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## Representative Vic Kohring District 26

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## **Kohring Offers Plan to Eliminate Deficit** **Seeks to Protect Alaskans' Wallets With Budget Cuts, Not Taxes**

(JUNEAU) – Rep. Vic Kohring (R-Wasilla/Peters Creek) has proposed a plan that would eliminate the state's budget deficit over a five-year period without taxes and without spending either the principle or interest of the Alaska Permanent Fund.

Kohring's plan, which he calls "Protecting Alaskans' Wallets," is in stark contrast to others under consideration, most notably the [Fiscal Policy Caucus](#) plan, which includes multiple taxes and Permanent Fund dividend caps.

"Alaskans are begging for someone to step forth with a plan that cuts the budget substantially and rejects taxes," Kohring said. "They're tired of the excuse that taxes are the only way out of this mess. We have a clear choice: cut government, or cut Alaskans' paychecks by stealing their hard-earned money through taxes. I say, cut government."

The basic elements of the "Protecting Alaskans' Wallets" plan are:

1. Cut spending by \$350 million the first year and \$50 million in each of the following five years by consolidating departments and slashing programs not mandated by the state Constitution.
2. Sell state assets such as land and state-owned facilities, then deposit both the proceeds and the balance of the Constitutional Budget Reserve into the state's "Rainy Day Account," established more than 20 years ago.
3. Increase oil and gas royalties through an aggressive plan to stimulate exploration and development through tax breaks and reduced regulation.
4. Draw upon the Rainy Day Account to bridge the fiscal gap over the five-year period, by which time new oil and gas revenues would come on line.

Kohring said he is drafting legislation to introduce this session to put the plan into effect.

"There are a lot of hurting people who are struggling to pay the mortgage and support their families," Kohring said. "Taxing them will make it much more difficult from them to do so. It's unconscionable that the public should be expected to forfeit their hard-earned money to sustain a bloated bureaucracy. With more than 22,000 government workers, 16 major departments, and more than \$7 billion spent on state government, there's plenty of cuts we could make that would go a long way to resolve our budget woes."

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