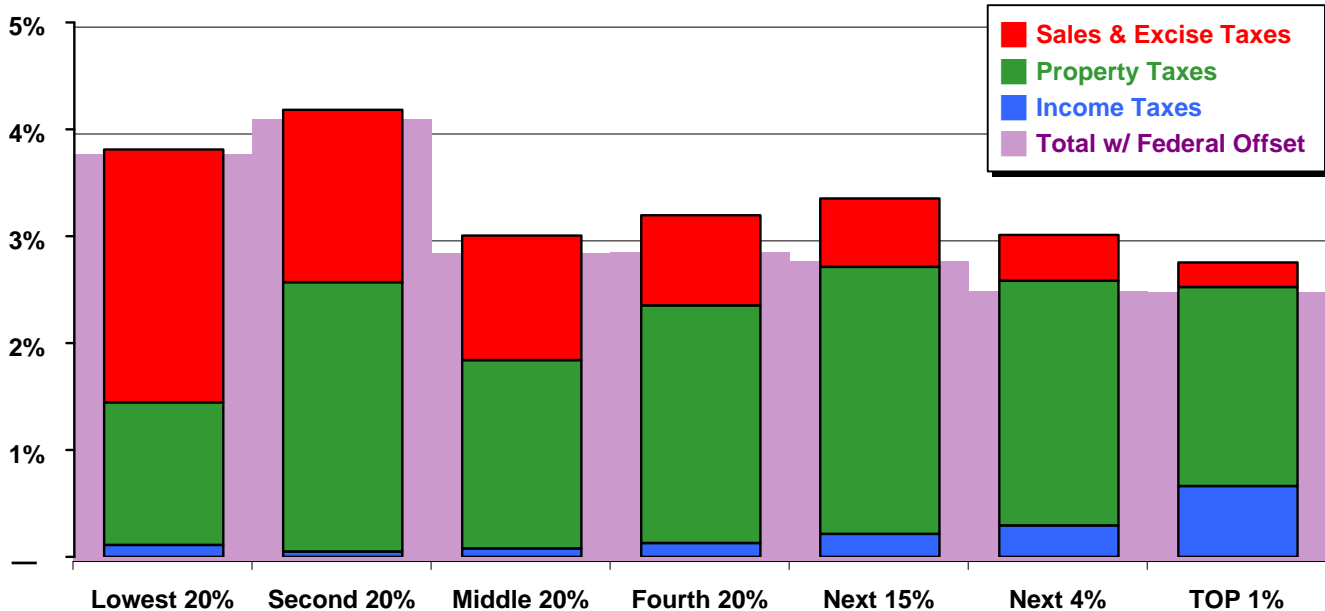


Alaska

State & Local Taxes in 2000

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$15,000	\$15,000 – \$31,000	\$31,000 – \$50,000	\$50,000 – \$80,000	\$80,000 – \$142,000	\$142,000 – \$273,000	\$273,000 or more
Average Income in Group	\$9,900	\$22,600	\$38,500	\$62,300	\$100,900	\$180,800	\$590,300
Sales & Excise Taxes	2.4%	1.6%	1.2%	0.8%	0.6%	0.4%	0.2%
General Sales—Individuals	0.7%	0.6%	0.5%	0.4%	0.3%	0.2%	0.1%
Other Sales & Excise—Ind.	1.3%	0.7%	0.4%	0.3%	0.2%	0.1%	0.0%
Sales & Excise on Business	0.3%	0.3%	0.2%	0.2%	0.1%	0.1%	0.1%
Property Taxes	1.3%	2.5%	1.8%	2.2%	2.5%	2.3%	1.9%
Property Taxes on Families	1.1%	2.4%	1.6%	2.0%	2.1%	1.8%	0.7%
Other Property Taxes	0.2%	0.1%	0.1%	0.2%	0.4%	0.5%	1.2%
Income Taxes	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%	0.7%
Personal Income Tax	—	—	—	—	—	—	—
Corporate Income Tax	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%	0.7%
TOTAL TAXES	3.8%	4.2%	3.0%	3.2%	3.4%	3.0%	2.8%
Federal Deduction Offset	—	-0.0%	-0.1%	-0.3%	-0.5%	-0.5%	-0.2%
TOTAL AFTER OFFSET	3.8%	4.1%	2.9%	2.9%	2.8%	2.5%	2.5%

