

# ALASKA STATE LEGISLATURE

**Interim:**  
716 West 4th Avenue  
Anchorage, Alaska 99501-2133  
Phone: (907) 269-0199  
Fax (907) 269-0197  
Senator\_Kevin\_Meyer@legis.state.ak.us



**Session:**  
Alaska State Capitol  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4945  
Fax: (907) 465-3476  
Toll Free: (866) 465-4945

**SENATOR KEVIN MEYER**  
SENATE DISTRICT O

## SPONSOR STATEMENT FOR SENATE BILL 138

*“An Act relating to a corporation income tax credit for contributions by a person owning or operating a commercial passenger vessel to a qualified trade association that was awarded a contract by the Department of Commerce, Community and Economic Development, and used for planning and executing a destination tourism marketing campaign.”*

Alaska is struggling to maintain and grow market share in national and international tourism markets. Competing destinations are far outspending Alaska through increased marketing budgets. The worldwide economic downturn has made competition even greater and Alaska's tourism industry risks facing a future of decline.

SB 138 would establish a tourism marketing tax credit toward the recently approved 'water's edge'\* corporate cruise income tax and creates a sustainable funding source to grow Alaska's tourism marketing program. Promoting travel to Alaska is critical to the hundreds of small businesses around the state that provide services to visitors. A reinvestment of tourism tax revenues will ultimately grow and strengthen Alaska's economy through the travel industry.

The Legislative discussion around the FY09 tourism marketing reinvestment was a critical first step in recognizing that a sustainable fund source solution be identified. The state's reinvestment of \$9 million (fund source: vehicle rental car taxes) is still well short of the \$20.0+ million the travel industry believes is required for sustainable growth of Alaska's economy through tourism businesses. Moreover, this amount is short of the \$22.7 million the State invested in tourism marketing twenty years ago [FY90].

Currently there is a 70/30 split between the State of Alaska and private industry; \$9.0 million in tourism tax revenues combined with \$2.7 million in private industry match for a total tourism marketing budget of \$11.7 million in FY09. In an effort to motivate action on the growth imperative, the legislature applied a 3-year sunset clause to the match requirement [FY11 sunset] and requested the travel industry come back to the table with a long-term tourism marketing funding growth plan. SB 138, which would establish a tourism marketing tax credit, is part of that plan.

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\*Sec. 43.20.073. Affiliated groups: (a) A corporation that is a member of an affiliated group shall file a return using the water's edge combined reporting method. A return under this section must include the following corporations if the corporations are part of a unitary business with the filing corporation.....”

**SENATE BILL NO. 138**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

**BY SENATORS MEYER, Stevens, Huggins, Olson, McGuire, Thomas, Menard, Paskvan, Wagoner, Davis, Kookesh**

**Introduced: 3/9/09**

**Referred: Labor and Commerce, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to a corporation income tax credit for contributions by a person  
2 owning or operating a commercial passenger vessel to a qualified trade association that  
3 was awarded a contract by the Department of Commerce, Community, and Economic  
4 Development, and used for planning and executing a destination tourism marketing  
5 campaign."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 \* **Section 1.** AS 43.20 is amended by adding a new section to article 1 to read:

8 **Sec. 43.20.047. Tourism marketing tax credit.** (a) A person owning or  
9 operating a commercial passenger vessel in the state is entitled to a credit against the  
10 tax due under this chapter for a cash contribution

11 (1) accepted by the qualified trade association that was awarded a  
12 contract under AS 44.33.125(a); and

13 (2) used for the destination tourism marketing campaign that was

1 planned and executed under the contract issued under AS 44.33.125(a).

2 (b) The credit in (a) of this section may not be less than zero and may not  
3 exceed the difference between the tax liability for the person owning or operating a  
4 commercial passenger vessel in the state determined under AS 43.20.011(e) in  
5 conjunction with AS 43.20.021(h) and (i) and the tax liability for the person owning or  
6 operating a commercial passenger vessel in the state determined under  
7 AS 43.20.011(e) in conjunction with AS 43.20.021 as that section read on  
8 December 16, 2006.

9 (c) A credit or portion of a credit under this section may not be used to reduce  
10 a person's total tax liability under this chapter for a calendar year below zero, and any  
11 unused credit or portion of a credit not used under this section may not be applied in a  
12 subsequent calendar year.

13 (d) In this section, "commercial passenger vessel" has the meaning given in  
14 AS 43.52.295.

