

MagTec Alaska, LLC

43385 Kenai Spur Highway, Kenai, AK 99611
(907) 335-6305 phone (907) 335-6313 fax

February 20, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

I am writing to you in support of Senate Bill 178.

MagTec Alaska, LLC services various businesses in the State of Alaska, providing rental equipment and support services to industry projects. Our main locations are Prudhoe Bay and the Kenai Peninsula.

We are supporting House Bill 314 because we feel that it clarifies the original intent of the vehicle tax. Currently, with the interpretation and enforcement of their interpretation of the rental vehicle tax by the Alaska Department of Revenue, it has created undo complications to our business processes, requiring us to implement manual procedures to determine what is and isn't taxable, as well as requiring us to collect this tax on long term rentals from our Alaskan businesses.

If this new bill is not passed, we feel that this will create unfair competitive advantages between Alaskan businesses in this heavily supported industry.

Thank you for your time and consideration of my comments regarding this Senate Bill 178. If you have any questions regarding my support, please contact me at 907-335-6305.

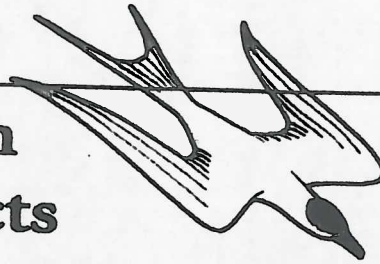
Best regards.

Sincerely yours,

Ryan A. Peterkin
President, MagTec Alaska, LLC

Cc: Senator Bishop

Arctic Petroleum Products



February 20, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

Alaska Petroleum Products is a company that started in 2011 and provides petroleum products to various customers, focusing mainly on the Kenai Peninsula and Prudhoe Bay areas.

As a young and growing company, the burden of an additional tax could be devastating and greatly affect our ability to operate.

We rely on the rental industry to provide part of our fleet that allows us to transport our products to our customers. With the addition of a 10% tax added to our expense of renting from our local vendors, it adds up to critical dollars that could be better spent in the operation of our business.

It is our understanding that the vehicle tax bill's original intent was for the purpose of collecting revenues from tourism, not the local Alaskan business that are already supporting the State of Alaska.

Thank you for considering my comments regarding Senate Bill 178. If there are any concerns regarding my support, please contact me at 907-252-5169.

Best Regards.

Wayne Wong
Managing Member
Cc: Senator Bishop

PO Box2656 Kenai Alaska 99611



ALASKA AUTO DEALERS ASSOCIATION

P.O. Box 201305, Anchorage, Alaska 99520-1305

February 20, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: Senate Bill 178, Passenger Vehicle Rental Tax

Chairman Egan,

Thank you for hearing SB 178. I am pleased to inform you that the Alaska Auto Dealers Association (AADA) fully supports this legislation and hopes for its quick passage. I am writing to you in support of Senate Bill 178.

The AADA is very familiar with the Rental Car Tax and its legislative history. SB 178 clarifies the original intent of the legislature that was to tax outside visitors and tourists to help raise fund for road maintenance and tourism marketing.

We are very concerned that recent retroactive re-interpretation of the tax by the Department of Revenue towards equipment leasing companies operating predominantly on the North Slope could have significantly adverse impact on those companies. Those companies are significant long-term customers of our member dealers.

SB 178 will clarify and enshrine the original intent of the rental car tax. More importantly, it will insure that Alaskan leasing companies can continue to do business with Alaskan auto dealers.

Thank you for your time and consideration of our comments supporting Senate Bill 178.

Sincerely,



Marten Martensen
President

cc: Senator Click Bishop



February 20, 2014

The Honorable Senator Dennis Egan
House Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

Chumley's Corporation Inc. is a construction contractor working in various locations within the State of Alaska.

We are in support of Senate Bill 178 because, as a small business owner, not having the ten percent charge translates to a few more critical dollars to support the going concern. We also rely heavily on activity from the oil industry and, as a company, we fear the consequences to our business if legislature does not uphold the initial intent of the vehicle tax, which was to charge this tax to tourists, and not Alaskan businesses.

