths, provide overnight accommodations and spend more than 72 hours in Alaska waters over the course of one voyage. An increase in the commercial passenger vessel tax rate of ten dollars per passenger to $44.50 per passenger could generate an increase of approximately $7 million in annual revenues.

Percent of Deficit Filled by New Revenue: 0.5%

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Potential Changes to Existing Non-Petroleum Revenue Sources

Increase Existing Large Passenger Vessel Gambling Tax

Increase the tax levied on operators of gaming or gambling activities on large passenger vessels in the state. A ten percent increase in the large passenger vessel gambling tax rate could generate an increase of approximately $3 million in annual revenues.

Percent of Deficit Filled by New Revenue: 0.2%

Increase Existing Fisheries Business Tax

Increase the tax levied on businesses that process fisheries resources, or export unprocessed fishery resources from Alaska. A one percent increase to the fisheries business tax could generate an increase of roughly $16 million per year in revenue.

Percent of Deficit Filled by New Revenue: 1%

Increase Existing Fisheries Resource Landing Tax

Increase the tax levied on fishery resources processed outside of Alaska, but first landed in Alaska. A one percent increase to the fisheries resource landing tax could generate an additional $5 million in revenue annually. This estimate includes revenue before taxes are shared with municipalities. The increase in revenues could split evenly between municipalities and the state as per current revenue, or the increase could be retained fully by the state.

Percent of Deficit Filled by New Revenue: 0.3%

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Potential Changes to Existing Non-Petroleum Revenue Sources

Increase Existing Marijuana Tax

Increase the tax levied on marijuana sales by the cultivator to the retail store. Increasing each portion of the marijuana tax by ten dollars could generate an increase in total marijuana tax revenue of approximately $7 million.

Percent of Deficit Filled by New Revenue: 0.5%

Increase Existing Mining License Tax

Increase the tax levied on mining net income and royalties received in connection with mining properties and activities within Alaska, primarily collected from business engaged in hard rock and coal in the state. Increasing mining license tax rates in all tax brackets by one percent could generate an increase in total mining license tax revenue of approximately $9 million.

Percent of Deficit Filled by New Revenue: 1%

Increase Existing Motor Fuel Tax

Increase the tax levied on purchases of highway and marine diesel and gasoline, aviation gas, and jet fuel. A doubling of the tax rate of each of the four fuel taxes could generate an increase of roughly $44.8 million per year in tax revenue. Note, aviation fuels are limited by federal law in how they can be appropriated.

Percent of Deficit Filled by New Revenue: 3%

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Potential Changes to Existing Non-Petroleum Revenue Sources

Increase Existing Tire Fee

Increase the tax levied on tires sold in Alaska for motor vehicles intended for highway use. Doubling both the new tire fee and the studded tire fee could increase tire fee revenues by approximately $1.3 million.

Percent of Deficit Filled by New Revenue: 0.1%

Increase Existing Cigarette and Other Tobacco Products Tax

Increase the tax levied on cigarettes imported into Alaska for sale or personal consumption and on tobacco products other than cigarettes imported into Alaska for sale. A 50% cigarette tax increase to $3.00 per pack could raise an additional $22 million per year.

Percent of Deficit Filled by New Revenue: 2%

Increase Existing Vehicle Rental Tax

Increase the tax levied on fees and costs charged for the rental or lease of a passenger or recreational vehicle for fewer than 90 days. Doubling both the passenger and recreational vehicle rental taxes could increase revenue by approximately $11.8 million. Most of this new revenue would come from the tax increase on passenger vehicles.

Percent of Deficit Filled by New Revenue: 1%

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Summary of Potential New Non-Petroleum Revenue Sources

Revenue Source	Potential Revenue Increase
4% Wyoming Sales Tax Scenario	$630,000,000
4% Broader Base Sales Tax Scenario	$1,000,000,000
4% South Dakota Sales Tax Scenario	$1,200,000,000
10% Individual Income Tax (Federal Tax Liability Base)	$350,000,000
10% Individual Income Tax (Capital Gains Surtax)	$96,000,000
S-Corporation Income Tax	$80,000,000
SB50 Head Tax	$13,500,000
State Property Tax	$117,500,000
HB103 Card Rooms	$2,300,000
Lottery: Draw Only	$6,000,000
Lottery: Draw and Instant Games	$35,000,000
Lottery: Draw, Instant Games, and Video Lottery Terminals	$135,000,000
Permanent Fund Dividend Reduction	$100,000,000

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Potential New Non-Petroleum Revenue Sources

Potential New 4% State Sales Tax (styled on Wyoming Sales & Use Tax)

A tax levied at 4% of purchase price on the sales of goods and services to consumers and businesses, taxing a range of activities similar to that of the Wyoming Sales & Use Tax. This is a broad based tax that extends to many services and business purchases.

