
From: Carrie Harris [REDACTED]
Sent: Wednesday, February 04, 2026 4:41 AM
To: House Finance
Subject: Oppose HB 284 governor's taxes

Dear Members of the House Finance Committee,

Thank you for the opportunity to provide input on Alaska's tax structure. I am writing to clearly state my position on the conditions under which I would support any new or revised taxes in our state.

1. The Permanent Fund Dividend must be constitutionally protected first Before any tax proposal is considered, the Permanent Fund Dividend must be fully protected in the Alaska Constitution. The PFD is a core part of Alaska's social and economic framework, and it must be secured before any discussion of new revenue measures.

2. Alaska's oil tax system must be fixed before any other taxes are considered I support replacing SB21 with a fair, stable hybrid system based on ACES. My preferred structure is:

Restore the ACES framework.

Cap the total production tax at 45% of net profits.

Allow the \$8-per-barrel credit only after a producer reaches the 45% cap.

No credits at low or moderate prices.

No credits if they don't produce.

No subsidies or giveaways before the state receives its fair share.

This approach preserves Alaska's revenue at normal oil prices, prevents runaway top-end rates, and ensures credits function only as a pressure-release mechanism rather than a subsidy.

3. Only after the PFD is protected and oil taxes are fixed will I support any other taxes If additional taxes are considered, I will only support a limited, structured sales tax with the following protections:

Property Tax Limits

Property taxes must be capped at 0.05% of the purchase price, not the improved value.

Homeowners should not be penalized for improving their property.

Real Estate Sales

The first \$100,000 of any real estate sale should be exempt from sales tax.

Any tax collected above \$100,000 should be split equally between the municipality and the borough where the property is located.

Winter Cost Relief

During winter months, the first \$100 of tangible goods and food per purchase should be tax-free.

If a purchase totals \$101, only the \$1 above the threshold is taxed.

Essential Exemptions

No sales tax on medical services or pharmaceuticals

No sales tax on used goods

No sales tax on insurance

No sales tax on Bush orders, because rural families must buy in bulk to reduce freight costs

No sales tax on shipping costs or shipping services to the Bush, as freight is not optional and is already disproportionately expensive for rural Alaskans

These protections ensure that essential needs remain affordable and that Alaskans are not taxed on necessities, medical care, or the high cost of living in rural communities.

Summary

The PFD must be constitutionally protected first.

Oil taxes must be fixed through a hybrid ACES system with a 45% cap and limited credits.

Only then should a limited sales tax be considered, with strict protections for homeowners, essential goods, rural communities, and basic services.

Thank you for your attention to these priorities. I appreciate the committee's work and the opportunity to share my position.

Sincerely,
Carrie Harris
Anchor Point, Alaska

From: Sam HARRIS [REDACTED]
Sent: Wednesday, February 04, 2026 12:01 PM
To: House Finance
Subject: A million better ideas than sales taxes

Subject: No Sales Tax or any other tax

Dear Legislators,

I will not support any sales tax until two things happen:

The PFD is constitutionally protected.

We fix oil taxes.

Alaska should not be asking families to pay a any tax when we have out of control State spending and we're giving away oil tax credits to companies that never produce a single barrel of oil.

Bring back ACES with a 45% cap and make the \$8 per-barrel credit apply only after they hit that [cap.No](#) production = no [credit.No](#) more paying for wells that never produce.

Alaska paid out over \$700 million in oil tax credits for wells that never produced a single barrel, and should we pay a sales tax to cover those giveaways. Or should we fix it!

Until this is fixed, I will not support any sales tax, property tax, income tax, sin tax, or any other tax that forces Alaskans to cover the cost of oil tax giveaways!

Sincerely,
Benjamin Cook

From: Ebru Turker [REDACTED]
Sent: Wednesday, February 04, 2026 12:10 PM
To: House Finance
Subject: No Sales Tax or any other tax

Dear Legislators,

I will not support any sales tax until two things happen:

The PFD is constitutionally protected.
We fix oil taxes.

Alaska should not be asking families to pay an any tax when we have out of control State spending and we're giving away oil tax credits to companies that never produce a single barrel of oil.

Bring back ACES with a 45% cap and make the \$8 per-barrel credit apply only after they hit that [cap.No](#) production = no [credit.No](#) more paying for wells that never produce.

Alaska paid out over \$700 million in oil tax credits for wells that never produced a single barrel, and I refuse to pay a sales tax to cover those giveaways.

Until this is fixed, I will not support any sales tax, property tax, income tax, sin tax, or any other tax that forces Alaskans to cover the cost of oil tax giveaways!

