

Presented by: AFC
Presented: 12/13/2021
Drafted by: R. Palmer III

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2971

A Resolution Supporting New Broad-based Taxation as Part of a Long-term State Fiscal Plan, and Opposing a Statewide Sales Tax.

WHEREAS, continued reductions to state services threaten the health of Juneau's economy and the well-being of Juneau's residents; and

WHEREAS, to avoid continued reductions to state services, the State of Alaska must adopt and implement a long-term fiscal plan; and

WHEREAS, the adoption and implementation of a long-term fiscal plan that fully funds essential government services will require new broad-based revenues; and

WHEREAS, the adoption and implementation of a long-term fiscal plan without new broad-based revenues perpetuates Alaska's over-reliance on oil revenue and makes future budgets highly subject to fluctuations in oil price and production; and

WHEREAS, the State has continued to shift the financial burden for the provision of government services, including education, to local municipalities; and

WHEREAS, the Legislature is currently considering a statewide sales tax, an income tax, and other revenue measures as part of a long-term fiscal plan; and

WHEREAS, municipalities have long funded local government services by imposing local sales taxes carefully tailored to the needs of their local residents and economies; and

WHEREAS, the authority for broad-based taxation by municipalities is generally limited to property and sales taxes; and

WHEREAS, a statewide sales tax combined with existing local sales taxes will eventually result in communities reducing local sales tax rates and increasing local property tax rates to continue delivering essential municipal services; and

WHEREAS, an income tax would tax Alaskans based on income and ability to pay; and

WHEREAS, an income tax would tax all income earned in Alaska allowing the State to collect from both resident and non-resident income earners that now benefit from government services without financially contributing toward those services; and

WHEREAS, up to \$10,000 of state and local taxes are deductible from federal taxable income, mitigating the tax burden on Alaskans; and

WHEREAS, the legal authority to implement an income tax is reserved to the State and is restricted from local municipalities; and

WHEREAS, the balance of the Alaska Permanent Fund is approximately \$80 billion and produces annual earnings sufficient to sustainably fund a portion of essential government services while also funding permanent fund dividend payments to all Alaskans without overdrawing the earnings reserve; and

WHEREAS, any further delay in the implementation of new broad-based revenues as part of a long-term fiscal plan shifts the burden of current financial challenges to future generations of Alaskans and threatens the health of Alaska's economy.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. That the City and Borough of Juneau Assembly supports the adoption of a long-term fiscal plan for the State of Alaska that implements new broad-based revenue and uses permanent fund earnings responsibly and sustainably to fully fund essential government services.

Section 2. That the City and Borough of Juneau Assembly opposes implementation of a statewide sales tax.

Section 3. That the City and Borough of Juneau Assembly supports consideration of all broad-based revenue measures, including an income tax, that do not compete with locally implemented taxes.

Section 4. Effective Date. This resolution shall be effective immediately after its adoption.

Adopted this 13th day of December, 2021.



Beth A. Weldon, Mayor

Attest:



Elizabeth J. McEwen, Municipal Clerk