



Alaska State Legislature Senate Majority News

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FOR IMMEDIATE RELEASE: May 9, 2004

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Senate Majority Leader Offers Income Tax *Proposal brings all options to the table*

(Juneau)— The Senate Majority fulfilled a commitment to bring all proposals to the table today by allowing members to vote on a statewide income tax on the Senate floor.

“I offered this amendment to give members of the Senate the opportunity to consider all options to balance our budget,” said Anchorage Republican Sen. Ben Stevens. “Leadership demands that we make decisions on the tough issues.”

Stevens offered an amendment to Senate Bill 366 to replace a proposed 3 percent statewide sales tax with a state income tax at the rate of 31 percent of a person’s federal income tax liability. The bill would raise an estimated \$350 million.

The amendment is identical to an income tax introduced by Democrat Governor Tony Knowles in 1999.

The amendment failed by a vote of 4 to 15. Senate Bill 366, proposing the sales tax, failed on reconsideration by a vote of 4 to 15, with all eight Democrats voting no.

Consideration of a state income tax, other broad-based taxes or other alternative sources of income was a condition of a recommendation to use Permanent Fund income for state services made by the Conference of 55 Alaskans convened by Gov. Frank Murkowski in February. The Anchorage Daily News and the Alaska Municipal League have also endorsed an income tax.

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