15 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
16 read:

17 **APPLICABILITY.** AS 43.20.047, added by sec. 1 of this Act, applies to cash  
18 contributions accepted and used after June 30, 2009, for the destination tourism marketing  
19 campaign described in AS 43.20.047(a), added by sec. 1 of this Act.

# FISCAL NOTE

**STATE OF ALASKA**  
**2009 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB 138  
 () Publish Date: \_\_\_\_\_

Identifier (File Name): SB138-DOR-TAX-03-17-09 Dept. Affected: Revenue 04  
 Title: Tax Credit for State Tourism Program RDU: Taxation and Treasury  
 Component: Taxation and Treasury  
 Sponsor: Senators Meyer et al  
 Requester: (S) Labor & Commerce Component No.: 2476

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | Appropriation Required | Information |            |            |            |            |            |
|------------------------|------------------------|-------------|------------|------------|------------|------------|------------|
|                        | FY 2010                | FY 2010     | FY 2011    | FY 2012    | FY 2013    | FY 2014    | FY 2015    |
| Personal Services      | 0.0                    | 0.0         | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Travel                 | 0.0                    | 0.0         | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Contractual            | 30.0                   | 0.0         | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Supplies               | 0.0                    | 0.0         | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Equipment              |                        |             |            |            |            |            |            |
| Land & Structures      |                        |             |            |            |            |            |            |
| Grants & Claims        |                        |             |            |            |            |            |            |
| Miscellaneous          |                        |             |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>30.0</b>            | <b>0.0</b>  | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |          |            |            |            |            |            |            |
|-----------------------------|----------|------------|------------|------------|------------|------------|------------|
| <b>CAPITAL EXPENDITURES</b> | <b>0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |
|-----------------------------|----------|------------|------------|------------|------------|------------|------------|

|                               |          |            |          |          |          |          |          |
|-------------------------------|----------|------------|----------|----------|----------|----------|----------|
| <b>CHANGE IN REVENUES ( )</b> | <b>*</b> | <b>0.0</b> | <b>*</b> | <b>*</b> | <b>*</b> | <b>*</b> | <b>*</b> |
|-------------------------------|----------|------------|----------|----------|----------|----------|----------|

**FUND SOURCE** (Thousands of Dollars)

|                            |             |            |            |            |            |            |            |
|----------------------------|-------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts      |             |            |            |            |            |            |            |
| 1003 GF Match              |             |            |            |            |            |            |            |
| 1004 GF                    | 30.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1005 GF/Program Receipts   |             |            |            |            |            |            |            |
| 1037 GF/Mental Health      |             |            |            |            |            |            |            |
| Other Interagency Receipts |             |            |            |            |            |            |            |
| <b>TOTAL</b>               | <b>30.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2009) cost: 0

**POSITIONS**

|           |      |   |      |      |      |      |      |
|-----------|------|---|------|------|------|------|------|
| Full-time | 0.00 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Part-time |      |   |      |      |      |      |      |
| Temporary |      |   |      |      |      |      |      |

**ANALYSIS:** (Attach a separate page if necessary)

See Attached.

Prepared by: Dan Stickel, Economist  
 Division: Tax Division  
 Approved by: Ginger Blaisdell, Director, Administrative Services  
 Agency: Department of Revenue

Phone: (907) 465-3279  
 Date/Time: 3-17-09 8:07am  
 Date: 3/17/2009

FISCAL NOTE

STATE OF ALASKA  
2009 LEGISLATIVE SESSION

BILL NO. SB 138

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**ANALYSIS CONTINUATION**

**Bill Language:**

This bill will create a tax credit for contributions to a qualified trade association that has been awarded a contract by the Department of Commerce, Community and Economic Development for planning and executing a destination tourism marketing campaign.

The tax credit would be equal to the value of qualified contributions and could be applied to a liability under the Alaska Corporate Net Income Tax. Unused tax credits could not be carried forward or transferred. The tax credit would be available only to corporations owning or operating large commercial passenger vessels.

A 2006 initiative subjected commercial passenger vessel operations to corporate income tax under AS 43.20. Prior to that initiative, commercial passenger vessel operations were exempt from taxation through the department's adoption of Internal Revenue Code Section 883. The credit would have a maximum value equal to the difference between (1) the corporate income tax liability under current law which includes commercial passenger vessels in the tax base, and (2) the corporate income tax liability under laws in place as of December 16, 2006 which exempted commercial passenger vessels.

