



February 24, 2014

The Honorable Dennis Egan
Chairman, Transportation Committee
Alaska State Senate, Capitol Room 9
Juneau, AK 99801

Re: Senate Bill 178 Vehicle Passenger Rental Tax

Dear Chairman Egan,

The mission of the Alaska State Chamber of Commerce (Alaska Chamber) is to promote a positive business environment in Alaska. The Alaska Chamber represents hundreds of businesses, manufacturers and local chambers from across Alaska. Our members support legislation that updates and clarifies laws, provides regulatory certainty, and that generally improves Alaska's business climate. The Alaska Chamber supports the swift passage of Senate Bill 178 (SB 178).

SB 178 clarifies that the Vehicle Passenger Rental Tax enacted in 2003 does not apply to commercial long-term rentals among businesses in Alaska. The original legislative intent was to levy a tax on visitors using the State of Alaska's road system and infrastructure. Since the effective date of the law, rental car companies have collected the tax upon rental and submitted it to the State. Until recently, the Department of Revenue only applied this tax to rental car companies.

There are enough challenges to doing business in Alaska without uncertainties presented by inconsistent enforcement of the law. SB 178 updates and clarifies the Vehicle Rental Passenger Tax law that will provide regulatory certainty for Alaska businesses not in the vehicle rental business. We urge passage of SB 178 during the 28th Alaska Legislative Session.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rachael Petro', written over a horizontal line.

Rachael Petro
President/CEO

Cc: Senator Click Bishop
Senator Peter Micciche