



April 25, 2017

Senator Mia Costello
Chair, Senate Labor & Commerce Committee
Alaska State Senate
State Capitol, Rm 504
Juneau, AK 99801

Re: Opposition to House Bill 115 – Income Tax; PFD Credit; Perm Fund Income

Dear Senator Costello:

The Alaska State Chamber of Commerce (Alaska Chamber) opposes the current version of House Bill 115 currently under consideration by the Senate Labor & Commerce Committee.

The Alaska Chamber is a non-profit founded in 1952 working to promote a positive business environment in Alaska. The Chamber is the voice of small and large business representing hundreds of employers and local chambers across Alaska. Our member companies employ over 100,000 hard-working Alaskans.

Alaska is blessed in so many ways, including the resources needed to fix our fiscal problems. Our financial reserves are most certainly under strain and we can't live off savings forever. But our resources are considerable and by working swiftly, collaboratively and wisely, we can close our fiscal gap while encouraging future investment. By cutting the cost of government (living within our means), restructuring the Permanent Fund to protect the dividend and include controlled use of the earnings reserve account to pay for government services (which is in the Senate version of SB 26), and establishing a statutory appropriation limit will make Alaska stable and predictable again.

Currently the Alaska Chamber feels that until the Legislature has taken the actions mentioned above it is premature to tax Alaskans to bolster inflated state government spending. Placing this burden on individuals and their businesses will only exacerbate our current economic situation. Alaskans have spoken loud and clear their thoughts on the Legislature imposing an income tax, with 58% in opposition. In no small part this is in part because Alaskans overwhelmingly realize that taxes will have a negative impact on our economy. Until the Legislature can prove to the Alaskan people that spending is under control and a mechanism is in place to control future spending their opinion on taxes will not change.

While the Alaska Chamber supports restructuring the Permanent Fund to protect the dividend that includes controlled use of the earnings reserve account, we oppose the House Finance Committee's efforts to tackle Alaska's fiscal problems by placing burdensome taxes on its people and businesses.

Best regards,

A handwritten signature in blue ink, appearing to read 'Curtis W. Thayer', written in a cursive style.

Curtis W. Thayer
President & CEO

cc: Senator Shelley Hughes
Senator Kevin Meyer
Senator Gary Stevens
Senator Berta Gardner