The tax credit would apply to contributions after June 30, 2009.

**Revenues:**

Revenues from this bill are indeterminate for two reasons: first, the total tax liability from corporations operating commercial passenger vessels cannot be disclosed due to confidentiality constraints; and second, we do not know to what extent commercial passenger vessel operators will offset that liability through contributions that qualify for the tax credit under this bill.

Corporate income tax collections from the entire tourism industry were \$3.5 million in FY 2007 and \$15.8 million in FY 2008. These amounts include commercial passenger vessels as well as other tourism companies such as tour operators and hotels. The FY 2008 amount reflects the first full fiscal year of collections after commercial passenger vessels were added to the tax base, but we cannot disclose the amount of tax from commercial passenger vessel operators due to confidentiality constraints. It can be said, however, that the maximum possible credit in FY 2008 would have been no greater than \$15.8 million.

**Expenditures:**

This bill would require the Department of Revenue to administer a new tax credit program. We anticipate being able to implement the new credit using existing staff. There will be \$30,000 in one-time startup expenses. These expenses include \$20,000 for enhancements to our tax examination system, and \$10,000 for updates to our tax forms and education and communication with stakeholders as we implement the credit program.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

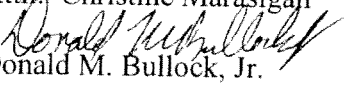
State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

March 12, 2009

**SUBJECT:** Sectional Summary of SB 138, relating to a corporate income tax credit for contributions to a qualified trade association (Work Order No. 26-LS0626\S)

**TO:** Senator Kevin Meyer  
Attn: Christine Marasigan

**FROM:**   
Donald M. Bullock, Jr.  
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Adds a new section to AS 43.20, the Alaska Net Income Tax Act, providing a new credit against the income tax on corporations.

Subsection (a): The new credit is for a person owning or operating a commercial passenger vessel in the state, for a contribution by that person to the trade association awarded a tourism marketing contract under AS 44.33.125. The credit may only be claimed if the contribution was used for the destination tourism marketing campaign that was planned and executed under the contract.

Subsection (b): The amount of the credit may not be less than zero. The maximum amount of the credit is determined by calculating the tax liability of the person owning or operating the vessel under AS 43.20.011(e) using

- (1) AS 43.20.021 as it reads now; and
- (2) AS 43.20.021 as it read on December 16, 2006, the day before the cruise ship initiative took effect.

The amount of the credit may not exceed the difference between these two figures.

Senator Kevin Meyer  
March 12, 2009  
Page 2

Subsection (c): This provides that a credit may not be used to reduce the taxpayer's corporate income tax bill below zero. It also prohibits a taxpayer from carrying an unused credit over to a subsequent tax year.

Subsection (d): Defines "commercial passenger vessel" for the section, by reference to AS 43.52.295.

Section 2. Makes the new section, sec. 43.20.047, applicable to contributions accepted after June 30, 2009.

DMB:plm  
09-160.plm

26-LS0626P  
Bullock  
3/17/09

**CS FOR SENATE BILL NO. 138( )**  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SIXTH LEGISLATURE - FIRST SESSION

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): SENATORS MEYER, Stevens, Huggins, Olson, McGuire, Thomas, Menard, Paskvan, Wagoner, Davis, Kookesh, Therriault, Dyson**

**A BILL**  
**FOR AN ACT ENTITLED**

1 **"An Act relating to a corporation income tax credit for contributions by a person**  
2 **owning or operating a commercial passenger vessel to a qualified trade association that**  
3 **was awarded a contract by the Department of Commerce, Community, and Economic**  
4 **Development, and used for planning and executing a destination tourism marketing**  
5 **campaign."**

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 **\* Section 1.** AS 43.20 is amended by adding a new section to article 1 to read:

8 **Sec. 43.20.047. Tourism marketing tax credit.** (a) A person owning or  
9 operating a commercial passenger vessel in the state is entitled to a credit against the  
10 tax due under this chapter for a cash contribution

11 (1) accepted by the qualified trade association that was awarded a  
12 contract under AS 44.33.125(a);

13 (2) used for the destination tourism marketing campaign that was



1 planned and executed under the contract issued under AS 44.33.125(a); and

2 (3) not used to provide the person making the contribution with a  
3 direct or tangible benefit.

