



Alaska State Legislature

Senate Majority Web: www.akrepublicans.org

Sponsor: Senator Con Bunde
Current Version: CSSB 112 (FIN) AM
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Fact Sheet for: Senate Bill 112

Short Title: TAX ON RESIDENTS/EMPLOYEES IN REAA;GRANTS

Summary:

- Imposes an annual tax in Regional Education Attendance Areas (REAs) to pay operating costs of local schools within the area.
- Levies the tax on:
 - Persons 21 years of age or older who reside in an REAA on Jan. 1
 - Persons who work in an REAA the lesser of 10 consecutive days or a full pay period, or 20 cumulative days.
- Exempts senior citizens, those with income below federal poverty guidelines, disabled vets and those paying a property tax in another area of the state.
- Calculates the tax based on the average amount residents of organized boroughs contribute to local schools.
- Intent language specifies that the revenue collected is to be returned to REAs as additional funding, not supplanting state or federal funds.
- Establishes a regional educational attendance area grant program and allows the legislature to appropriate the REAA tax for grants to REAs.

Benefits:

- Provides schools in REAs a new source of revenue to increase school funding.

Background:

- Currently, residents in Alaska who reside in organized boroughs pay a local tax that helps fund the capital and operating costs of schools. Residents of REAs do not currently contribute to the costs of schools on a local level. SB 112 ensures that all Alaska residents contribute on a local level to the costs of creating and maintaining high quality education in our state. The REAA grant program language was added at the request of a legislator whose district encompasses REAs to help ensure the money goes to those areas.