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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

April 9, 2018

The Honorable Members of the House Finance Committee
Via email

Re: HB 399, An Act related to corporate tax, exemptions and credits

Dear Co-chair Foster, Co-chair Seaton, and members of the Committee:

The Resource Development Council for Alaska, Inc. (RDC) is writing to oppose House Bill 399, "An Act disallowing a federal tax credit as a credit against the corporate net income tax; repealing a provision allowing the exclusion of certain royalties accrued or received from foreign corporations for purposes of the corporate net income tax; repealing the reduced rate for the alternative tax on capital gains for corporations; repealing an exemption from filing a return under the corporate net income tax for a corporation engaged in a contract under the Alaska Stranded Gas Development Act; and providing for an effective date."

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries industries. RDC's membership includes Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

The purpose of this legislation appears to remove opportunities for tax credits that are currently not utilized in an apparent attempt to "save" the state money, at a time when we should be encouraging investment in Alaska and demonstrating that Alaska is open for business. When you incentivize something, you get more of it. We need to incentivize activity to create more wealth and foster economic growth.

Further, this bill is being heard and considered at time when the legislature has only days left in the session and provides no benefit to the State or its people. I respectfully request this committee reject HB 399, as it will curb economic growth and new investment, and instead focus on policies aimed at promoting Alaska's economy as a place to do business.

Sincerely,

Marleanna Hall
Executive Director