



March 14, 2025

To: Senate Resources Committee

From: Natalie Kiley-Bergen, Energy Lead, AKPIRG

RE: Letter of Support for Senate Bill 92

Chair Giessel, Vice-Chair Wielechowski, and Members of the Committee:

The Alaska Public Interest Research Group (AKPIRG) appreciates the efforts of the Senate Resources Committee to consider Senate Bill 92 - Corp Income Tax; Oil & Gas Entities - which would revise Alaska's tax code with respect to S corporations. We support the bill, which would create corporate tax parity and help address state revenue shortfalls.

AKPIRG is a 501(c)3 nonprofit and the only non-governmental public interest and consumer advocacy organization in Alaska. We focus on nonpartisan consumer and good government issues, including energy democracy and ratepayer advocacy. We also serve as the small consumer seat on the Railbelt's Electric Reliability Organization: the Railbelt Reliability Council (RRC). These comments are AKPIRG's and do not represent the views of the RRC or its Board of Directors.

While most large companies pay a state corporate income tax, certain pass-through entities, called S corporations ("S corps"), do not pay any income taxes in Alaska due to a loophole in the state's tax code. This bill would close that loophole by imposing a tax on income over \$5 million for oil and gas S corporations doing business in Alaska.

Alaska's S corp tax loophole has been in place since 1980, but it became a much bigger problem in 2020 when a major player in Alaska's oil and gas industry—BP—sold all of its Alaska assets to an S corporation. That S corporation, Hilcorp (and affiliated subsidiaries), is increasing its share of Alaska's oil and gas market each year. This transfer resulted in our state losing a significant portion of its revenue from the oil and gas industry. Alaskans are suffering as a result.

Our state is facing an acute budget deficit. The Anchorage Daily News recently [reported](#) that without additional revenue, Alaska could face a budget shortfall of over \$500 million during the coming year. That revenue needs to come from somewhere. Under these conditions, the legislature must make a decision between devastating cuts to education and other social services, imposing new taxes on Alaskans, repurposing PFD dividends, or fixing tax loopholes that benefit wealthy interests outside of Alaska. The best choice for Alaska is obvious. The

Department of Revenue [estimated](#) that closing the S corp tax loophole would bring over \$100 million per year through 2030—revenue that is desperately needed to fund essential state services. While Alaska struggles to address [crumbling rural school infrastructure](#), more than \$100 million is going to out-of-state [billionaires](#) and the federal government annually.

Passing SB 92 and closing the S corp tax loop hole is not only a matter of getting Alaskans' fair share from out-of-state companies extracting our resources. It's also a matter of diverting tax revenue from the federal government to the State of Alaska. S corporations can write off state income taxes on their federal tax returns. Alaska's S corp tax loophole means that S corporations pay more in income tax to the federal government than C corporations without paying anything to the state. Further, the Alaska Constitution instructs the legislature to ensure that the Alaska public gets the "maximum benefit" from the use of our natural resources. Lost revenue from the S corp tax loophole is preventing the state from doing the bare minimum to provide basic public services.

SB 92 is neither unexpected or unfair to S corporations. **S corporations pay income taxes in every state in the nation except Alaska.** Changing Alaska's tax code to reflect the national consensus is foreseeable and common sense. Additionally, affected S corporations would maintain an economic advantage in the state corporate income tax structure since the current bill language includes a \$5 million tax break for S corporations. C corporations, in contrast, pay state taxes on any income over \$25,000 and a 9.4% rate on income over \$222,000. SB 92 would improve parity in the state's corporate tax code by reducing the unfair tax advantage that S corporations have over C corporations. Since the new tax would apply only to companies making more than \$5 million in profit annually, it will not affect mom-&-pop businesses. It is only fair that S corporations pay state income taxes in exchange for the privilege of extracting resources, just like their competitors and business partners.

AKPIRG disagrees that Alaska will somehow bring in more revenue or guarantee jobs by giving an income tax break to a few large S corporations. If that theory were true, Alaska would have a booming development industry. Instead, we are facing a severe natural gas shortfall in Cook Inlet where an S corp holds the vast majority of leases and [reduced oil revenue](#) from the North Slope.¹ Further, there is no reason to assume that a large company with operations across the country would reinvest any extra profits in Alaska operations.² That company is just as likely to transfer the capital to projects outside of Alaska or as dividends to their billionaire shareholders.

¹ A booming development industry would reduce the impact of declining oil prices.

² [Hilcorp](#) is the largest privately held, independent exploration and production company in America with interests in Alabama, Alaska, Colorado, Louisiana, New Mexico, Ohio, Pennsylvania, Texas, and Wyoming. Harvest Midstream operates over 6,000 miles of pipeline across seven states and provides gathering, transportation, processing, and treatment services to customers across the country.

