



February 21, 2014

The Honorable Representative Peggy Wilson [Representative.Peggy.Wilson@akleg.gov](mailto:Representative.Peggy.Wilson@akleg.gov)  
House Transportation Committee  
Juneau, AK

Re: HB 314 Passenger Vehicle Rental Tax

Chairperson Wilson,

I am writing to you in support of House Bill 314. Airport Equipment Rentals, Inc. is the John Deere dealer for Alaska and we are also largest equipment rental company in the state with locations in Deadhorse, Fairbanks, Delta Junction, Anchorage and Kenai.

Primarily as a customer service, we offer incidental rental of ¾ ton and one ton trucks to our construction equipment customers on the North Slope, largely to the producers and contractors. Most rentals are several months in duration and often one or two years.

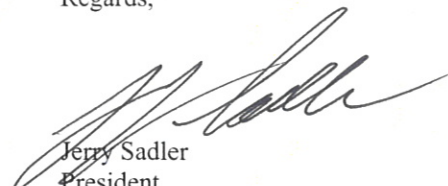
Coincidentally, we also owned the National-Alamo rental car concession for Fairbanks until May of 2013 so we are very familiar with and have paid the rental car tax since its inception and continue to do so today for our small remaining truck rental business.

The intent of the legislature was to tax short term car rentals to tourists to help fund road maintenance and tourism marketing. Recently, the Department of Revenue has retroactively re-interpreted the statute and legislature's intent, specifically with regard to long term rentals of ¾ ton and one ton trucks rented between Alaska businesses on private property on the North Slope.

Since we have been paying the tax, this issue has not impacted our company. However, if the bill is not passed, the result would likely be Alaska businesses passing the cost on to other Alaska businesses which is contrary to the original intent of the tax. Further, some of our competitors would likely be bankrupted which would not be positive for the industry or our company as we do not want to invest in the low margin truck rental business any more than we absolutely have to. We are also concerned about further retroactive re-interpretation of the statutes by the Department of Revenue.

Thank you for your time and consideration of my comments regarding HB 314. If you have any questions, please call or email Jon Cook at (907)460-7030 or [joncook@aer-inc.net](mailto:joncook@ aer-inc.net) or feel free to call me directly at any time.

Regards,



Jerry Sadler  
President  
(907)388-1356

Cc: House Transportation Committee Members, Rep. Steve Thompson



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