4 (b) The credit in (a) of this section may not be less than zero and may not  
5 exceed the difference between the tax liability for the person owning or operating a  
6 commercial passenger vessel in the state determined under AS 43.20.011(e) in  
7 conjunction with AS 43.20.021(h) and (i) and the tax liability for the person owning or  
8 operating a commercial passenger vessel in the state determined under  
9 AS 43.20.011(e) in conjunction with AS 43.20.021 as that section read on  
10 December 16, 2006.

11 (c) A credit or portion of a credit under this section may not be used to reduce  
12 a person's total tax liability under this chapter for a calendar year below zero, and any  
13 unused credit or portion of a credit not used under this section may not be applied in a  
14 subsequent calendar year.

15 (d) In this section, "commercial passenger vessel" has the meaning given in  
16 AS 43.52.295.

17 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
18 read:

19 **APPLICABILITY.** AS 43.20.047, added by sec. 1 of this Act, applies to cash  
20 contributions accepted and used after June 30, 2009, for the purposes described in  
21 AS 43.20.047(a), added by sec. 1 of this Act.


# Alaska State Legislature



*Interim:*  
716 West 4th Ave.  
Anchorage, Alaska 99501  
(907) 269-0199

*Session:*  
State Capitol Building  
Juneau, Alaska 99801-1182  
(907) 465-4945

**Senator Kevin Meyer**  
Senate District O

**TO:** Senator Kevin Meyer  
**FROM:** Christine R. Marasigan, Legislative Aide   
**DATE:** March 18, 2009  
**RE:** CS for SB 138, explanation of change.

The drafted CS for SB 138 makes one change.

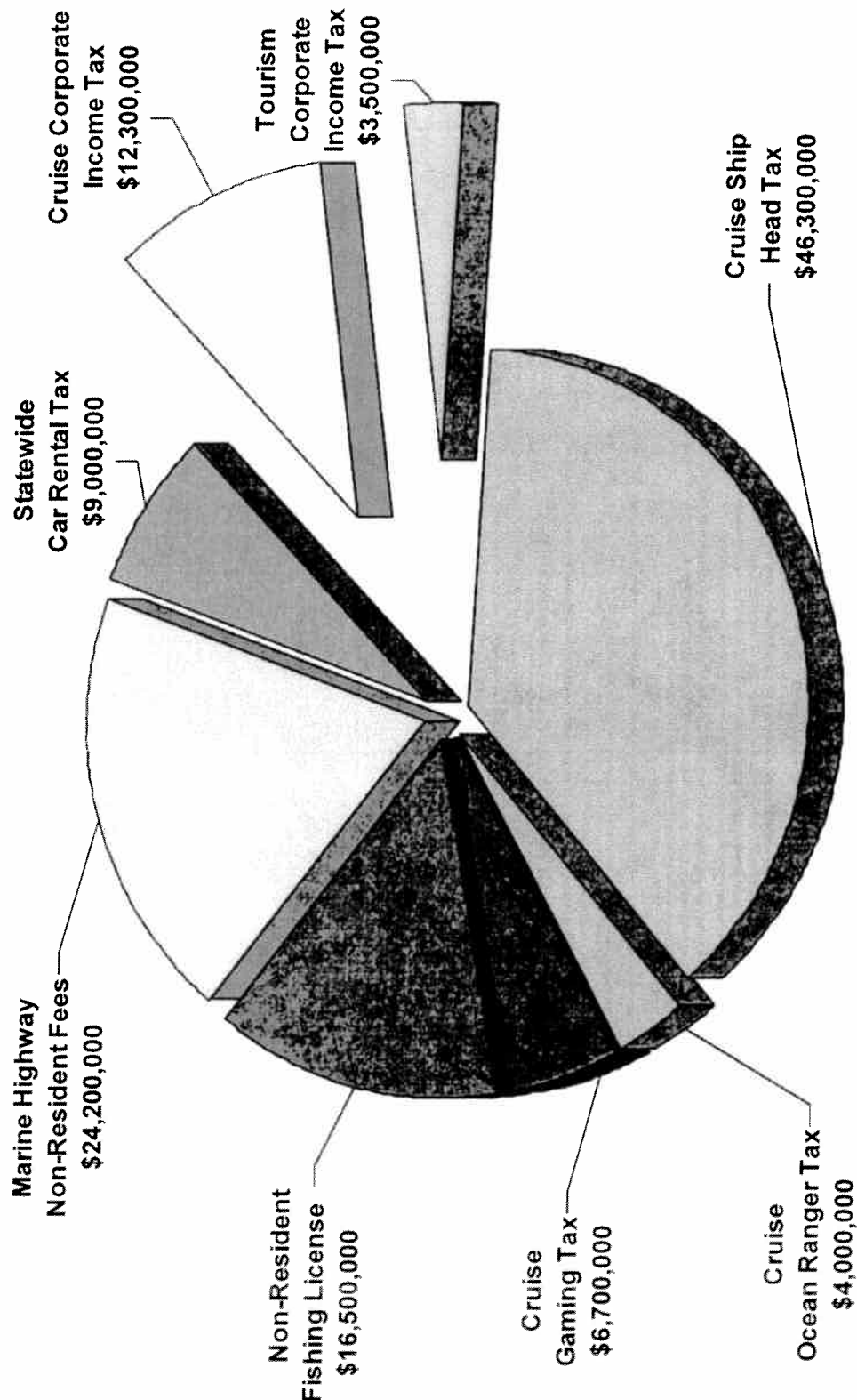
Page 2, line 2

Inserted new language:

**(3) not used to provide the person making the contribution with a direct or tangible benefit.**

Reason for change: The intent of SB 138 is to only allow the tourism marketing tax credit to be taken for qualified trade association contributions for which no direct or tangible value is received. No other contributions, pay to play, vacation planner ads, labels, media, travel conventions etc. under contract can be used as a tax credit. The only funds which can be applied must be from the tourism corporate income tax, specifically the 'water's edge' corporate cruise income tax.

