

From: [Yahoo](#)
To: [Senate Finance Committee](#)
Subject: HB247 comments
Date: Sunday, May 15, 2016 11:15:47 AM

Finance committee,

I wasn't able to share my verbal comments but I was hoping to take a few moments to share my general concerns and considerations regarding oil tax legislation.

I represent myself and my family (wife, 8yr old daughter, 5yr old son, and 2yr old daughter). We have lived in Anchorage for the past 12 years.

I am a licensed CPA in Alaska and I have been watching the state's interactions with the oil industry going back to when Frank Murkowski was governor. I have seen numerous tax changes over the years and it's disruptive impact on the oil companies. Even more concerning is the pipeline throughput decline and when oil prices are low and companies are losing money, it seems that tinkering with taxes again will be very detrimental to our overall economy.

When companies like BP make decisions to lay off all of their drilling contractors the result is going to be less and less throughput which will eventually result in fewer taxes to the state, fewer oil sector jobs, less spending in my community which will likely result in a depressed real estate market, lower property tax assessments, which will all reduce the quality of life for myself and my family. Increasing taxes when companies are losing money is bad policy and will only cause other smaller companies to put off projects, halt production, and take other cost-cutting measures to compensate for the increased taxes. Mess with taxes enough and the smaller players would likely leave Alaska altogether, as is being witnessed in the lower 48 right now.

Though I am also concerned about the states large deficit, I would much prefer to see my PFD go away and I would even prefer to pay sales or other taxes than to discourage an industry that has such a positive impact on jobs and overall prosperity for our state. Without knowing the specifics of the tax credit programs and the various oil tax programs my instinct is that if we have to change something, we should reduce the tax credits before we increase the oil taxes and I would think that Cook inlet tax credits are less valuable to the state in the long-term than north slope credits (if only for the fact that throughput should be a critical consideration).

When prices are low, both the oil industry and the state need to cut back on their expenses but it doesn't seem right that the state uses low prices as an opportunity to renegotiate key terms of its relationship with the industry.

Thanks for your time and deliberations on this issue.

Sincerely,

Walter Williams IV
Sent from my iPhone