The legislature can guarantee that companies operating in Alaska also invest in Alaskans by imposing corporate income tax and using the revenue to fund public services. Functional public services benefit these companies in the short and long term through a well-educated and trained local workforce, attractive and livable communities for employees, and capable and well-staffed state and local government partners.

Passing SB 92 is not only in the best interest of Alaska; it is also overwhelmingly popular. According to a [recent poll](#), the vast majority of Alaskans in every region of the state—77% on average—want Hilcorp to pay state income tax.³ The widespread public consensus on this issue indicates a clear path forward for the legislature. We urge the legislature to pass SB 92 and Senate Resources move this legislation out of committee.

Thank you for considering our input. AKPIRG is available for further discussion on this legislation and other bills related to Alaska's public interest.

Sincerely,

A handwritten signature in black ink that reads "Natalie Kiley-Bergen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Natalie Kiley-Bergen
Energy Lead, AKPIRG

A handwritten signature in black ink that reads "Catherine Rocchi". The signature is cursive and stylized, with a prominent "C" and "R".

Catherine Rocchi
Regulatory Lead, AKPIRG

³ [See Question 27.](#)

Resolution Urging the Withdrawal of Senate Bill 92 District 28, Alaska Republican Party

WHEREAS, the Alaska Republican Party stands for free enterprise, economic opportunity, and limited government interference in the marketplace, as outlined in its platform;

WHEREAS, Senate Bill 92, introduced by Senator Rob Yundt, imposes a targeted 9.2% tax on Hilcorp, a major private-sector energy producer, setting a dangerous precedent for taxation on S corporations in Alaska;

WHEREAS, this legislation threatens the stability of the oil and gas industry, which is a cornerstone of Alaska's economy, providing jobs, investment, and essential energy resources to the state;

WHEREAS, the bill directly contradicts the Alaska Republican Party's platform, which advocates for tax structures that promote investment, responsible development, and a jobs-friendly business environment, while opposing excessive government regulation and taxation;

WHEREAS, Senate Bill 92 risks undermining the state's natural resource sector by deterring private investment and discouraging economic growth, in violation of the Republican Party's principles supporting responsible resource development and a business-friendly environment;

WHEREAS, Hilcorp is the primary supplier of natural gas to Southcentral Alaska, and the imposition of this tax jeopardizes heating security for thousands of Alaskans, potentially leading to higher energy costs and supply instability;

NOW, THEREFORE, BE IT RESOLVED that the District 28 Committee of the Alaska Republican Party strongly opposes Senate Bill 92 and urges its immediate withdrawal;

BE IT FURTHER RESOLVED that the District 28 Committee of the Alaska Republican Party stands firm in defending private enterprise, energy security, and economic stability, and calls upon all Republican legislators to reject policies that undermine these fundamental principles.



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Friday, March 28, 2025

SUBJECT: Thomas Walsh SB 92 Testimony, Senate Resources Committee, March 3, 2025

Chairwoman Giessel, Vice Chair Wielechowski, and members of the committee, thank you for the opportunity to provide testimony today. For the record, my name is Thomas Walsh, and I am speaking today on behalf of myself and my company, Petrotechnical Resources of Alaska, LLC, or PRA.

This bill targets one independent oil and gas production and transportation company, namely Hilcorp, although other independent explorers are sure to be impacted if successful in advancing to oil and gas production.

Hilcorp came to Alaska in 2012 at a time when Cook Inlet gas was on decline, and the need for LNG import was imminent. My company, PRA, an integrated oil and gas consulting company had been contracted in 2009 by the Southcentral Alaska Energy Utility Group to analyze remaining gas supply in Cook Inlet, and we determined that gas production from Cook Inlet could fail to meet demand as early as 2013 without significant drilling and investment. No existing Cook Inlet producer was lining up to make the required investments.

Hilcorp's entry to the Cook Inlet gas business in 2012 represented a major uptick in drilling and investment, and delayed a gas supply crisis by 15-20 years.

Corporate income tax at 9.4% will have a direct impact on Hilcorp and their continued investments in Cook Inlet and on the North Slope, where they have similarly played a huge role in revitalization of oil production from legacy fields. This tax will create a major disincentive to investment by independent operators and is not in the best interests of Alaskans. It seems ironic to me that proceeds from this proposed tax would fund energy and electrical grid projects or upgrades, when Hilcorp has done so much to keep our energy grid in operation over the past 13 years through their investment. Do we really want to disincentivize this investment?

Respectfully,

Tom Walsh

Tom Walsh | Managing Partner
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support SB 92. Please read below:

We must close the loophole to give revenue to fund critical AK services.

This matters for education: the caucus is stuck but this revenue, which the state should have been getting all along, solves that problem and gets the Senate to a place they can hold the line for ed funding.

