

**Linda Hay**

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**From:** Jae Won <JWon@COLASKA.com>  
**Sent:** Wednesday, February 01, 2012 9:28 AM  
**To:** Representative\_Paul\_Seaton@legis.state.ak.us; Representative\_Eric\_Feige@legis.state.ak.us;  
Representative\_Peggy\_Wilson@legis.state.ak.us; Representative\_Alán\_Dick@legis.state.ak.us;  
Representative\_Neal\_Foster@legis.state.ak.us; Representative\_Bob\_Herron@legis.state.ak.us;  
Representative\_Cathy\_Munoz@legis.state.ak.us; Representative\_Berta\_Gardner@legis.state.ak.us;  
Representative\_Scott\_Kawasaki@legis.state.ak.us  
**Cc:** John@agcak.org  
**Subject:** Mining License Tax - Bill Number HB298

Representatives,

I am writing this letter to support House Bill No. 298.

I am a controller of QAP, a general contracting company. QAP owns and leases over dozen pits throughout Alaska, mainly support our construction activity. Our main construction activity is road construction as well as airport runways throughout rural Alaska.

To comply with current Mining License Tax law, it puts additional burden on the company due to the complexity of the law. Current law requires us to generate a separate income statement for the sand and gravel operation by each location. This requirement in general is proving to be difficult as QAP utilizes sand and gravel pits to support its construction activity. To comply with this law, we are having to have add costs to construction budget, which ultimately increases the construction cost for the government.

Currently QAP is being audited by Department of Revenue for two years of our Sand and Gravel operations. The audit process is becoming a burden on our company as well as DOR staff. It has been over a year since it began, and is still ongoing. It has been difficult for us and DOR staff to comply with current tax law. We have spent over 200 hours gathering data for DOR. I am sure that DOR has spent additional 200 hours if not more to understand the information provided. In summary, this law is adding additional cost for the company as well as DOR.

Again, I would like to express my support for House Bill No. 298.

Sincerely,  
Jae Won  
Controller  
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