



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Revenue

COMMISSIONER'S OFFICE

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April 11, 2024

The Honorable Bryce Edgmon
Alaska State Representative
Co-Chair, House Finance Committee
State Capitol, Room 410
Juneau, AK 99801

The Honorable Neal Foster
Alaska State Representative
Co-Chair, House Finance Committee
State Capitol, Room 511
Juneau, AK 99801

The Honorable DeLena Johnson
Alaska State Representative
Co-Chair, House Finance Committee
State Capitol, Room 505
Juneau, AK 99801

Dear Co-Chairs Edgmon, Foster, and Johnson,

The purpose of this letter is to provide a response to a question asked during the presentation on House Bill 368 in the House Finance Committee on April 8, 2024. Please see the question in *italics* and our response immediately below.

1. *Would the proposed tax credit reduce the amount of tax shared with municipalities?*

Yes, the credit would reduce the municipal share, not only for the electric coop tax, but for any other tax against which the credit was claimed. Additionally, making the credit available for any tax type, it could be taken against dedicated and designated tax types. For example, in its current form, the credit could be applied against the cigarette tax, part of which goes to the dedicated school fund.

The Honorable Co-Chairs House Finance Committee

April 11, 2024

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I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Crum".

Adam Crum
Commissioner