PRESS RELEASE

ALASKA MAJORITY SENATE

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Senate Majority Responds to FY17 Proposed Fiscal Plan

Plan includes $400 million in new taxes; $100 million in cuts

ANCHORAGE – In response to Gov. Bill Walker's roll-out of the FY17 fiscal plan today, co-chairs of the Senate Finance Committee said his proposal to reduce the state's operating budget by $100 million was not sufficient to address the state's $3.4 billion deficit. They appreciate the comprehensive approach the Governor took in forming the fiscal plan, but remain committed to limiting government before taxing Alaskans.

"I see this is as a starting point for the Legislature to build on and craft a fiscal plan that takes a more balanced approach," said Sen. Anna MacKinnon (R-Eagle River). "We must be mindful of our economy, jobs for Alaskans and keeping our people safe and secure when making these decisions."

The Governor's plan includes a series of tax increases on motor vehicle, marine and aviation fuel, alcohol and tobacco, cruise ship passengers, as well as a new tax on income – up to $200 million. "I wish I had some pithy comment to express my disdain for taxes, but I don't. So for now, I'll just say no," said Sen. Pete Kelly (R-Fairbanks).

"The Governor's proposal leads on taxes but doesn't prioritize streamlining government to reflect our fiscal situation," said MacKinnon. "The cuts to state government that Gov. Walker has proposed only account for two percent of the deficit; we can do better.

"The bottom line is: How will the Governor's proposal impact investment in Alaska? We will evaluate it to determine the cost to the state, the costs to our communities, and whether the cuts and tax increases are applied in a fair and equitable manner."

For more information or to schedule an interview, contact Michaela Goertzen in the Senate Majority press office at (907) 269-6315.

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