

**Alaska Municipal League
Resolution #2019-06**

A resolution supporting the State's implementation of a broad-based tax.

WHEREAS, in response to a fiscal crisis caused by low oil prices and other circumstances, the State of Alaska has made significant headway in decreasing the overall size of government by reducing agency and programmatic spending; and

WHEREAS, in 2018 the Alaska State Legislature took a positive step toward addressing additional revenue by allowing access to excess earnings of the Permanent Fund; and

WHEREAS, there remains a gap between revenues and current expenses, and an even more significant gap between revenues and the ability of the State to address fundamental challenges facing Alaska, including but not limited to public safety, education, infrastructure, and energy; and

WHEREAS, the Alaska Municipal League in 2016 submitted a Sustainability Plan to the Legislature, some of which has been addressed;

WHEREAS, the Alaska Municipal League has supported the implementation of a broad-based tax as part of a sustainable fiscal plan; and

WHEREAS, the Alaska Municipal League understands an income tax as being able to 1) capture revenue from out-of-state employees, which is 20% of Alaska's total payroll, 2) be deducted from federal income taxes, with a net neutral cost to Alaskans, and 3) give Alaskans a direct interest in state governance; and

WHEREAS, the Alaska Municipal League believes that a statewide sales tax would 1) be feasible where no current sales tax exists, but 2) may erode the municipal tax base, thereby shifting revenue from one level of government to another, while undercutting the ability of local governments to deliver essential services; and

WHEREAS, municipalities across Alaska have identified continued challenges related to increased expenses and community needs; and

WHEREAS, municipalities across Alaska are concerned that lack of revenue at the State level will result in the inability to address essential public services that are important to Alaskans and to Alaskan businesses.

NOW, THEREFORE BE IT RESOLVED that the Alaska Municipal League supports the State's consideration of a broad-based tax; and

BE IT FURTHER RESOLVED that the Alaska Municipal League stands ready to work with the Alaska State Legislature to mitigate potential negative impacts, as necessary.

PASSED AND APPROVED BY THE ALASKA MUNICIPAL LEAGUE ON THE 22nd DAY OF NOVEMBER 2019.

Signed: 

President, Alaska Municipal League

Attest: 

Executive Director, Alaska Municipal League