

HB 111
Documents in Opposition (3)
Public Testimony

49. John Lyons
50. Kurtis Doscher
51. Cindy Orr
52. Samuel Pruneda
53. Anne Tisch

To Whom it may Concern:

I am a recent transplant to Alaska and coming up to speed with the current legislation related to taxes, the budget shortfalls and potential remedies. I've always been prudent with my personal finances and I find it very difficult to see the government (both local and federal) be so afraid to make hard choices for budgets.

Entitlement is a dangerous attitude that is gripping not only a larger and larger portion of the US population but an entire generation of individuals (my generation included). By avoiding the PFD as a meaningful way to impact the longterm health and longevity of the Alaskan economy, the problem will be avoided and become a larger issue down the road. I think that the PFD is a powerful program but maybe some stipulations need to be made on who receives it? Income related?

The oil and gas industry is walking a delicate balance between investing in resource rich Alaska or diverting funds to other low cost options. The energy environment we live in now is such that Alaskan crude is not needed in the global market. If the oil stops flowing, the production will be backfilled from a myriad of other sources. Increasing taxes on oil and gas companies will impact future jobs, investment in the state and eventually the PFD won't be funded regardless. Hoping for an oil price recovery to sustain the budget is a politically feasible move but short sighted.

- Total cost matters. HB111 moves Alaska in the wrong direction by increasing taxes in an already high cost environment.
- HB111 makes Alaska less competitive and could drive investment to other places.
- If passed, HB111 will be the seventh oil tax law change in 12 years and the third since 2013. Stability matters.
- Under SB21, the State always has the highest percentage of net revenue. In fact, when industry is losing money, the State still has positive revenue. HB111 would simply increase State take even higher.
- In 2016, COPA made \$233 million in adjusted net income. We incurred \$490MM in estimated taxes and royalties to the State (\$537MM when the federal piece is included) – over twice our earnings. We have been a significant contributor to State revenues, even at current low oil prices. Since 2007, we have paid over \$26 billion to the State in taxes and royalties and over \$34 billion when the federal government is included.
- Increasing taxes could result in less investment, less production, less revenue to the State and fewer jobs. Every oil company job supports about 20 jobs in the State economy.
- The oil industry has historically provided about 88% of the State's General Fund. Even at today's low oil prices, the industry is still providing about 67% of the General Fund revenues. Attempting to balance the State's budget through increased oil taxes will not fix the budget deficit, but will hurt the State when industry investment declines.

- SB21 has placed Alaska in a competitive position and is working. Since its passage in 2013 (and approved by voters in 2014), it has spurred increased investment, production, jobs and revenue to the State. Let it continue to work.
- Do not pass HB111.

John Lyons

All -

Honorable members of the house finance committee, senators and representatives - I respectfully submit my opposition to HB 111 - Oil & Gas Tax Increase Bill.

We have to STOP changing the rules to doing business in Alaska. I have lived here my entire life and have watched as we consistently change the rules (cost) for operating an oil and gas business in Alaska. WE need to look to control cost of our spending and not continually renegotiate (demand) more with this industry every couple of years. We are proving ourselves to be an atrocious place to do business with the inconsistencies with in our state government.

We have a resources that are sought worldwide but if you look at our business practices on a global scale would you do business here when there are other more stable locations for those resources.

Again I want to ensure that my opposition to this Bill is logged and urge you to Cancel this bill entirely.

Regards,

Kurtis Doscher

I oppose this. If you continue to increase the taxes the state of Alaska will LOSE work!!

Stop being greedy!

Keep it simple!

Cindy Orr

To who it may concern,

I oppose the House Bill – 111. Increasing taxes will not improve our situation.

Thanks

Samuel Pruneda

Anchorage, AK 99508

To Whom it may concern,

I oppose HB 111. If passed, I believe this will be detrimental to the State of Alaska.

Thank you,

Anne Tisch