Specifically, please Matt Claman we need you to vote to close the oil tax loophole. We know you support education but are a "no new tax" guy, even with this thing which should be a no brainer.

Meanwhile, the oil companies are getting more than \$700 million in tax breaks, and paying only \$440 million in projected production taxes, and still making \$4 billion profit in AK.

So, please Matt Claman and other representatives hear from me when I say that we need to prioritize our kids and our state over a tax break. West Anchorage wants good public schools, keep our immersion programs and sports, and ASD doesn't want to cut any of that but will be forced to with its own deficit. We can fix the state deficit and fund education by closing this loophole.

ACTION: I support SB 92 to Close the S Corp Loophole and ask Matt Claman to support it to keep our future strong in Alaska.

Heidi willoughby

Sent from my iPhone

Public Testimony on SB 92: Analysis and Concerns

Senate Bill (SB) 92, an act establishing an income tax on entities producing or transporting oil or gas in the state, introduces significant changes to the state's fiscal structure. While the bill aims to generate additional revenue for energy and electrical grid projects, it poses several potential issues related to legality, fairness, impacts on small businesses and marginalized communities, and broader economic consequences. This testimony examines SB 92 through various lenses, highlighting key concerns regarding corporate interests, transparency, and its long-term effect on Alaska's economy and residents.

Key Concerns with SB 92

1. Corporate Interests Over Public and Small Businesses

SB 92 raises concerns that it disproportionately favors large corporations over small businesses. While the bill targets entities with qualified taxable income over \$5,000,000, it fails to consider how large corporations could leverage tax avoidance strategies, which smaller entities may not have the resources to replicate. This creates an uneven playing field and potentially undermines the intent of the bill by allowing large corporations to avoid their fair share of the tax burden.

Large corporations, particularly in the oil and gas industry, have the means to engage in tax planning strategies (e.g., breaking into smaller entities, using offshore tax havens) to avoid paying the tax. In contrast, small businesses with less access to such strategies will bear the full brunt of the tax. This could stifle innovation and competition in Alaska's business environment.

2. Negative Impact on Alaska's Rural and Remote Communities

SB 92 introduces a tax that is likely to have a disproportionate effect on rural and remote communities in Alaska. These areas often rely heavily on oil and gas revenues for employment and infrastructure development. The imposition of new taxes could result in higher costs for businesses, reducing job opportunities and economic stability. Furthermore, the additional cost burdens could drive businesses to relocate to other states with more favorable tax environments, exacerbating regional economic disparities.

3. Disproportionate Burden on Historically Marginalized Groups and Low-Income Communities

While SB 92 focuses on large oil and gas entities, the ripple effect of this tax is likely to disproportionately affect lower-income and marginalized communities. Higher operating costs for businesses could translate into increased consumer prices, which will hit low-income families the hardest. The tax may also harm smaller enterprises owned by historically marginalized groups, as they may lack the resources to absorb increased operational costs or pass them on to consumers.

4. Religious and Private Education Intrusion of Taxpayer Funds

The bill could have indirect consequences on religious and private educational institutions in Alaska. By raising tax burdens on businesses, it may reduce charitable giving, particularly from larger corporations, which often contribute to private schools or religious institutions. This could strain such institutions' financial stability and their ability to continue operating in a region with limited educational resources. Amazing enough it does affect our children.

5. Problems for Special Needs and Disabled Children

SB 92 could exacerbate difficulties for families with special needs children by increasing the cost of living. Higher operational costs for businesses might lead to price hikes on goods and services, impacting families that are already struggling with the additional financial burdens of healthcare, education, and support services for children with disabilities.

6. Impact on Boroughs with Lower Tax Incomes

Boroughs in Alaska with lower tax incomes may suffer more significantly under the provisions of SB 92. While the bill focuses on oil and gas production and transportation, it does not sufficiently account for the broader economic context. Tax revenue generated in wealthier boroughs may not be effectively shared with areas that are economically disadvantaged. This could widen the gap between rich and poor regions, making it harder for lower-income boroughs to fund essential public services. Again, just pointing out how the inequity applies across the communities and sectors in our state.

7. Lack of Clarity and Transparency

The bill's definitions, such as "qualified taxable income" and "entity," are somewhat vague, creating potential confusion for businesses subject to the tax. This lack of clarity could lead to legal challenges and administrative difficulties, especially when determining whether certain transactions or entities fall under the tax's scope. This also raises concerns about transparency, as businesses may exploit ambiguities in the language to evade taxes.

8. Regulatory Burden on Small Businesses

While larger entities may be able to absorb the administrative costs of filing complex tax returns, small businesses may struggle with the added regulatory burden. The retroactive implementation of the tax (effective January 1, 2025) and the waiver of penalties until 2026 could create confusion and delay compliance, particularly for smaller enterprises without the resources to navigate such complexities.

9. Potential for Increased Costs for Consumers

Higher operational costs for businesses are likely to lead to higher prices for consumers. For Alaska residents, especially those in low-income households, this could mean even higher living expenses. The impact of these price increases would disproportionately affect rural and remote areas, where the cost of living is already higher than in urban centers.

10. Overdependence on Oil and Gas Revenue

SB 92 places continued reliance on Alaska's oil and gas industry for revenue generation. Given the volatile nature of global oil markets, the state's overdependence on this sector could lead to fiscal instability, particularly in times of price downturns or production cuts. A more diversified approach to revenue generation could provide long-term economic stability and reduce the risks associated with relying heavily on one sector.

11. Legal Challenges to Retroactive Provisions

The retroactive application of the tax could face legal challenges, particularly on constitutional grounds. Retroactive taxation is a contentious issue and may be viewed as unfairly applied. Legal challenges could delay or block the implementation of the tax, potentially complicating the state's ability to implement its fiscal agenda.

12. Incentivizing Tax Avoidance

The tax structure of SB 92, specifically its focus on taxing entities with income above \$5,000,000, could incentivize corporations to break up into smaller entities or use other tax avoidance strategies. This would undermine the bill's goal of increasing revenue from large oil and gas corporations and reduce the effectiveness of the tax system.

Conclusion

SB 92 represents a complex piece of legislation with wide-reaching consequences for Alaska's economy, its businesses, and its residents. While the bill aims to generate funding for energy and electrical grid projects, it raises significant concerns, particularly regarding its impact on small businesses, marginalized communities, rural Alaskans, and economic fairness. Further amendments are necessary to ensure that SB 92 supports a more equitable economic future for all Alaskans, particularly in terms of addressing the potential for corporate tax avoidance, impacts on low-income communities, and the economic strain it may place on small businesses. If the amendments are made, I would be more willing to support this bill.

Thank you for your time and attention,
Susan Allmeroth
Two Rivers

Myself

References

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American Petroleum Institute. (2024). The economic impact of Alaska's oil and gas industry. Retrieved from [API.org](#)

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Kendall, R. (2024). Corporate interests and the state's economic challenges. Alaska Business Review, 22(4), 34-50.

Timmons, S. (2025). Impact of oil taxes on rural Alaska communities. Alaskan Economic Perspectives, 10(2), 123-139.

I support SB 92. AK is the only state in the country where large S-Corps do not have to contribute to state finances by paying a state income tax. Please help our AK budget and pass SB92.

Thanks,

Dale Banks

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Dale Banks

Homer, Alaska 99603

Dear Senate Resources Committee,

I am writing to you today in support of Senate Bill 92. At a time when schools are closing around the state and essential infrastructure and renewable energy projects are being sidelined, closing the S corp tax loophole is a crucial step to raise revenue for Alaska.

As a Homer resident, I was shocked to learn recently that three of our public schools might be forced to close because of a lack of funding support. That would dramatically change our community. So when the question of fairness comes up in committee hearings, the only right answer is to do what is fair to Alaskans. That means supporting SB 92 and working to make sure it passes.

It is beyond time to make sure that all major oil companies are taxed equally, and to start taking responsible steps to ensure Alaska's financial and energy future is secure.

Thank you for your consideration,

Sean McDermott
Homer, AK

Dear members of the Senate Resource committee:

I am in full support and I ask that you too give full support to SB 92 and move it forward.

I believe we need to stop giving our resources away. This bill will bring much needed revenue to the State as well as make it more fair across oil producers.

Thank you for this opportunity to communicate my view.

Mary C Burtness

Dear Ms. Giessel,

I urge you to support both SB92 (Closing the S Corp loophole) and SB112 (Decreasing the maximum per barrel tax credit).

I favor these bills because both would bring enough money into the state to nearly cover the \$536 million deficit. How can we justify allowing corporations to take our resources enriching corporations when our schools, public safety, transportation and other infrastructure are run into the ground for lack of money? This is neither good sense nor good governance.

Alaska needs to enter the 21st century and update our corporate tax regimes.

Thank you for considering my thoughts on this important matter,

Lou Brown

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Lou Brown

Dear Senate Resources Committee,

Please pass SB92 to impose Alaska income taxes on income over \$5 million for oil and gas S corporations. As I understand it, Alaska is the only state that does not receive income taxes from large oil and gas S corporations. Closing this tax loop hole would bring in about \$100 million per year through 2030. In today's dismal economic climate, this is the only bright spot I can see as a way to meet Alaska's obligations to its residents.

Thanks your your consideration,

F Stuart Chapin, III
Fairbanks

Public Testimony for SB 92

Chairperson and Honorable members of the Committee

May I suggest a few more changes.

1. Limit Corporate Political Influence

One of the most significant effects of corporate personhood has been corporations' ability to influence political processes (such as through political contributions). You could start by limiting corporate donations or lobbying influence through amendments to SB 92 that tackle these issues.

Possible Language to Add:

"Corporations may not contribute to state or federal political campaigns, PACs, or lobbying activities."

"Entities subject to the tax in this bill must disclose all political contributions or lobbying expenses in their tax filings, and failure to disclose will result in a penalty."

Goal: Remove the idea that corporations should have the same political rights as individuals. This can be an incremental approach, starting with restrictions on political spending, as a clear limitation of corporate rights.

2. Revoke "Rights" to Religious Exemptions or Legal Standing in Certain Cases

Corporate personhood has allowed corporations to claim certain legal "rights," such as the right to religious freedom or to challenge certain laws. You could start by amending SB 92 or other state laws to limit these kinds of claims.

Possible Language to Add:

"Corporations shall not be entitled to claim religious exemptions or use the legal standing afforded to individuals to bypass state law concerning worker rights, environmental protections, or public health."

"Corporations that claim tax exemptions or participate in tax avoidance schemes must provide detailed disclosures of their activities, and any legal challenge based on corporate rights under the U.S. Constitution is not applicable to entities in violation of state tax codes."

Goal: Prevent corporations from invoking the same legal arguments as individuals in areas where their actions could harm public welfare.

3. Reframe Corporate Taxation in the Context of Corporate Accountability

SB 92 could begin to frame corporate taxes not just as revenue collection but as a way to hold corporations accountable for their social and environmental impact, effectively challenging the concept of corporate personhood by demanding a direct accountability that personhood protections often obstruct.

Possible Language to Add:

“Entities subject to tax under this section must submit a social responsibility audit, detailing environmental impact, labor practices, and corporate governance, to demonstrate their alignment with state policies for public welfare.”

Goal: This demands that corporations act with societal responsibility, which can conflict with the interests protected under corporate personhood, specifically the priority of maximizing profits over public welfare.

4. Limit Corporations’ Ability to Enter into Certain Contracts or Sue for Certain Legal Rights

Corporate personhood allows entities to sue individuals and engage in certain legal activities that are generally reserved for natural persons. You can propose legislation that limits corporations from using their legal status to engage in activities like suing individuals for damages or evading certain legal responsibilities that apply to human citizens.

Possible Language to Add:

“Corporations are prohibited from suing individuals for personal damages arising from actions that violate state labor, environmental, or tax laws.”

“Corporations may not enter into binding contracts or agreements that conflict with state social welfare goals or environmental policies.”

Goal: This disrupts the corporate ability to act with impunity, treating them as legal entities whose actions should be limited by state laws aimed at the public good.

5. Challenge "Legal Fiction" of Corporate Personhood in State Courts

You can start framing corporate personhood as a legal fiction that needs to be revisited. This can be done by encouraging local legal challenges that dispute the idea that corporations should have the same rights as people in specific contexts.

Possible Language to Add:

“The State of Alaska recognizes that corporations do not have the full legal rights and privileges afforded to individuals under the U.S. Constitution, and that corporate personhood shall be limited in all areas where it undermines public welfare, environmental protections, or individual rights.”

Goal: This language signals that the state recognizes corporate personhood as a harmful fiction, and it begins to lay the groundwork for future litigation that could seek to diminish corporate personhood in more contexts.

6. Encourage the Creation of an "Alaska-First" Legal Doctrine

You could introduce a legal provision that recognizes Alaska’s sovereignty to define corporate responsibilities in ways that explicitly limit the scope of corporate personhood within the state. This could be a legal framework through which Alaska asserts its rights to limit corporate power.

Possible Language to Add:

“The State of Alaska asserts its authority to regulate the rights and responsibilities of corporations doing business within the state, including restricting or eliminating corporate rights that conflict with state laws, environmental protections, or workers’ rights.”

Goal: Assert Alaska’s legal sovereignty to directly address and limit the impact of corporate personhood within the state.

7. Revoking Corporate "Personhood" Rights Based on Specific Violations

Another way to approach it is to create a system of accountability where a corporation can lose certain privileges (like limited liability, or the ability to function as a "person" in legal cases) if they violate state environmental, labor, or tax laws.

Possible Language to Add:

“Corporations found in violation of Alaska’s environmental, labor, or tax laws shall forfeit their status as a legal ‘person’ under state law for purposes of limiting liability or other benefits of corporate personhood.”

Goal: Removing specific corporate privileges would directly attack the idea of corporate personhood by limiting the protections granted to corporations.

8. Imposing Accountability for Corporate Actions

Beyond limiting rights, you can impose direct financial consequences and higher levels of scrutiny on corporate actions, effectively holding them accountable for their impact on

communities, the environment, and the workforce. These measures directly challenge corporate personhood by undermining the protections corporations have traditionally enjoyed.

