



Working Families TAX CUTS ACT

*Transformative legislation
for Alaska's future*



U.S. SENATOR  DAN SULLIVAN | sullivan.senate.gov



Growing Alaska's Economy & Good-Paying Jobs



Unleashing Alaska's resource potential

- Lease sales mandated in law; return to rules established under first Trump administration.
 - **ANWR** – 4 sales in 10 years; State revenue share increased from 50 to 70% after 2034; at least 1.6 million acres.
 - **NPR-A** – 5 sales in 10 years; State revenue share increased from 50 to 70% after 2034; 20 million acres.
 - **Cook Inlet** – 6 sales in 10 years; State revenue share increased from 27 to 70% after 2034; minimum of 1 million acres per sale.



Growing Alaska's Economy & Good-Paying Jobs



Other significant resource provisions

- **Streamlines NEPA** regulatory process with new fee-based system.
- Significantly increased **timber harvests**, 40 long-term contracts mandated on public lands, potentially including Tongass.
- **\$5 billion** to grow America's **critical minerals** supply chains, including Alaska mining.
- Historic progress being made to advance the **Alaska LNG Project**; could completely transform Alaska.
- WFTCA **Energy Dominance Financing Program** – new vehicle for AK LNG that builds on federal loan guarantees in the 2021 bipartisan infrastructure bill.



Delivering Tax Relief for Families & Small Businesses



- **Avoids \$4.5 trillion tax hike** on all Americans, extending relief from 2017 *Tax Cuts & Jobs Act*.
 - Prevents \$2,380 tax increase on every Alaskan, and a 25% tax increase on 58,000+ Alaska small businesses.
- Estimated **annual tax savings** of **\$7,600 - 10,900** for **family of four**.
 - Preserved **2x standard deduction**, indexed to inflation.
- Permanent, boosted \$2,200 **Child Tax Credit**.



Delivering Tax Relief for Families & Small Businesses



- Secures **historic child care wins** for families.
 - Enhanced **Child & Dependent Care Tax Credit**.
 - **Cuts taxes for nearly 4 million working families**; first permanent increase to the CDCTC since 2001.
 - Improved **Employer Child Care Credit (45F)**.
 - Incentivizes employers to offer child care vouchers or on-site facilities; **first permanent increase in 45F since 2001**; makes it 4x as powerful.
 - **Dependent Care Flexible Spending Account (FSA)** increased from \$5,000 to \$7,500.
 - 46% of workers have access to these plans (BLS); the **first permanent increase to the Child Care FSA since 1986**.
 - **Trump Accounts** - \$1,000/child investment.



Delivering Tax Relief for Families & Small Businesses



- **Huge benefits for working Alaskans, small businesses and seniors.**
 - Eliminates taxes on **tips, overtime**, new American-made **auto loan interest**.
 - Provides **seniors** with a **\$12,000 annual deduction** per couple.
 - Expands **tax relief for small businesses** (99.1% of Alaska businesses).
 - **Full expensing in Year 1** of investments in business, manufacturing equipment and assets.
 - Solidifies tax credits for **affordable housing, opportunity zones**, and **new markets**.
 - **Charitable deduction** can be taken, even for those taking the standard deduction.



Making the Largest Investment in U.S. Coast Guard History



- **\$25 billion for FY 2026:**
 - **16 new icebreakers:** 3 Polar Security (heavy), 3 Arctic Security (med), 10 light icebreakers; **22 new cutters**, including OPCs, FRCs.
 - **\$4.379 billion** to repair, replace shoreside facilities and aging infrastructure, benefitting Alaska's coastal communities.
 - **40+ new helicopters, 6 new C-130J aircraft.**
 - **\$300 million** for homeporting of *Storis* in Juneau.
- FY 2026 Coast Guard authorization: **\$15.5 billion.**
- Investments and provisions solidify Alaska as **Arctic operations hub** in light of increasing aggression from China & Russia.



Building Up Our Alaska-based Military



- **Priorities: Taking care of troops; advancing “Peace through Strength”;** building up **Alaska military.**
 - **\$9 billion** for service member housing, child & health care; builds on 14.5% pay increase.
 - **\$9 billion** for air superiority (Eielson & JBER).
 - **\$25 billion** down payment on ‘Golden Dome’; **\$1.975 billion** for improved radars; **\$800 million** for next-gen interceptors.
 - **\$115 million** for Arctic infrastructure (such as Adak).
 - **\$12 billion** for Pacific Deterrence Initiative.
 - **\$29 billion** for U.S. Navy shipbuilding.
- **WFTCA + FY 2026 NDAA + defense appropriations + major infrastructure investments** (Nome, Utqiagvik, Kenai) = **billions of DOD/USCG dollars** coming to Alaska.
- Great for national security, great for jobs.



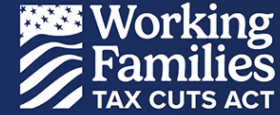
Securing the Border & Fighting the Flow of Deadly Fentanyl



- **Alaska recently had highest percent increase in drug overdose death rate.**
- Biden Administration's open border policies facilitated **humanitarian & national security crisis**, entry of **~11 million new illegal immigrants**.
- Demand side: One Pill Can Kill initiative
- Supply side: Under Trump Administration, illegal border crossings have **dropped 99%**.
- **\$100 billion+** to secure the border, halt drug & human trafficking, and keep Americans safe.
 - **\$46 billion** for southern border wall.
 - **\$48 billion** additional law enforcement funding.
 - **\$8 billion** for Border Patrol & fleet vehicles;
\$6 billion for new technology.



Upgrading Alaska's Aviation Safety



- Alaska has **2.35x** higher accident rate, **1.34x** higher fatality rate than rest of the U.S.
- **\$12.5 billion** for nationwide ATC overhaul.
 - **\$80 million** for 50+ Automated Weather Observing Systems (AWOS), 60+ Visual Weather Observing Systems (VWOS), 64+ weather camera sites.
 - Will fund President's May 2025 announcement of **174 new weather stations for Alaska.**
 - **\$40 million** for FAA Alaska Aviation Safety Initiative (FAAASI) projects.
- **FAA Reauthorization** provides an additional **\$25 million** investment in Alaska per year, including expanded satellite connectivity; presses FAA to hire more air traffic controllers.



Strengthening Alaska's Health Care System



- No changes to **Medicare** or **Social Security**.
- Main **Medicaid reforms** focused on provider taxes & state-directed payments – Alaska not impacted.
- **Four Medicaid funding streams** remain same for Alaska:
 - Traditional
 - Expansion
 - Tribal
 - CHIP
- Correcting misinformation: **No Medicaid funding cuts for Alaska**. Situations that aren't "cuts":
 - Able-bodied, childless adult chooses not to work / volunteer.
 - State fails to effectively implement statutory exemptions to new requirements.
 - Alaskan gets good-paying job with health coverage and graduates from Medicaid's income requirements – that should be our collective goal.



Strengthening Alaska's Health Care System



- WFTCA originally included provision seeking fair increase to Alaska & Hawaii's **FMAP** (federal Medicaid match) to better reflect our high cost of living, health care delivery.
 - CBO estimate: **\$200 million+ / year.**
 - Had Senate GOP, White House support.
 - Stripped out by Senate Democrats (Byrd bath).
- Negotiated doubling of 5-year **Rural Health Transformation Program (RHTP)** – now **\$50 billion.**
 - Shaped RHTP formula – First half equally distributed; second half determined by CMS formula.
 - **Dec. 2025: Alaska awarded \$272 million** for first of five years, roughly **\$1.4 billion** total.



Strengthening Alaska's Health Care System



- **State of Alaska's RHTP initiatives:**

- **Healthy Beginnings:** Investing in maternal, child health to help Alaskan families start strong.
- **Health Care Access:** Expanding & maintaining access to essential health services in rural, remote communities.
- **Healthy Communities:** Promoting healthy lifestyles and investing in preventive care.
- **Pay for Value:** Fiscal Sustainability: Pursuing innovative payment models to build a stronger, more sustainable health care system.
- **Strengthen Workforce:** Growing and supporting skilled, resilient health care teams across Alaska.
- **Spark Technology & Innovation:** Updating technology and infrastructure to improve care and drive innovation.



