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February 14th, 2012

Ref: Senate Bill No. 176: Exemptions From Mining Tax

Dear Senate Resource Committee Members:

Thank you for your support of SB 176. This bill will remove a burdensome tax to the benefit of the citizens of Alaska.

Brice Companies are based in Fairbanks, AK and include Browns Hill Quarry located on Badger Road between North Pole and Fairbanks. Browns Hill Quarry provides quarry rock and sand and gravel products for sale to the public as well as a majority of the public works projects in the area for roads, driveways, erosion control and landscaping. In the recent past, we have had to comply with an onerous audit of the Mining License Tax by the Department of Revenue (DOR). This audit required us to spend a significant amount of additional time with our staff and the hiring of an outside CPA firm over a two year period to finalize our response. The cost of this audit by the DOR to our company was significant and does not correlate with the amount of tax revenue generated. Our Mining License payments during the 2 year audit would not have covered the costs of the DOR auditors to the State for the hours of effort expended.

All of the quarry rock, sand and gravel products we mine at Browns Hill Quarry stay in Alaska. Costs to prepare and pay the Mining License Tax and audit expenses are passed on to our customers, Alaskans.

Thank you for your time and support of this bill.

Sincerely,

Sam Robert Brice, President
Brice Incorporated