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Governor Sean Parnell
STATE OF ALASKA

March 25, 2010

The Honorable Mike Chenault
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill that provides for (1) a corporate income tax credit for contributions to the qualified trade association that plans and executes a destination tourism marketing campaign, and (2) amendments to the commercial passenger vessel excise tax program to reduce the tax rate and provide for a periodic review of the tax rate to ensure that it remains commensurate with costs of hosting passengers in Alaska.

After decades of steady growth in cruise ship passenger visits to Alaska, Alaska is facing a 17 percent decline in cruise visitation this summer. Currently, that would translate into 140,000 fewer passengers coming here during the four-month cruise season, fewer Alaska jobs, and less revenue for Alaska's small businesses. In recognition of the significant impact this decline in cruise ship travel has on Alaska, I propose legislation to increase tourism marketing through a corporate income tax credit mechanism, and a reduction of the excise tax imposed upon passengers visiting Alaska by cruise ship. I am also proposing a periodic review to assess the projected community needs and use of appropriations to safely and efficiently host visitors in Alaska.

We can grow our economy by bringing more visitors to fuel our own Alaska businesses. In short, we should make Alaska a more affordable destination and send a message that we welcome travelers.

I urge your prompt and favorable action on the bill.

Sincerely,

A handwritten signature in black ink that reads "Sean Parnell".

Sean Parnell
Governor

Enclosure

HOUSE BILL NO. 422