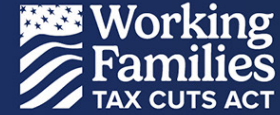
Strengthening Alaska's Health Care System



- Expands **telehealth** access by allowing copays to be covered outside of overall health insurance deductibles.
- Commonsense Medicaid **work requirements**:
 - **20 hours/week** for able-bodied, aged 19-64, w/o children; work, volunteer or education & training; includes numerous **exemptions**.
 - **Carve-outs for Alaska** – delayed implementation; exemptions for Alaska Natives for work and redetermination requirements.



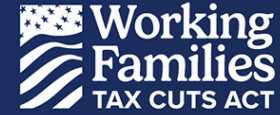
Protecting Alaska's Most Vulnerable Communities



- **SNAP work requirements, cost-share changes.**
 - **Exemptions:** parents or guardians of children 14 & under; caregivers; individuals struggling with addiction; pregnant women; disabled veterans; Alaska Native people; areas with high unemployment.
 - **Carve-outs for Alaska** – Flexibility, delayed cost share and work requirement deadline for states making good faith effort to fix high errors rates and implement new systems.



Protecting Alaska's Most Vulnerable Communities



- Safeguarding interests of **seniors, individuals with disabilities, those facing financial hardships**, and economically-disadvantaged **rural communities**.
 - **Seniors**: \$12,000 tax deduction per couple; exemption from work requirements; 2.5% “doc fix” to maintain Medicare access; repeal of Biden-era nursing home staffing mandates.
 - **Alaska Native people**: 100% federal Medicaid match; exempt from work requirements.
 - **Disabled Alaskans**: Permanently extends tax-free savings provisions for ABLE accounts; expands home- & community-based care.



Achieving Historic Savings for Our Children's Future



- America faces a **\$38 trillion debt**.
 - In 2024, more spent on interest (~**\$950 billion**) than on national defense (**\$870 billion**).
- WFTCA reduces spending by **\$1.2 trillion**, reduces deficit by **\$360 billion** over 10 years.
- White House Council of Economic Advisors:
 - **Real wages** increase by **\$7,200/year**.
 - At least **1.1 percentage points added** to annual real **GDP growth rate**. (e.g. increase from 2.0% to 3.1%).
 - **Debt to GDP falls to 94%** by 2034 from current 99%, rather than rising to 117% in same period.
- Already seeing progress: **third quarter GDP growth of 4.3%**.



Fighting Back Against Senate Democrats' Attacks on Alaska



- **Challenges to 'Byrd rule'** and Senate parliamentarian's role are **not self-executing**.
- Only people advocating for Medicaid cuts in Alaska and rural hospital cuts (Inpatient reimbursement rates) were Sen. Schumer & Senate Democrats.
- Alaska provisions challenged by Senate Dems:
 - ANWR leases.
 - NPR-A leases.
 - Cook Inlet leases.
 - Increased funding for rural Alaska hospitals.
 - Coast Guard funding for Alaska, including Juneau icebreaker home-porting.
 - Funding for potential Arctic military bases.
 - Charitable deductions for Alaska whaling communities.
 - Greater flexibility for SNAP requirements.



Working with the State to Implement the WFTCA



- Close coordination needed between the **Alaska Congressional Delegation, Legislature, and Administration.**
 - **Historic opportunity** to move long-sought resource development projects, create good-paying jobs.
 - Implementing the **rural health care investments** in WFTCA.
 - Continuing to focus on the **Alaska LNG project**, gasline incentives.
 - Addressing new work requirement **implementation challenges**; bringing down **SNAP error rates**.
 - **Expediting infrastructure & housing needs** to accommodate historic Coast Guard build-up in coastal communities.





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