



A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY SUPPORTING A PROGRESSIVE GRADUATED STATEWIDE INCOME TAX AS PART OF A SUSTAINABLE BUDGET FOR THE STATE OF ALASKA

WHEREAS, the Aleutians East Borough recognizes that the State of Alaska may consider raising revenues as part of a comprehensive plan to address the State's budgetary shortfall; and

WHEREAS, broad base taxes have previously been identified as part of a potential revenue package to close the State's fiscal gap and construct a sustainable budget; and

WHEREAS, options for a broad-based tax include a graduated income tax and a State sales tax; and

WHEREAS, a sales tax is a regressive tax that would disproportionately burden low income Alaskans, especially Alaskans with large families; and

WHEREAS, the amount of sales tax paid increases with the price of goods being purchased and penalizes rural residents of Alaska already facing higher process for goods and services; and

WHEREAS, a sales tax uniformly imposed Statewide would require rural residents to shoulder a disproportionate share of any such tax; and

WHEREAS, imposing a sales tax would raise the already high cost of living for rural Alaskans, would potentially impact those communities that already have a local sales tax and further jeopardize the viability of rural cities and villages; and

WHEREAS, sales taxes have historically been levied by municipal governments to pay for vital public services such as public safety, transportation, infrastructure maintenance, and education; and

WHEREAS, a progressive graduated income tax would tax Alaskans based on income and ability to pay; and

WHEREAS, a progressive income tax based on a percentage of Federal tax paid would tax all income earned in Alaska allowing the State to collect from out-of-state seasonal and year-round income earners that now benefit from government services without contributing toward this service support.

NOW THEREFORE, BE IT RESOLVED, that the Aleutians East Borough supports a progressive graduated income tax rather than a sales tax as part of any comprehensive plan to enact a sustainable State budget.

PASSED AND ADOPTED by the Aleutians East Borough on this 14th day of March, 2019.

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk