

ALASKA STATE LEGISLATURE

HOUSE LABOR & COMMERCE COMMITTEE



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HB 113 Sponsor Statement

“An Act relating to a tax exemption for qualified small businesses”

In 2012, the Alaska Legislature passed Senate Bill 23, which created the small business tax exemption under AS 43.20.012 for qualified small businesses and shortly thereafter, in 2013, passed Senate Bill 83, which provided for a repeal on July 1st, 2023.

Following the expiration of the tax exemption in FY 2024, small businesses began to advocate to re-instate it so that they could continue their operations in Alaska. The House Labor & Commerce Co-Chairs believe that helping small businesses thrive and do business in Alaska allows their payrolls to flow into communities and their commerce to continue to serve Alaskans.

Restoring this small business tax exemption will ensure revenue not collected by the state is returned several times into local communities.