



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Revenue

COMMISSIONER'S OFFICE

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May 23, 2016

The Honorable Mia Costello, Chair
Senate Labor & Commerce Committee
State Capitol Building
Juneau, AK 99801

Dear Senator Costello:

The Department of Revenue (DOR) respectfully requests that SB 4001, "An Act relating to taxation, including establishing an individual income tax; relating to the marijuana tax and bonding requirements for marijuana cultivation facilities; relating to the exploration incentive credit; increasing the motor fuel tax; increasing the taxes on cigarettes and tobacco products; taxing electronic smoking products; adding a definition of 'electronic smoking product' and requiring labeling of an electronic smoking product; increasing the excise tax on alcoholic beverages; relating to exemptions from the mining license tax; removing the minimum and maximum restrictions on the annual base fee for the reissuance or renewal of an entry permit or an interim-use permit; increasing the mining license tax rate; relating to mining license application, renewal, and fees; increasing the fisheries business tax and fishery resource landing tax; relating to refunds to local governments; and providing for an effective date," be scheduled in the Senate Labor & Commerce Committee at your earliest convenience.

The purpose of this legislation is to have a bill highlighting multiple revenue measures, including the establishment of an individual income tax, tax measures on fisheries business tax and fisheries landing tax, the mining license tax, the excise tax on alcoholic beverages, raising the tax on tobacco products and taxing electronic smoking products, fees for commercial fisheries entry or interim use permits, regarding the administration and enforcement of the marijuana tax. This broad-based tax bill addresses the needs as Alaska's revenues decrease and will make a significant difference to the State's fiscal situation.

Your favorable consideration of this request is appreciated. If you need any additional information, please contact Jerry Burnett, Deputy Commissioner for the Department of Revenue at 907-465-3669.

Sincerely,

A handwritten signature in blue ink, reading "Randall J. Hoffbeck".

Randall J. Hoffbeck, Commissioner

Cc: Darwin Peterson, Legislative Director, Office of the Governor
Jerry Burnett, Deputy Commissioner, Department of Revenue
Ken Alper, Director, Tax Division, Department of Revenue