We hope that legislature will support this bill and promote the growth of economic activities in our great State of Alaska.

Thank you for considering my comments regarding Senate Bill 178. If there are any concerns or questions regarding my support, please contact me at 907-252-5169.

Best Regards,

Elton McGahan
Managing Member

Cc: Senator Bishop



February 21, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
Juneau, Alaska

Senator.Dennis.Egan@akleg.gov;

Re: SB 178 Passenger Vehicle Rental Tax

Chairperson Egan,

I am writing to you in support of Senate Bill 178. Airport Equipment Rentals, Inc. is the John Deere dealer for Alaska and we are also largest equipment rental company in the state with locations in Deadhorse, Fairbanks, Delta Junction, Anchorage and Kenai.

Primarily as a customer service, we offer incidental rental of ¾ ton and one ton trucks to our construction equipment customers on the North Slope, largely to the producers and contractors. Most rentals are several months in duration and often one or two years.

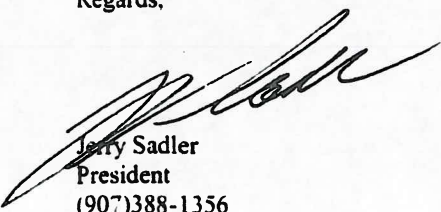
Coincidentally, we also owned the National-Alamo rental car concession for Fairbanks until May of 2013 so we are very familiar with and have paid the rental car tax since its inception and continue to do so today for our small remaining truck rental business.

The intent of the legislature was to tax short term car rentals to tourists to help fund road maintenance and tourism marketing. Recently, the Department of Revenue has retroactively re-interpreted the statute and legislature's intent, specifically with regard to long term rentals of ¾ ton and one ton trucks rented between Alaska businesses on private property on the North Slope.

Since we have been paying the tax, this issue has not impacted our company. However, if the bill is not passed, the result would likely be Alaska businesses passing the cost on to other Alaska businesses which is contrary to the original intent of the tax. Further, some of our competitors would likely be bankrupted which would not be positive for the industry or our company as we do not want to invest in the low margin truck rental business any more than we absolutely have to. We are also concerned about further retroactive re-interpretation of the statutes by the Department of Revenue.

Thank you for your time and consideration of my comments regarding SB 178. If you have any questions, please call or email Jon Cook at (907)460-7030 or joncook@aer-inc.net or feel free to call me directly at any time.

Regards,

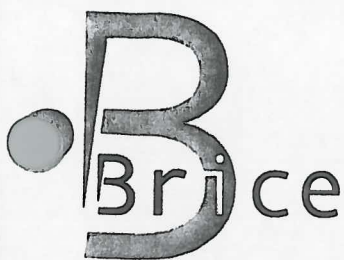


Jerry Sadler
President
(907)388-1356

Cc: Senate Transportation Committee Members, Sen. Click Bishop, Sen. John Coghill



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Environmental
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www.bricecompanies.com

February 21, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Senator.Dennis.Egan@akleg.gov

RE: SB178 Passenger Vehicle Rental Tax

Chairman Egan:

I am writing to you in support of Senate Bill 178. Brice Companies have been providing civil construction, marine services, equipment rentals and quarry materials in the State of Alaska for over 50 years.

Our Brice Equipment division provides arctic grade support equipment to the oil and gas and construction industries. We have offices in Fairbanks and Deadhorse. Brice Equipment hosts a fleet of more than 300 pieces of equipment.

We understand the intent of the legislation passed in 2003 was to tax short term car rentals to tourists to help fund road maintenance and promote tourism. The legislation specifically was to have no effect on Alaska businesses on private property on the North Slope. We price our rental rates to be competitive and the current interpretation of this existing legislation causes significant administrative and financial burden to our Alaskan equipment rental division.

Thank you for your time and consideration of my comments regarding Senate Bill 178.

