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Business

February 18, 2020

Senator John Coghill  
State Senate  
State Capital Room 103  
Juneau, Alaska 99801

Dear Senator Coghill,

On behalf of Walsh, Kelliher & Sharp, CPAs, APC, we would like to thank you for introducing legislation designed to keep Alaska as the state with the most modern estate and trust laws in the nation. Alaska must continually act to improve its estate and trust laws to show that it is "open for business" and wants to continue to attract estate and trust work, and the related investments, to Alaska. Our state faces tough competition from other states also trying to draw estate and trust business into their jurisdiction. The old saying "Those that stop getting better stop being good" applies to our statutes and regulations. We are in competition with other states and must continually improve to stay competitive.

The two bills, Senate Bill 191 - *"An Act relating to trusts and trustees, including trust 1 division, the powers of trustees, delayed gifts to trusts, and community property trusts; and providing for an effective date"* and Senate Bill 192 - *"An Act relating to fiduciary discretion and the 1 allocation of capital gains to income 2 under the Alaska Principal and Income Act."*, that you introduced show leadership and a dedication to excellence that will help Alaska stay at the top of the list when it comes to estate and trust laws.

Since 1997, Alaska has been a leader in adopting laws to improve estate and tax planning options for both Alaskans and non-Alaskans. Senate Bills 191 and 192 are a continuation of this leadership as they expand and add clarification to our existing statutes. These distinctive statutes have provided Alaska with increased planning options for its citizens, revenue, job creation and industry diversification for over 20 years. We believe that Senate Bills 191 and 192 will further these benefits to the State.

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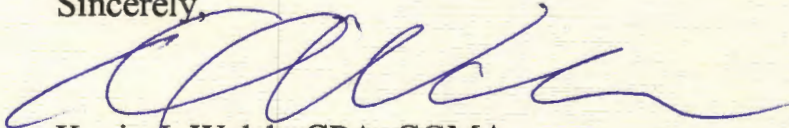
Senate Bills 191 and 192 looks to update several existing statutes all related to trust and tax planning. All these proposals, except for the Alaska gift trust, would clarify certain aspects of Alaska law rather than adding new concepts to our statutes.

The Alaska Gift Trust is a unique idea that is not currently allowed for under any other state law. This proposed measure would provide that a promise to make a gift to an Alaska Gift Trust is enforceable under Alaska law even if the promise is not backed by consideration (that is, the transfer of property or cash for the promise made). This will permit taxpayers throughout the United States to use their current estate and gift tax exemptions, which are at historic highs and may be reduced in the future, without having to give up the ownership of property until later when the promise is fulfilled.

The efforts of the Alaska Legislature over the past two decades to dedicate time to these important issues have benefitted Alaskans, has resulted in millions of dollars being deposited in financial institutions in the state which, in turn, have provided funding for Alaska businesses, and provided significant work for many Alaskans. We hope to see this success continue for years to come and thank you for your support in helping us to achieve this goal.

With this, we would like to voice our strong support for the ratification of Senate Bills 191 and 192.

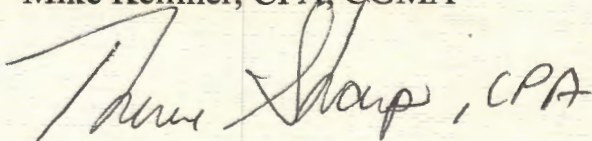
Sincerely,



Kevin J. Walsh, CPA, CGMA



Mike Kelliher, CPA, CGMA



Therese Sharp, CPA, CGMA