



February 24, 2014

The Honorable Peggy Wilson  
Chairman, Transportation Committee  
Alaska House of Representatives, Capitol Room  
Juneau, AK 99801

Re: House Bill 314 Vehicle Passenger Rental Tax

Dear Chairman Wilson,

The mission of the Alaska State Chamber of Commerce (Alaska Chamber) is to promote a positive business environment in Alaska. The Alaska Chamber represents hundreds of businesses, manufacturers and local chambers from across Alaska. Our members support legislation that updates and clarifies laws, provides regulatory certainty, and that generally improves Alaska's business climate. The Alaska Chamber supports the swift passage of House Bill 314 (HB 314).

HB 314 clarifies that the Vehicle Passenger Rental Tax enacted in 2003 does not apply to commercial long-term rentals among businesses in Alaska. The original legislative intent was to levy a tax on visitors using the State of Alaska's road system and infrastructure. Since the effective date of the law, rental car companies have collected the tax upon rental and submitted it to the State. Until recently, the Department of Revenue only applied this tax to rental car companies.

There are enough challenges to doing business in Alaska without uncertainties presented by inconsistent enforcement of the law. HB 314 updates and clarifies the Vehicle Rental Passenger Tax law that will provide regulatory certainty for Alaska businesses not in the vehicle rental business. We urge passage of HB 314 during the 28<sup>th</sup> Alaska Legislative Session.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rachael Petro'.

Rachael Petro  
President/CEO

Cc: Representative Steve Thompson