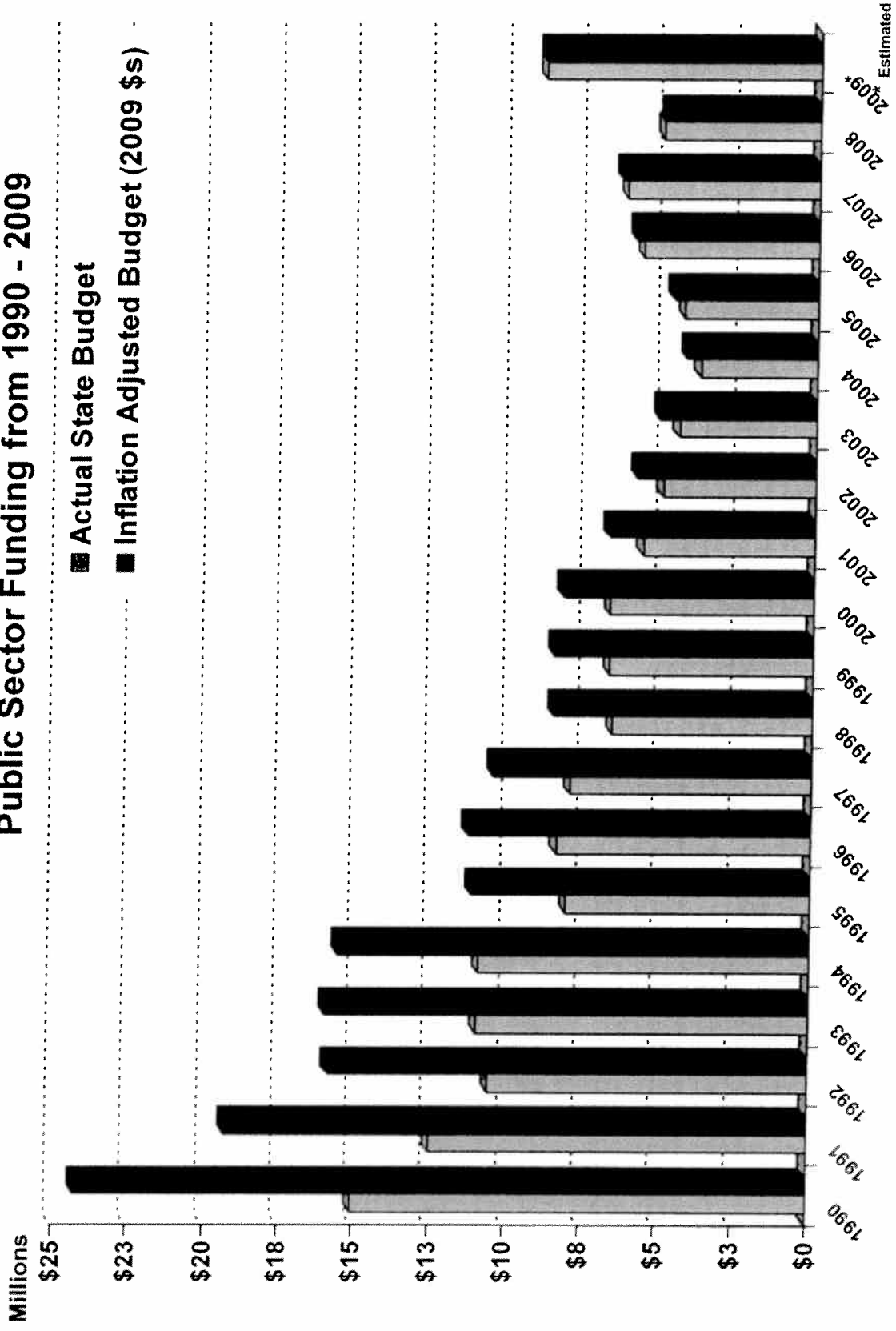
# Estimated State Tourism Revenues



**\$122.5 million**

# Tourism Marketing in Alaska

Public Sector Funding from 1990 - 2009





**FAIRBANKS**  
CONVENTION & VISITORS BUREAU

March 16, 2009

101 Dunkel Street, Suite 111 • Fairbanks, AK 99701-4806  
(907) 457-3282 • (907) 459-3787 Fax  
[www.explorefairbanks.com](http://www.explorefairbanks.com)

Dear Senators Meyer, Thomas, Paskvan and Therriault:

On behalf of the visitor industry in the Interior, the Fairbanks Convention & Visitors Bureau heartily thanks you for sponsoring SB 138. By supporting the marketing funding for the Alaska Travel Industry Association (ATIA), you are supporting small businesses in Fairbanks and the Interior.

Entrepreneurialism is one of the hallmarks of the Alaska visitor industry. These local business owners and their employees are your neighbors, friends and constituents. As you know, tourism has a ripple effect throughout our community, generating construction, transportation and countless other services, infrastructure and quality-of-life benefits to our community. The soon-to-open, locally-owned Hotel North Pole is one of many great examples of this entrepreneurialism.

The beauty of a state destination campaign is that it reaches a depth and breadth of potential customers that is beyond the reach of most small businesses. Destinations operate in a fiercely competitive marketing environment which becomes even more ferocious in trying economic times such as these.

The success of our “mom-and-pop” businesses is not only creativity, hard work and persistence but also relies on the success of the ATIA campaigns. On a daily basis, the FCVB sees the benefits of the marketing and sales efforts of ATIA. Please continue to support small business by doing the following this legislative session:

- Support the Governor’s budget that continues the reinvestment of vehicle rental tax revenues into Alaska’s tourism marketing program [QTA contract] at the \$9 million level in the FY10 operating budget. This will be matched with \$2.7 million in private-sector funds, including funding from FCVB.
- As you have proposed, pass the SB 138 legislation to provide a tax credit to payers of the Cruise Line Corporate Income Tax for contributions to Alaska’s tourism marketing program. The goal is to sustainably grow Alaska’s tourism marketing funding to at least \$20 million. 50% of Fairbanks’ summer visitation is cruise related. Let this tax credit help us to grow small businesses in Alaska and to grow our winter tourism season!
- Measure the results of Alaska’s tourism marketing reinvestment. Appropriate \$850,000 in the FY10 capital budget to fund the Alaska Visitor Statistics Program, an economic impact study. FCVB cannot afford this kind of important research on our own.

Now in my tenth year at FCVB, over the years, I have seen our marketing team work hand-in-hand with the ATIA marketing team to bring visitors to Fairbanks and the Interior. We feel blessed to share our wonderful Alaska product with visitors from throughout the world.

On a personal note, I have made my living since 1982 as a destination marketing professional. I feel personally blessed to have challenging work in a field that I feel passionate about while supporting my child.

Last but certainly not least, thank you for your tireless efforts in Juneau and especially for your support of this important legislation. It is an honor to work with you to foster the economic development of Alaska and our community.

I'll be in Juneau on April 1 and 2 and look forward to seeing you then. Meanwhile, if you have any questions, please feel free to contact me at (907) 459-3770 or [dhickok@explorefairbanks.com](mailto:dhickok@explorefairbanks.com).