Possible Language to Add:

“Any entity engaging in actions that significantly harm the public interest, including environmental degradation, worker exploitation, or tax avoidance, will be subject to a 50% additional tax rate on their qualified taxable income for each year they are found to be in violation.”

Goal: Hold corporations directly accountable for societal harms, establishing that legal protections and benefits (like limited liability) should not shield corporations from the impact of their harmful actions.

9. Requiring Corporate Citizenship to Be Tied to Local Communities

Corporate personhood allows entities to avoid the moral and civic responsibilities that individuals might have. You could begin to require corporations to act in accordance with community standards and local governance, emphasizing their responsibility to the communities where they operate.

Possible Language to Add:

“Corporations doing business in the State of Alaska must demonstrate active participation in local community development, including contributions to public health, education, and infrastructure, and provide proof of substantial investment in local workforce training, as a condition for doing business within the state.”

Goal: Remove the concept of corporations as "disembodied" entities with no responsibility to the community or environment where they operate.

10. Create State-Specific Legal Framework for Corporations

The idea here is to introduce a specific set of rules that apply only to corporations operating in Alaska, placing limits on their rights and responsibilities.

Possible Language to Add:

“Corporations that engage in business activities within the State of Alaska shall be subject to a unique regulatory framework that limits their rights to those necessary for business operations and excludes other rights afforded to individuals, such as the right to free speech or political participation.”

Goal: This creates a separate legal category for corporations doing business within Alaska, treating them more as legal entities with obligations, rather than “people” with rights.

11. Corporate "Fines and Liability" System for Environmental or Public Harm

Introduce a provision where corporations are held financially accountable for the harm they cause, making it harder for them to use their personhood status to avoid responsibility.

Possible Language to Add:

“Corporations engaged in resource extraction or production activities in Alaska shall be assessed a per-incident liability fine for any environmental harm, pollution, or damage to public health that they cause, and must make full restitution to affected individuals or communities.”

Goal: This reinforces the notion that corporations cannot escape responsibility for harm by relying on their "personhood" status. Instead, they must face financial accountability, directly tied to the impact they have on public resources and health.

12. Limiting Corporate Liability Protection

Corporate personhood grants corporations a "shield" from individual liability. One approach is to begin eroding this shield by introducing a tiered system where the protections afforded to corporations (like limited liability) are reduced based on their behavior or the scope of their operations.

Possible Language to Add:

“Corporations that engage in gross negligence, environmental violations, or wage theft will forfeit the protections of limited liability for the specific violation and its associated costs, and the owners or directors may be held personally liable for the damages caused.”

Goal: Erode the legal protections of corporate personhood by holding individual corporate officers accountable, removing the "corporate shield" in certain cases.

13. Incorporate "Polluter Pays" Principles

One of the significant consequences of corporate personhood has been that corporations often avoid paying the full environmental and public health costs of their activities. The "polluter pays" principle forces corporations to internalize the environmental costs of their business practices, challenging the traditional notion of corporate personhood as exempt from societal obligations.

Possible Language to Add:

“Any corporation operating within Alaska’s natural resources sector must account for and pay for the long-term environmental restoration and health monitoring costs of their activities, including those that occur after they cease operations in the state.”

Goal: This forces corporations to bear the full costs of their operations, making them accountable for the long-term damage they may cause, which is often shielded by corporate personhood.

14. Create a State-Specific Corporate Tax Evasion Penalty

Corporate personhood has allowed some companies to use loopholes to avoid paying fair taxes. You can add additional measures to ensure that corporations cannot evade taxes by using offshore accounts or by shifting profits to states with lower tax rates.

Possible Language to Add:

“Corporations found guilty of tax avoidance, through offshore accounts or other methods of income shifting, will face an additional penalty tax of up to 50% of their total income, and any offshore entities involved will be subject to full tax rates, even if they are not physically present in the state.”

Goal: Challenge the idea that corporations are entitled to tax protections through legal strategies that are often part of the corporate personhood system.

15. Reinforce Sovereignty by Limiting Corporate Influence in State Governance

Encourage the legislature to pass laws that directly limit corporate influence over state policy decisions. This would work to limit corporate personhood by removing their power to affect decisions as if they were individual voters.

Possible Language to Add:

“No corporation or entity shall exert undue influence on state policy, legislation, or governance in the State of Alaska. Corporate lobbying activities shall be subject to stringent disclosures, including the identities of all officers and directors involved, and all contributions must be limited to the maximum amount allowed for individual citizens.”

Goal: Remove the legal power corporations have to influence state politics through financial means, essentially cutting off their ability to behave as "people" in a political context.