Alaska Details

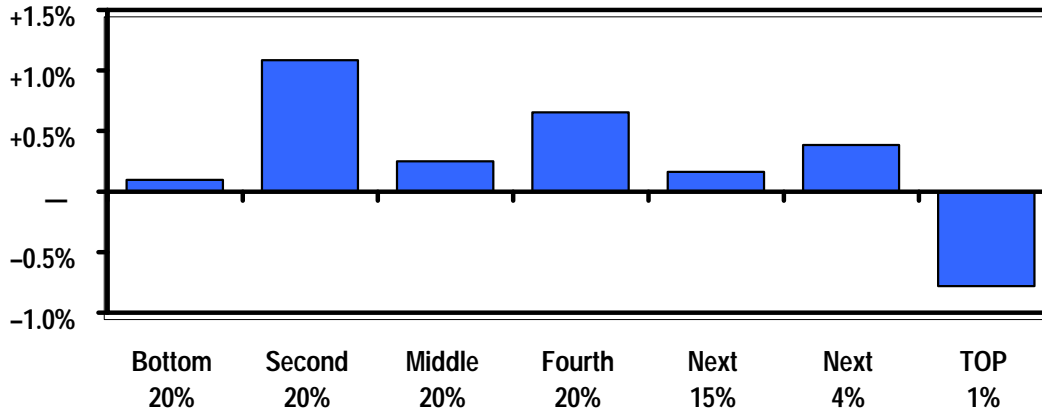
Progressive Features

- ✓ Permanent fund dividend is boon for low
- ✓ Severance taxes pay most of the bills
- ✓ No statewide sales tax though most localities apply a local sales tax

Regressive Features

- ✗ No income tax

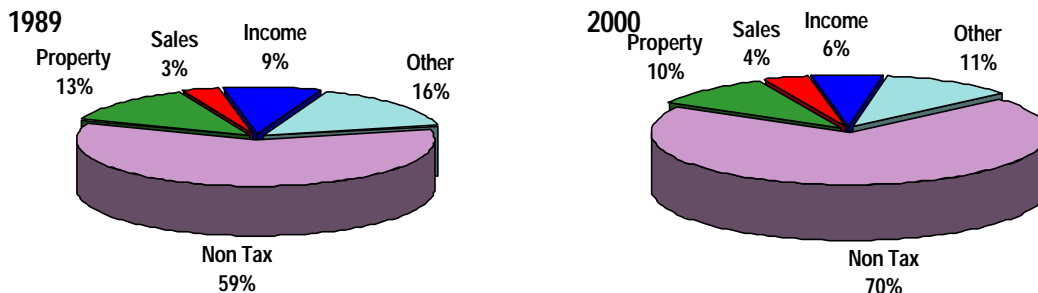
Changes in Tax as Share of Income, 1989 - 2002



	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Sales & Excise	+0.6%	+0.3%	+0.1%	+0.1%	+0.1%	+0.0%	+0.0%
Property	-0.3%	+0.9%	+0.2%	+0.7%	+0.3%	+0.5%	-0.4%
Income	-0.2%	-0.1%	-0.1%	-0.0%	-0.0%	-0.1%	-0.4%
Federal Offset	—	-0.0%	+0.0%	-0.1%	-0.1%	-0.0%	-0.0%
Overall Change	+0.1%	+1.1%	+0.2%	+0.7%	+0.2%	+0.4%	-0.8%

The major change Alaska made to its tax policy was to hike the cigarette tax by 71 cents from 1989 to present. Alaska receives most of its revenue from severance taxes and oil royalties and has been able to avoid levying broad-based taxes.

Composition of Revenues



Source: Government Finances, US Department of Census