Warm Regards,



Deb Hickok  
President and CEO



# **NORTHERN ALASKA TOUR COMPANY**

PO Box 82991 Fairbanks, Alaska 99708

16 March 2009

Alaska State Capitol, Room # 7  
Juneau, AK 99801

Dear Senator Paskvan:

Thank you very much for your service in Juneau on behalf of our community. Yours is a significant commitment and it is appreciated.

I'm contacting you regarding tourism marketing funding and its importance to the Alaska economy.

While we are certainly hoping for the best this summer visitor season, we also need to be grounded in the reality that most tourism businesses are projecting to be down 20% - 50%. Over time, our businesses have experienced firsthand the positive results of effective destination marketing and now, more than ever, Alaska needs to increase our marketing activities. Although we have a long way to go towards growing Alaska's tourism marketing funding to \$20 million, we can at least make some progress this year. I am requesting you support the following:

1 - Continue the reinvestment of vehicle rental tax revenues into Alaska's tourism marketing program at the \$9.0 million level in the FY10 operating budget. This will be matched with \$2.7 million in private sector funds.

2 - Pass legislation providing a tax credit to payers of the Cruise Line Corporate Income Tax for contributions to Alaska's tourism marketing program. [SB 138].

3 - Measure the results of Alaska's tourism marketing reinvestment. Appropriate \$850,000 in the FY10 capital budget to fund the Alaska Visitor Statistics Program [AVSP] and an economic impact study.

Tourism has afforded me a vocation that allowed me return to my home town of Fairbanks after college and other adventures, begin my professional life, start a family, live in a great, kid-friendly neighborhood and grow a business that provides year-round and seasonal jobs for other members of our community. The programs of the former AVA and current ATIA have been vital to this success.

If you have any questions or would like additional information to assist you in supporting our industry please do not hesitate to contact me.

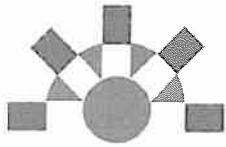
Thanks and Best Regards



Matt Atkinson

Phone 907.474.8600 Fax 907.474.4767

[www.northernalaska.com](http://www.northernalaska.com) [adventure@northernalaska.com](mailto:adventure@northernalaska.com)



ALASKA  
NATIVE  
HERITAGE  
CENTER

March 10, 2009

Senator Kevin Meyer  
Alaska State Capitol  
Juneau, AK 99881

Dear Senator Meyer:

RE: SB – 138 - TITLE: Tax Credit for State Tourism Program

The purpose of this letter is to thank you for sponsoring SB 138 – Tax Credit for State Tourism Program. As a constituent of your district, I am encouraged and happy with your progressive beliefs toward supporting Alaska tourism.

As you know, this bill is "An Act relating to a corporation income tax credit for contributions by a person owning or operating a commercial passenger vessel to a qualified trade association that was awarded a contract by the Department of Commerce, Community, and Economic Development, and used for planning and executing a destination tourism marketing campaign."

We appreciate your support and willingness to sponsor this important bill for the tourism and cruise ship industry in Alaska. The Alaska Native Heritage Center is a destination for many visitors who come to Alaska via the cruise ships. Our Center employs over 100 people from all over Alaska, young and old to teach and share our cultural heritage with over 80,000 guests visiting all summer. Thank you for your continued support and I look forward to the successful passage of this bill.

Chi'nan,

**Alaska Native Heritage Center**

Debra L. Call  
Vice President, Operations



March 10, 2009



Senator Kevin Meyer  
Alaska State Legislature Senate  
State Capitol, Room 101  
Juneau, AK 99801-1182

Dear Senator Meyer:

The Anchorage Convention & Visitors Bureau (ACVB) Board of Directors unanimously passed a resolution (enclosed) in support of HB134 to modify the "point of discharge" water standard scheduled to affect cruise ships beginning in 2010. As you have read and heard from Alaska's cruise lines and other concerned businesses, the new standard for cruise ships is not achievable within the 2010 timeline.

There are some that think this is primarily a cruise company issue and will have little effect on the rest of the state. That simply is untrue:

61 percent of all summer visitors spent at least one night on a cruise ship while in Alaska... The cruise industry alone provides more than 1,000,000 passenger visitors annually spending nearly \$1 billion. The coastal communities have become reliant on this revenue as part of their economic structure and composition. (*Alaska Visitor Statistics Program V Intern Visitor Volume Report, Summer 2008*)

**Cruise passengers are a vital part of Southcentral's summer tourism industry, as reflected by the unanimous decision by ACVB's 27-member board to make support of this legislation our number one priority this session.** I've included a list of ACVB's Board of Directors on the back of the resolution to give you an idea of the wide variety of concerned businesses represented by the Board.

