

A Stealthy Sales Tax is bad for Alaska

Sales taxes are bad for working families

This tax is often **hidden** by the price, making it **less visible and harder for Alaskans to track** how much they are paying. This hidden tax is dangerous because it makes it hard for families to budget and know how much they are spending.

Sales taxes are bad for business

The sales tax hurts businesses, **particularly small business owners** who are the backbone of our economy. Small businesses rely heavily on consumer spending, which the stealth tax would reduce. This could lead to layoffs, reduced investment, and lower economic growth.

Sales taxes are bad for our economy

The sales tax **prevents people from growing their savings**. It is an invisible barrier to upward mobility, preventing hardworking and entrepreneurial Alaskans from obtaining the fruits of their labor and being able to put their money back into the economy.

Sales taxes are confusing and hard for people to track

It may be on the receipt, but sales tax is not included in the sticker price of goods, and it's impossible to total up at the end of the year. The lack of transparency or predictability is **what makes it stealthy**.

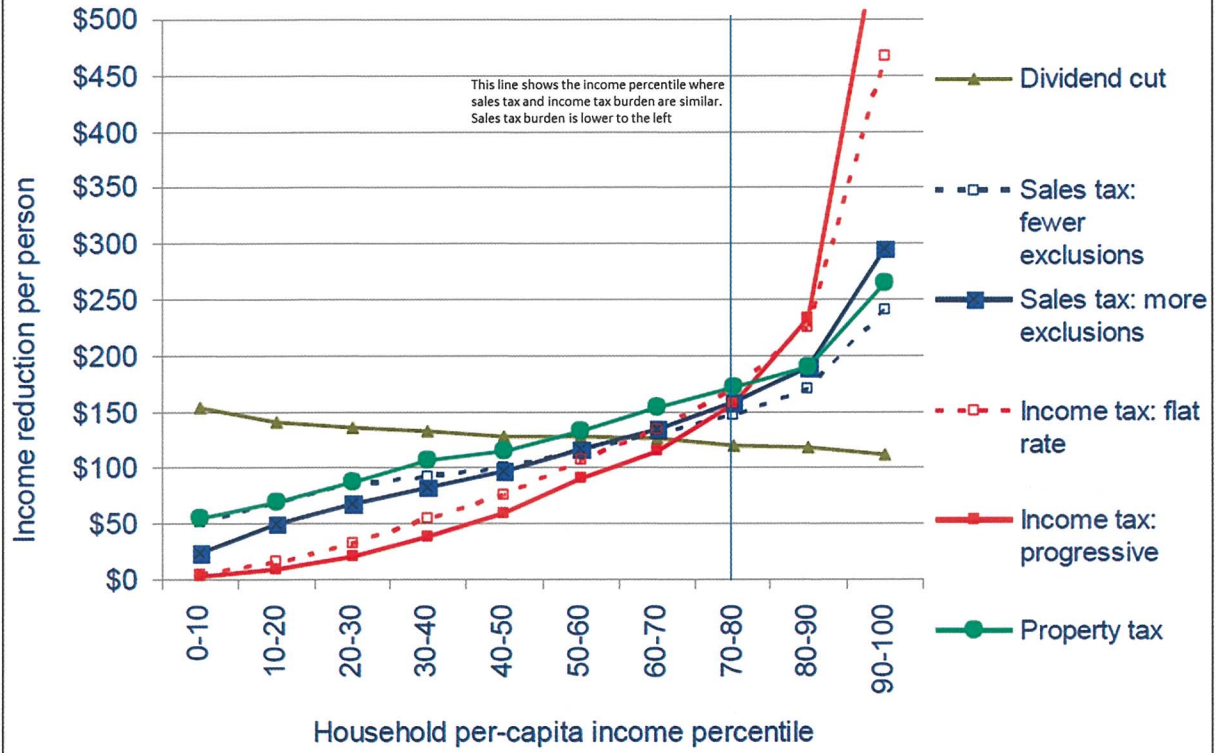
Sales taxes are inflationary

The proposed sales tax would have increased inflation nearly half again last year (Anchorage CPI). **Higher prices hurt people**, and with uncertainty about inflation going forward.

Sales Taxes Mean Alaskans Pay More

At least **600,000 of the 732,673** Alaskans are expected to **pay more for a sales tax** than a progressive income tax. Households that with incomes over 125,000 a year may pay more for an income tax. The 2021 median household income in Alaska was \$81,000

Average Per Capita Disposable Income Reduction per \$100 Million in Deficit Reduction



Households and Population, by Household Per-Capita Income Percentile

