Alaska

#3

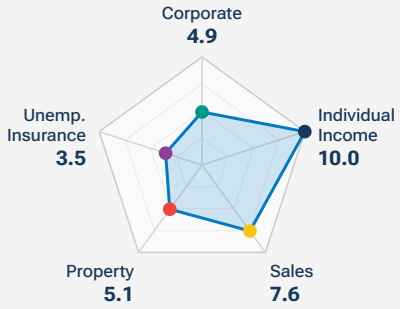
Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
3 –	33 ▲ 7	1 –	5 –	27 ▲ 5	50 –

Alaska, which forgoes an individual income tax and a state-level sales tax, ranks well on the *Index* due to the absence of major taxes, but has room to reform the taxes it does impose. Cities and boroughs can impose their own sales taxes, resulting in a lack of base uniformity, though local governments have agreed to adopt a uniform code with central administration for remote sellers, lessening compliance burdens.

The state's corporate income tax has a 20 percent net CFC-tested income (NCTI) inclusion, making it a national outlier. Alaska also imposes a throwback rule, exposing some out-of-state activity of Alaska-based corporations to the state's corporate taxes, and it only partially conforms to federal depletion allowances. Property taxes are somewhat high, and the state taxes some inventory, but with no individual income tax, state sales tax, capital stock tax, or inheritance or estate tax, Alaska keeps taxes low for most residents and for some businesses, particularly those not subject to production taxes (e.g., oil and natural gas).

Component scores

out of 10



Alaska and its neighbors

Alaska shares no land border with another state.