*With the state of the worldwide economy, 2009 is expected to be a challenging season for Alaska's tourism industry and now is the time to do everything possible to encourage business in Alaska, not chase it away.* If the current standards are not modified with passage of HB134, we anticipate there will be fewer ships to Alaska, less time in the ports, decrease in tourism jobs and less money being spent with Alaska businesses. This will impact our community and that's why we are asking for your help.

We are not against standards; in fact our industry relies on a pristine environment. The standards currently outlined, however, are unreasonable and not based on science. HB 134 does hold cruise ships to high standards by allowing the Alaska DEC to do its job.

Thank you for your work. I ask for your vote in support to pass HB 134 as originally introduced and for your continued support of Alaska's second large private sector industry.

Respectfully,

Julie Saupe  
President & CEO



MATANUSKA-SUSITNA CONVENTION & VISITORS BUREAU

March 16, 2009

Senator Linda Menard  
Alaska State Capitol, Room #9  
Juneau, AK 99801

Dear Senator Menard:

On behalf of the visitor industry in the Mat-Su Valley, I want to personally thank you for your co-sponsorship of SB 138. Tourism is vital to the economic health of the Valley. Our many small businesses rely on the marketing efforts of the Alaska Travel Industry Association (ATIA) to bring visitors to Alaska. As a member of the ATIA board of directors and marketing committee I know the value of the research-based campaigns and programs.

For many years ATIA has advocated for a \$20 million marketing program to compete with the many other destinations vying for visitors. I was pleased to hear this session of the tourism marketing tax credit as a means to get us there. Since ATIA has lost the voluntary contributions from the cruise industry, this is a great opportunity to reinvest a significant portion of the tourism taxes collected by the state.

This legislation will benefit the many small businesses in the Valley who have seen a decrease in the independent and highway traveler. Mat-Su CVB has fielded many calls from businesses worried about the upcoming visitor season and the prediction of a decline in visitors. Your support of this bill will increase the marketing efforts of ATIA and encourage travelers to choose Alaska.

Thank you senator for adding your name to this legislation. I will be in Juneau March 31 – April 2 and look forward to seeing you then. If you have any questions, please feel free to contact me at 907-746-5001 or [bonnie@alaskavisit.com](mailto:bonnie@alaskavisit.com)

Sincerely,

Bonnie Quill  
Executive Director

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**From:** Steve Halloran  
**Sent:** Thursday, March 12, 2009 11:33 AM  
**To:** Sen. Kevin Meyer

**Subject:** Tourism Support : We need your Help

Senator Meyer,

I hope you are doing well in your new position and with your new responsibilities. I am unable to participate in the Legislative visit to Juneau in April to support all of my colleagues in the Tourism industry. However I wanted to urge your support on the bills that effect our industry. I will celebrate 30 years in the visitor business this summer, starting in Denali Park as a houseman/bellman. It has been a great career and experience and I look forward to growing our business for future visitors and the opportunities we can offer our local work force.

Thanks you for sponsoring SB 138 The Cruise Corporate Income Tax Credit. When it passes it will be invaluable in helping to increase our marketing reach. AS you are aware it is a tough environment to try and attract visitors to Alaska this year. Any additional funds above the \$9 million already in the budget will certainly help the cause.

WE have many families in our district that directly and indirectly make their living with visitors. WE appreciate your help in moving this legislation forward this session.

All the best,

Steve

Steve Halloran  
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**From:** Denise Hanson  
**Sent:** Thursday, March 12, 2009 9:25 AM  
**To:** Sen. Kevin Meyer

**Subject:** Sponsorship of SB 138

Dear Senator Meyer,

My name is Denise Hanson. I moved to Alaska 27 years ago for a job in tourism. I am a home owner (I live in your district) and active member of my community. Tourism sustains my life style.

I thank you for your support and sponsorship of SB 138. As one of your constituents I appreciate your support of our industry. I work for CIRI Alaska Tourism and we employ over 20 full time staff in Anchorage and over 35 full time staff throughout the state. We believe in local hire and native hire which is good for the state.

Thank you again,

Denise Hanson

Denise Hanson  
Revenue Control Manager  
CIRI Alaska Tourism  
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