I am willing to testify on this matter. If you have any questions regarding my support, please contact me at my office 907-452-2512 or on my mobile number 907-978-3000.

Sincerely,

Sam Robert Brice
President

Cc: Senator Bishop

Senator.Click.Bishop@akleg.gov



February 21, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Senator.Dennis.Egan@akleg.gov

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

I am writing to you in support of Senate Bill 178. Our company, SolstenXP, is an Alaska project management and contracting Service Company, for the petroleum and natural resource industries. Our services include permitting, exploration project management, drilling engineering, rig operations, infrastructure and facilities construction, production operations and decommissioning. An integral part of the various services we perform is the rental of vehicles on a long term basis.

We support the SB 178 bill for the following reasons;

- o The bill clarifies the original intent of the legislature when the Rental Car Tax was passed
- o The original intent of the lawmakers was not to tax Alaskan businesses doing business with other Alaskan Businesses, the intent of this tax was always targeted towards having outside visitors and tourists help raise funds for tourism related marketing funding

If this Bill is not passed, the result will be a direct pass-through retroactive tax, along with penalties and interest for the past 10 years, based on DOR's new interpretation and application of the vehicle rental tax. If not revised, this new interpretation could have a significant negative impact on our business, as well as our suppliers and customers in Alaska. SB 178 will also reduce the minimum gross vehicle weight rating to qualify for this exemption from 8,500 lbs to 6,500 lbs to insure that the rental vehicle tax is not being applied to Alaskan businesses engaged in commercial rentals of heavy vehicles (i.e. half-ton and one-ton trucks) to other Alaskan businesses.

Thank you for your time and consideration of my comments regarding Senate Bill 178. If you have any questions regarding my support, please contact me at eric.dompeling@solstenxp.com, or by phone at (907) 264-6107.

Sincerely,

Eric Dompeling
New Ventures Manager
SolstenXP Inc.

Cc: Senator Bishop Senator.Click.Bishop@akleg.gov

Brittany Hutchison

From: Chris Von Imhof <cvonimhof@aol.com>
Sent: Friday, February 21, 2014 3:26 PM
To: Sen. Click Bishop
Subject: Fwd: Letter of Support for SB 178 and HB 314-- Clarification Legislative Intent for Rental Car Tax
Attachments: Rental_Car_Tax_Revision_Sponsor_Statement_2-3-14.docx

-----Original Message-----

From: Chris Von Imhof <cvonimhof@aol.com>
To: Senator.Dennis.Egan <Senator.Dennis.Egan@akleg.gov>
Cc: "Senator.Click.Bishop" <Senator.Click.Bishop>
Sent: Fri, Feb 21, 2014 3:20 pm
Subject: Fwd: Letter of Support for SB 178 and HB 314-- Clarification Legislative Intent for Rental Car Tax

EDELWEISS ENTERPRISES, LLC
Girdwood, Alaska 99587

The Honorable Senator Dennis Egan,
Senate Transportation Committee
State Capitol Room 9,
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairperson Egan,

I am writing to you in support of Senate Bill 178

About 50 years ago I worked for your father Gov. Egan as Director of Tourism.

Since that time I have been CEO and General Manager at Alyeska Resort for most of my life. We are a year round Resort in Girdwood and our primary business is the Hotel and Ski area operation.

In 2004 a Car Rental tax was passed to tax the visitor and tourists. The tax was to be used for increased tourism marketing funding. I certainly supported this new tax.

Recently the Dept. of Revenue decided this tax should also apply to the North slope Heavy-Duty Rental Trucks that are used by the Oil companies for industrial purposes, even though they maintain their own roads.

To the best of my knowledge this was not the intent of the " Tourism " Rental Car Tax. It seems like the DOR is trying to kill the goose that lays the Golden Egg.

Please review the attached clarification on this car rental tax.

I would greatly appreciate your support of SB 178

I appreciate your consideration of my comments regarding the Senate Bill 178.

Thank you for your good work for us Alaskans,



Chris von Imhof

Cc: Senator Bishop