

April 15, 2004

To Alaskans all:

The Annual Season of federal taxes is a good time to bring up our unique Alaskan tax haven. The National Tax Foundation, (<http://www.taxfoundation.org/alaska/>), a national watchdog non-profit, recently pointed out that Alaska has the lowest taxes in the United States, and has been the National Champ in low taxes for the past 14 years! Just yesterday (4/14), however, the governor endorsed the POMV plan to "have at" the Permanent Fund earnings, unfettered every year, and without accountability. He wants all voters to buy in to this plan. As part of the deal, some legislators are urging us to make the dividend a Constitutional mandate, as well as vote for a spending cap on the budget. Frank sure doesn't like to mention taxes. He'd rather pillage the Permanent Fund first.

What a scam. The game is really this: If you just give us access to Permanent Fund earnings, (the legislature and governor promise), we'll put a spending limit on ourselves to make sure we don't abuse the privilege. Does this make any sense? We don't need a spending cap. We need the revenue to meet the budget. The governor and the legislature won't consider other options. One might think they WANT us to vote down the POMV and spending limit. And we will. I'll bet my dividend on it. And the legislature knows it too.

Before he was elected, Frank Murkowski promised he'd balance the budget with resource revenues. What happened to that promise? All he has to do to keep it, is adjust the ELF, the Economic Limit Factor, and put in place a reasonable severance tax, such as that in the Alaska Fair Share bill. The severance tax IS mineral resource revenue! With high oil prices, we could have filled the budget gap easily this year, if the Fair Share Bill was law. The governor could actually keep his promise! Why doesn't he do this?

As a solution, the plan Jay Hammond proposes is the most solid for protecting the future of the Permanent Fund, the dividend, and getting accountability for the spending. And it doesn't require changing the constitution. But with the negative attitude toward other fiscal options so entrenched in the legislature now, it might be necessary to put the Hammond plan to a referendum. The legislature won't consider any responsible tax, no way, no how. Just ask Gary Wilken. But those of you who are property tax payers ought to be making the connection between higher property taxes and continuously decreasing state revenue sharing and school appropriations. It's the governor's and legislature's fault your local taxes keep increasing.

Jay Hammond doesn't need to be elected. Simply put, I trust his judgment and his plan. Same for the Gara/Guttenberg Alaska Fair Share Bill (HB 441) to harvest our fair share of the high oil prices. We deserve nothing less, and should urge adoption of the Hammond Plan and the adjustment of the ELF. Real accountability comes not with a spending limit. That is an admission of irresponsibility. Its like saying, "We can't help ourselves, so put the shackles on

us". We'll have effective accountability when were rabid, watchdog taxpayers. Experience shows this works. The solutions are all around us. The legislature and the governor just refuse to acknowledge them. We just need good government, which protects and secures fair revenue for our resources, and as Jay Hammond says:" makes sure your oil wealth is used for your maximum benefit."

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