

**HOUSE BILL NO. 185**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVE FIELDS**

**Introduced: 5/3/23**

**Referred: House Special Committee on Ways and Means, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing an income tax equal to the amount of the annual permanent fund**  
2 **dividend; relating to the duties of the Department of Revenue; and providing for an**  
3 **effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
6 to read:

7 SHORT TITLE. This Act may be known as the Net Zero Income Tax Act.

8 \* **Sec. 2.** AS 43.23 is amended by adding new sections to read:

9 **Article 6A. Income Tax; Dividend.**

10 **Sec. 43.23.280. Income tax.** (a) A tax equal to the amount of the permanent  
11 fund dividend is imposed each year on each resident individual and nonresident  
12 individual who has income derived from or connected to the state.

13 (b) An individual shall remit the tax due under this chapter by December 31 of  
14 each year.

1 (c) An individual not filing a federal tax return jointly with another individual  
2 is exempt from the tax under this section if the individual's federal adjusted gross  
3 income for the taxable year is less than \$75,000. Two individuals filing federal tax  
4 returns jointly are exempt from the tax under this section if the individuals' federal  
5 adjusted gross income for the taxable year is less than \$150,000. An individual filing a  
6 federal tax return as a dependent is exempt from the tax under this section. Income of  
7 a dependent may not be considered income of the individual claiming the person as a  
8 dependent.

9 **Sec. 43.23.290. Taxable income; general rule.** In AS 43.23.280 - 43.23.310,  
10 taxable income is the taxpayer's federal adjusted gross income for the taxable year.  
11 The department shall adopt regulations adjusting gross income under this section as  
12 required by federal law.

13 **Sec. 43.23.300. Returns and payment of taxes.** (a) A taxpayer shall file with  
14 the department a return setting out

15 (1) the amount of tax due under this chapter; and

16 (2) other information necessary to carry out this chapter, as required by  
17 the department in regulation.

18 (b) A person required to file a return under AS 43.23.280 - 43.23.310 shall file  
19 the return on a form or in a format prescribed by the department. The return is due to  
20 the department at the same time and in the same manner, including extensions, as the  
21 taxpayer's federal income tax return to the United States Internal Revenue Service. A  
22 return filed under AS 43.23.280 - 43.23.310 must be made under oath and on penalty  
23 of perjury.

24 (c) The total amount of tax imposed by AS 43.23.280 - 43.23.310 is due and  
25 payable to the department at the same time and in the same manner as the federal  
26 individual income tax payable to the United States Internal Revenue Service.

27 **Sec. 43.23.310. Permanent fund tax payment.** The department shall adopt  
28 regulations establishing procedures for an individual eligible for a dividend under  
29 AS 43.23.005 to direct the department to hold all or a part of the amount of the  
30 dividend to pay the tax due under AS 43.23.280 - 43.23.310. The amount held under  
31 this section may not exceed the dividend amount after contributions, garnishments,

1 levies, fees, attachments, assignments, or other reductions or donations allowed under  
2 this chapter.

3 \* **Sec. 2.** This Act takes effect January 1, 2026.