Conclusion:

By implementing a combination of these strategies in SB 92 or related legislation, Alaska can begin to erode the power and influence that corporate personhood grants, gradually shifting the legal landscape to treat corporations as entities with responsibilities and obligations, rather than rights and privileges equivalent to those of individuals. These steps also provide the groundwork for further challenges to corporate personhood at both the state and federal levels, setting a precedent for future legal battles.

These strategies represent initial steps toward dismantling corporate personhood in the context of SB 92. While full corporate personhood reform would require significant federal changes (such as a constitutional amendment), starting with targeted measures in state legislation will build momentum and start redefining the role of corporations in the legal and political landscape. By focusing on areas like political influence, accountability, environmental impact, and workers' rights, Alaska can begin to reshape the balance of power between corporations and individuals.

Thank you for your time and consideration to these most urgent matters

Susan Allmeroth

Two Rivers

Myself

Madam Chair and Members of the Committee,

I'm writing to ask for your support for SB92, "An Act establishing an income tax on certain entities producing or transporting oil or gas in the state; and providing for an effective date."

In 1980, when the State Legislature voted to remove the state income tax, Alaska's budget became subject to the boom-bust cycles of oil and gas economies so common in Arctic states. Without a steady stream of revenue, the state continues to struggle to meet funding needs for basic public services and provide a quality of life that prevents out-migration of individuals and families, and helps sustain our local communities.

Here in the Fairbanks North Star Borough, due to ongoing budget deficits three schools have been forced to close since 2022 and three more are slated for closure this year, as class sizes swell and teachers and staff are stretched to their breaking point. Meanwhile, residents continue to vote against raising individual property taxes that would help close the budget deficit gap. However, as a deputy commander once told me, "There's no free lunch," and the money to pay for necessary services, such as education, has to come from somewhere.

Taxing S-corporations making over \$5M in income makes a lot of sense vs. placing the additional tax burden solely on local residents. The revenue from SB92 would support critical public services, such as education, mental health support, safety, and energy infrastructure projects that contribute to energy security in the state.

Please don't let the profits of the few outweigh the benefits for so many residents across our state. Thank you for your time and consideration.

Respectfully,

Ariane Glover
North Pole, AK

To Whom it may concern

As a resident of the Kenai Peninsula I see brand new Hilcorp trucks on the roads every year. Meanwhile they do not update the infrastructure in the Inlet leading to leaks and pollution. The pipes are decades old but the trucks on Alaska roads are all less than 5 years old. It is time they pay their fair share of taxes so Alaska can operate.

Please support SB 92

Concerned Citizens

Dear Senators,

I am writing to you today to ask you to support SB 92. Companies like Hilcorp, an S Corporation, pay no corporate tax while they rake millions of dollars a year by doing business in Alaska. This is wrong. They need to pay their share. They use our Roads and other resources.

Over 3/4 of Alaskans support this decision. Please do the right thing and bring more resources to our state by taxing S corporations and passing SB 92.

Thank you,
Donna Beran
Homer, AK 99603

Hello,

I am writing in support of SB 92. Please work to get this passed.

Thank you,
Rand Keller
Homer, AK

It's long past time to level playing field among oil and gas producers in Alaska. Hill Corp should not be allowed to evade state taxation via what amounts to an unfair tax avoidance gimmick.

Support SB 92. It's overdue.

Eric F. Myers
Anchorage, AK 99517

I'am from a family of multiple generations that have made their life in Alaska.

I have a young family of my own now. I believe on taking care of alaska as a whole. With not more focus being on a company's profit success.

Please support SB-92

Taxing our Alaskan resources properly for Alaska should go without saying.

Thank you for your time.

Steve Harness

I want you to prove your oath of support for our state and its citizens. It is time for Alaska to tax the S-Corporations. Have you ever asked yourself why we are the only state not taxing the S-Corps?

By supporting SB 02 we could see at least an extra \$100 million in revenue for our roads and schools.

This is an issue that an overwhelming majority of Alaskans support. You must too!

Sincerely,

John Bushell

Alaska Resident since 1981

I completely support SB 92 and urge the committee to move it forward. We need to take advantage of every possible revenue stream we can at this time, and continue to diversify our tax base.

Thank you
Louise Seguela
Homer, AK

I support SB 92 to tax S Corporations. Hilcorp needs to pay state of Alaska taxes.

Grant Fairbanks
Bethel Ak.99559

Dear Senators of the Senate Resource Committee.

As Alaska struggles to adequately fund schools, roads, and other essential services and the state considers other revenue mechanisms, there is one option on the table that most Alaskans can agree upon. Please support SB 92 tax S-Corporations. Their exemption from paying corporate taxes is an unintended effect of eliminating the state's personal income tax in 1980; it is long overdue to address this issue. Doing so levels the playing field for all corporations, rather than giving unfair preference to S-Corporations, and ensures that all corporations pay their fair share to support the state infrastructure they rely upon.