First Full Year: $630 million Total

Percent of Deficit Filled by New Revenue: 41%

Potential New 4% State Sales Tax (Broader Base)

A tax levied at 4% of purchase price on the sales of goods and services to consumers and businesses, taxing a broad range of activities. This is a very broad based tax that extends to a wide range of services and business inputs, but not to the extent of a SD based tax.

First Full Year: $1 billion Total

Percent of Deficit Filled by New Revenue: 65%

Potential New 4% State Sales Tax (styled on South Dakota Sales & Use Tax)

A tax levied at 4% of purchase price on the sales of goods and services to consumers and businesses, taxing a range of activities similar to that of the South Dakota Sales & Use Tax. This is a very broad based tax that extends to a wide range of services and business inputs.

First Full Year: $1.2 billion Total

Percent of Deficit Filled by New Revenue: 78%

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Potential New Non-Petroleum Revenue Sources

Potential New Individual Income Tax (10% of Federal Income Tax Liability)
A tax on the individual wages, tips and incomes earned in Alaska by individuals, levied at 10% of Federal Individual Income Tax Liability via employer withholding.
First Full Year: $350 million Total

Percent of Deficit Filled by New Revenue: 23%

Potential New Individual Income Tax (10% Capital Gains Surtax)
A tax on realized capital gains. Capital gains treatment only applies to "capital assets" such as stocks, bonds, jewelry, coin collections, and real estate property.
First Full Year: $96 million Total

Percent of Deficit Filled by New Revenue: 6%

Potential New Income Tax (S-Corporations)
A tax on S-Corporations (a form of passthrough entity under federal law) doing business in Alaska, levied in using the same tax rate structure as the existing statewide corporate income tax currently levied on C-Corporations.
First Full Year: $80 million Total

Percent of Deficit Filled by New Revenue: 5%

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Potential New Non-Petroleum Revenue Sources

Potential New $30 Payroll Tax (SB 50)
A tax on wages earned by residents and nonresidents within the state, or self-employment income. Tax is the first $30 earned per worker in each year.
First Full Year: $13.5 million Total

Percent of Deficit Filled by New Revenue: 1%

Potential New State Property Tax
A tax on all in-state property assessed at Full Value Determination per AS 43.56, levied at 0.1% of assessed value.
First Full Year: $117.5 million Total

Percent of Deficit Filled by New Revenue: 8%

Potential Revenue from Card Rooms (HB 103)
Allowing one card room in each municipality of the state, with licensing fees and a tax on proceeds.
First Full Year: $2.3 million Total

Percent of Deficit Filled by New Revenue: 0.1%

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Potential New Non-Petroleum Revenue Sources

Potential Revenues from Lotteries (3 Options)

Establish the Alaska Lottery Corporation, with broad authority to determine the structure, management, and games of the lottery. Games could potentially include single- and multi-jurisdiction draw games, instant tickets, sports betting, keno, and video lottery terminals.

Draw games only

First Full Year: $2.3 million Total | Percent of Deficit Filled by New Revenue: 0.4%

Draw Games and Instant Games

First Full Year: $35 million Total | Percent of Deficit Filled by New Revenue: 2%

Draw Games, Instant Games, & Video Lottery Terminals

First Full Year: $135 million Total | Percent of Deficit Filled by New Revenue: 9%

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Transferring Revenue: Reducing the Permanent Fund Dividend from its Statutory Level

Reducing the Permanent Fund Dividend

A dividend is paid out from the Permanent Fund to qualified Alaskan residents. Statute defines the total amount withdraw from the Permanent Fund for this purpose as half of 21% of the sum of the fund's last 5 fiscal years statutory income.

Under current FY2021 projections, about $2 billion is withdrawn for a per person dividend of approximately $3,060.

A $100 million reduction of funds going to dividends would decrease the deficit by $100 million or 6.5%. This would decrease the estimated FY 2021 dividend by ~$155 per person.

Percent of Deficit Filled with $100 million transfer: 6%

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