

APPENDIX B

Example Tax Bills for Hypothetical Working Alaskans

	Income	TAX PER YEAR			
		AGI tax, no standard deduction	AGI tax with standard deduction	TI tax, 2021 definition	TI tax, 2026 definition
		Option 1	Option 2	Options 3a, 3b, 3c	Option 4
Minimum wage worker, single	\$23,000	\$550	\$300	\$236	\$268
Minimum wage worker with 1 kid	\$23,000	\$525	\$275	\$55	\$53
Moderate income married couple without kids	\$50,000	\$1,200	\$700	\$573	\$635
Moderate income married couple with 2 kids	\$50,000	\$1,150	\$650	\$523	\$365
Median income married couple without kids	\$75,000	\$1,825	\$1,325	\$1,198	\$1,260
Median income married couple with 2 kids	\$75,000	\$1,775	\$1,275	\$1,148	\$990
High-income married couple without kids	\$200,000	\$4,950	\$4,450	\$4,323	\$4,180
High-income married couple with 2 kids	\$200,000	\$4,900	\$4,400	\$4,273	\$3,910
TAX PER WEEK					
Minimum wage worker, single	\$23,000	\$10.58	\$5.77	\$4.54	\$5.14
Minimum wage worker with 1 kid	\$23,000	\$10.10	\$5.29	\$1.06	\$1.01
Moderate income married couple without kids	\$50,000	\$23.08	\$13.46	\$11.01	\$12.21
Moderate income married couple with 2 kids	\$50,000	\$22.12	\$12.50	\$10.05	\$7.02
Median income married couple without kids	\$75,000	\$35.10	\$25.48	\$23.03	\$24.23
Median income married couple with 2 kids	\$75,000	\$34.13	\$24.52	\$22.07	\$19.04
High-income married couple without kids	\$200,000	\$95.19	\$85.58	\$83.13	\$80.38
High-income married couple with 2 kids	\$200,000	\$94.23	\$84.62	\$82.16	\$75.19
TAX AS A SHARE OF INCOME					
Minimum wage worker, single	\$23,000	2.39%	1.30%	1.03%	1.16%
Minimum wage worker with 1 kid	\$23,000	2.28%	1.20%	0.24%	0.23%
Moderate income married couple without kids	\$50,000	2.40%	1.40%	1.15%	1.27%
Moderate income married couple with 2 kids	\$50,000	2.30%	1.30%	1.05%	0.73%
Median income married couple without kids	\$75,000	2.43%	1.77%	1.60%	1.68%
Median income married couple with 2 kids	\$75,000	2.37%	1.70%	1.53%	1.32%
High-income married couple without kids	\$200,000	2.48%	2.23%	2.16%	2.09%
High-income married couple with 2 kids	\$200,000	2.45%	2.20%	2.14%	1.96%

Notes: Analysis assumes tax parameters set at 2021 levels and a \$1,000 PFD. All taxpayers are assumed to claim the standard deduction except the high-income family under Option 4. That family is assumed to claim \$10,000 in home mortgage interest deductions, \$6,000 in property tax deductions, and \$6,000 in charitable giving deductions.

SOURCE: Institute on Taxation and Economic Policy (ITEP) review of draft legislation provided by Alaska's Legislative Budget and Audit Committee.