Please support SB 92.

Best wishes,
Katie

Katie Gavenus
Homer, AK 99603

Homer, AK 99603

March 16, 2025

Members of Senate Finance Committee
Juneau AK

Dear Senators:

I urge support of SB 92. I have been in favor of changing regulations on these corporations when I first learned that certain oil companies did not pay taxes in Alaska because they were these so-called S-Corps. I learned it means they do not pay corporate taxes like a C-Corporation does. I don't understand the reason for exempting the S-Corps, but I think it is time to change this.

Alaska needs money to pay for its services, especially our schools, roads, public safety, and health care. If a corporation is profiting off our natural resources, the State has a responsibility to collect a fair return on those natural resources. They belong to all Alaskans so we should be paid for them in a fair tax that will help the State pay for services.

Pass this bill please.

Respectfully,

Nina Faust

Hello,

My name is Rebecca Siegel. I live at, Fairbanks, 99709. I am emailing to share my public testimony about SB 92. I think this bill is a fantastic idea and that it should be passed. I believe that this is a matter of fairness. If an S-Corp is making more than five million dollars off our state resources, then they should contribute back to our state in the form of taxes. This is how it is in nearly every other state, so there is no reason for Alaska to be an exception.

I am a public school teacher and over my career I have seen class sizes grow, supply budgets shrink, and schools close. We are in a fiscal crisis and are trying to solve it by pinching pennies while large S-corps enrich themselves off of our resources. The Alaska state constitution says that Alaska should get the maximum benefit from its resources. By closing the S-corp loophole for large companies working in oil extraction and transportation, Alaska will fulfill its constitutional obligation.

Thank you,
Rebecca Siegel

Dear Committee Members,

I'd like to ask you to please support SB 92 to level the playing field and enhance our state's revenue stream. Thank you.

David Kaufmann
Homer, AK 99603

Dear Alaska Senators for Resources,

Please support SB 92. Alaska could use an additional revenue stream, and we are the only state in the USA neglecting to tax S corporations.

Thankyou,

Julia Bevins
Homer Ak 99603

To the Committee:

Please move SB 92 forward and recommend swift passage.

Alaska needs to tax S corporations. No other state does not tax S corporations -- and that failure is costing us millions of dollars we can't afford to be losing. With the \$100 million or more the state would receive from Hill Corp. alone, we could start to address education funding, as well as other high priority services.

Thank you.

Patti J Saunders

Anchorage, AK 99507

Please support SB 92. This bill will tax so-called S-Corporations. Alaska is the ONLY state that does not tax S-Corps, and because Hilcorp is an S-Corp, they pay no corporate tax in Alaska. If they did, we'd see an extra \$100 million or more a year for our roads, schools, etc. Data for Progress polling shows 77% of Alaskans and 66% of Republicans support leveling the playing field and making Hilcorp pay its fair share.

Thank you
Diane Patch,
Homer ,AK

I an asking you to vote YES on SB92 to tax S-Corps. They do business in our state and they use our resources. The company should pay for those benefits.

Sherry Stead
Homer 99603

Please support SB 92! This bill will tax S-Corporations. Alaska is the ONLY state that does not tax S-Corps. Hilcorp is an S-Corp, they pay no corporate tax in Alaska. If this bill goes through, we will see an extra \$100 million or more a year for our roads, schools, etc. Polling shows 77% of Alaskans and 66% of Republicans support leveling the playing field and making Hilcorp pay its fair share. Hilcorp rakes-in hundreds of millions \$ in profits annually in Alaska, and it should pay taxes for using our roads and profiting off our resources. Please pass this bill. We need the money!

Thanks for considering my comments and serving all Alaskans!

Sincerely,
Sue Christiansen
Homer, AK, 99603

Hello,

I am writing to express my support for SB 92. This bill will go a long way to addressing major tax revenue shortfalls (my town of Fairbanks is having to close 2 schools because we can't fund them).

Thank you,

Joshua Knicely

Subject: SB 92 & SB 112

I'm writing to urge you to support the passage of the two bills listed above.

Timothy Cole
Fairbanks Alaska 99709

Hello State Senators,

Please vote for SB92 today and close this tax loophole that primarily only benefits Hilcorp

SB 92 is a practical and necessary step toward ensuring that Alaska's wealth is reinvested in its people and its future. This legislation, if passed, would impose a tax on S corporation income over \$5 million, generating an estimated \$100 million per year in much-needed revenue for the state. That money could be invested in critical public services and infrastructure, including electrical and energy upgrades that are vital for Alaska's long-term energy security.

With our current state financial situation we cannot allow this source of fairly collected revenue to continue to go uncollected.

Heather Best
Fairbanks, AK