

February 24, 2014

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

Re: Senate Bill 178 Vehicle Passenger Rental Tax

Dear Chairman Egan,

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 Senate Bill 178 (SB 178).

SB 178 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. SB 178 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 SB 178 during the 28th Alaska Legislative Session.

Sincerely,

Rachael Petro
President/CEO

Cc: Senator Click Bishop
Senator Peter Micciche



February 24, 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.

- I own and run a small Alaskan Owned Business who leases larger vehicles long term and see the passage of SB 178 as a necessary component for fair business practice to Alaskan Owned Companies that lease vehicles long term to companies like mine, who would be significantly negatively financially impacted if this bill is not passed.
- The bill clarifies the original intent of the legislature when the Rental Car Tax was passed. The original intent of the lawmakers was not to tax Alaskan Businesses doing business with other Alaskan Businesses, rather 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 tax by vendors of my business, increasing fees to them and the possible loss of jobs for me and my employees, when this was clearly never intended to be a tax on Alaskan Businesses.

Thank you for your time and consideration of my comments regarding my support of Senate Bill 178. If you have any questions regarding my support, please contact me at 907-677-6511

Cc: Senator Bishop

Senator.Click.Bishop@akleg.gov

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Shane M. Langland". Below the signature is a small, faint, rectangular stamp that also reads "Shane M. Langland".

Shane M. Langland

Shane M. Langland
Owner, Eagle Enterprises, Inc.

5849 Old Seward Hwy
Anchorage, AK 99518

Phone: 907-562-2331
Fax: 907-562-6955

www.eaglesafety.net



February 24, 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

Dear Chairman Egan,

Coffman Engineers, Inc. (Coffman) is a multidiscipline engineering firm that has been in business in Alaska since 1979. Our firm is deeply rooted in the State and we are dedicated to justly perpetuating its economy. To this end, I am writing you in support of Senate Bill 178.

Senate Bill 178 clarifies the original intent of the legislature in regard to the initial passing of the Rental Car Tax. The intent was not to tax Alaskan businesses for commerce with fellow Alaskan businesses; the intent was to raise funds from outside visitors for marketing related funding for tourism.

If this Bill is not passed, the result will be a direct pass-through tax by vendors of my business when this was clearly never the intent of the legislature. This will be a huge detriment to all Alaskan businesses and more importantly, costly to our local economy.

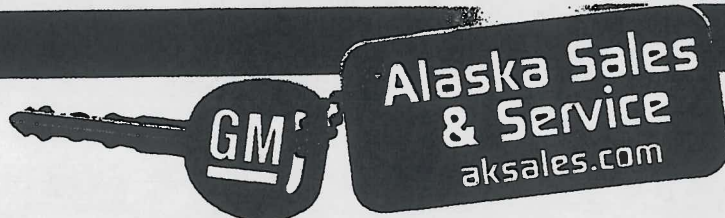
Thank you for your time and consideration of my comments regarding my support of Senate Bill 178. Please note that I am willing to testify on this matter. If you have any questions, please contact me directly at Coffman (800 F Street Anchorage, Alaska 99501. Phone: 907.276.6664. Email: gries@coffman.com).

Sincerely,

A handwritten signature in black ink, appearing to be "J. Gries", written over a horizontal line.

Jeff Gries, P.E., Principal

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

**ALASKAN OWNED & OPERATED SINCE 1944**

February 21, 2014

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

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

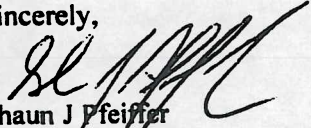
I am writing to you in support of Senate Bill 178.

- I am the Vice President and minority owner of Alaska Sales and Service, Inc, which has the following companies under it's umbrella: Alaska Sales & Service – Anchorage, Alaska Sales & Service – Palmer, National Car Rental, Alamo Car Rental, and Alaska General Credit Corporation. Since 1944, Alaska Sales & Service has been serving Alaskans automotive needs with New and Used vehicle sales, vehicle servicing, vehicle parts, vehicle body shops, vehicle financing, and vehicle rentals. We currently employ over 220 Alaskans in Anchorage and Mat-Su Borough.
- I am in full support of SB 178 for the following reasons:
 - The bill clarifies the original intent of the legislature when the Rental Car Tax was passed.
 - The 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 SB 178 is not passed it will result in:
 - A direct pass-through tax by customers of my business when this was clearly never intended to be a tax on Alaskan Businesses.
 - Our customers likely purchasing vehicles and keeping them in service longer, rather than replacing them with newer more fuel efficient models that have cleaner exhaust emissions.

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 907-265-7550.

Sincerely,



Shaun J Pfeiffer
Vice President
Alaska Sales and Service, Inc.

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



February 22, 2014

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

Subject: Senate Bill 178 Passenger Vehicle Rental Tax

Chairman Egan,

This letter is being written in support of Senate Bill 178. CONAM Construction Company is a statewide General Contractor specializing in oilfield construction and maintenance. Our equipment fleet in the state is used primarily in support of our construction operations. Occasionally, we rent heavy equipment and vehicles to clients and other third parties, also for use in oilfield services. We do not rent equipment or vehicles to the general public for recreational purposes.

We support SB 178 because it will clarify the original intent of the statute which was to tax short term vehicle rentals used in the tourism industry in Alaska. It was not intended to tax rentals of vehicles from one Alaska business to another Alaska business, which ultimately puts yet another unnecessary government tax burden on the local Alaskan economy. The Bill also revises the minimum gross vehicle weight limit in the statute from 8,500 lbs. to 6,500 lbs. which will capture the class of vehicles the current statute originally intended.

If the statute isn't clarified through the passing of Senate Bill 178, there will be a substantial negative impact on many Alaska oilfield service companies. The Department of Revenue has only recently tried to collect vehicle rental taxes, penalties and interest dating back to 2004 from oilfield contractors not previously considered applicable under the statute. Why now? I ask for your support in passing SB178.

Thank you for your consideration and if you need further information from CONAM Construction Company, please contact me at dkissee@conamco.com or by phone at 907-278-6600.

Very truly yours,
CONAM CONSTRUCTION COMPANY

Dale Kissee
President

Cc: Senator.Click.Bishop@akleg.gov



ASSOCIATED GENERAL CONTRACTORS of ALASKA

8005 SCHOON STREET, SUITE 100 • ANCHORAGE, ALASKA 99518
TELEPHONE (907) 561-5354 • FAX (907) 562-6118

February 25, 2014

Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau AK, 99801

RE: SB 178 Passenger Vehicle Rental Tax

Dear ~~Senator Egan~~ *Dennis*

The Associated General Contractors of Alaska (AGC) is a trade association representing over 650 Alaskan businesses in the construction industry. I am writing to you in support of Senate Bill 178.

At the time the original legislation passed in 2003 as House Bill 271, I was Deputy Commissioner of DOT, and involved in the passage of a number of other revenue generating bills. I recall the discussion on the bill HB 271, that would impose an excise tax on short-term passenger and recreation vehicles. There was never any intent that this would apply to heavy vehicles and longer term leases. In fact, I recall conversation that they would not be included.

I am concerned that recent interpretation of the statute and tax by the Department of Revenue towards equipment leasing companies and the retroactive application could have significantly adverse impact on those companies. SB178 will clarify the original intent of the rental car tax.

The Associated General Contractors fully supports this legislation and hopes for its quick passage. Thank you for hearing SB178.

Sincerely,

John MacKinnon, Executive Director
Associated General Contractors of Alaska