Sincerely,
Ebru Turker

From: Anthony Okegawa [REDACTED]
Sent: Wednesday, February 04, 2026 12:13 PM
To: House Finance
Subject: No Sales Tax or any other tax

Dear Legislators,

I will not support any sales tax until two things happen:

The PFD is constitutionally protected.
We fix oil taxes.

Alaska should not be asking families to pay an any tax when we have out of control State spending and we're giving away oil tax credits to companies that never produce a single barrel of oil.

Bring back ACES with a 45% cap and make the \$8 per-barrel credit apply only after they hit that [cap.No](#) production = no [credit.No](#) more paying for wells that never produce.

Alaska paid out over \$700 million in oil tax credits for wells that never produced a single barrel, and I refuse to pay a sales tax to cover those giveaways.

Until this is fixed, I will not support any sales tax, property tax, income tax, sin tax, or any other tax that forces Alaskans to cover the cost of oil tax giveaways!

Sincerely,
Anthony Okegawa

From: Dylan Waits [REDACTED]
Sent: Wednesday, February 04, 2026 1:35 PM
To: House Finance; Senate Resources; Rep. Neal Foster; Rep. Andy Josephson; Rep. Calvin Schrage; Sen. Cathy Giessel; Sen. Bill Wielechowski
Cc: Patrick Reynolds
Subject: Written testimony on HB 284 and SB 227
Attachments: 20260204 Alaska HB284 SB227 sales tax compliant with SSTUA - FINAL.pdf

Dear House Finance and Senate Resources Committees and Chairs,

On behalf of the Council On State Taxation (COST), I respectfully submit the attached letter to request modifications to H.B. 284 and companion bill S.B. 227, which would impose a statewide sales tax and authorize the Department of Revenue (DOR) to enter the Streamlined Sales and Use Tax Agreement (SSUTA). In addition, given the opportunity to design an optimal sales tax should you move forward, Alaska should take steps to avoid subjecting business inputs to taxation to ensure the tax falls on final (end user) consumption, which prevents pyramiding of the tax. Lastly, a throwout provision should be removed from the bills. The attached letter provides a more detailed explanation for your consideration before the House Finance Committee Hearing scheduled for tomorrow, February 5th and the Senate Resources Committee Hearing scheduled for Friday, February 6th for HB 284 and SB 227 respectively.

If Alaska wishes to impose a statewide sales tax, we support the State's efforts to invoke central administration of the state and local jurisdictions' sales and use tax by joining the SSUTA. We also strongly recommend that H.B. 284 and/or S.B. 227 be amended to comply with the SSUTA's definitions and process along with including a clear and broad exemption for business-to-business transactions, including services purchased by businesses. We also strongly recommend removing the throwout provision from the bill.

Respectfully,
Dylan Waits

cc: Patrick J. Reynolds, COST President & Executive Director

Dylan Waits, *Tax Counsel*
Council On State Taxation
122 C Street, N.W., Suite 330
Washington, DC 20001
Direct: 202-484-5226 ext 226
Cell: 360-701-6746
dwaits@cost.org
Web - <http://www.cost.org>



From: Sheila Miller [REDACTED]
Sent: Thursday, February 05, 2026 7:25 AM
To: House Finance Legislation
Subject: HB284

Hello,

Simply put, look at the bottom line of relevant oil companies. Look at all the budget cuts that have been made to the Alaska State budget for the past 12 years (or more).

Our schools are being starved. The Alaska Marine Highway is being starved. The cost of care at our State operated Pioneer Homes as sky-rocketed. (I have a 96 year old family member in a State Pioneer Home.). These are just a few examples. You know far better than I.

So, do we keep fattening the oil companies that are not bringing in the revenue promised as our State starves itself? I say NO.

Please vote YES to REPEAL the oil tax give away.

Respectfully,

Sheila Miller - life long resident
[REDACTED]
Ketchikan Alaska 99901

From: Timothy Spencer [REDACTED]
Sent: Thursday, February 05, 2026 9:47 AM
To: House Finance
Subject: Written testimony- House Bill 284

Dear House Finance Committee,

I am Timothy W Spencer, from Fairbanks. I have reviewed the House Bills proposals and do not approve. You had my Nay vote at taxes.

This is all a matter of the Alaska government being held accountable. The problems and mistakes through previous policies, statues and/or bills are not the mistake of the Alaskan people. This needs to be remedy by your prioritizing fiscal budgets towards what is needed and not we you think we want. The PFD was never a scape goat for governments bad decisions and allocating funds wastefully. Not sure where you are getting the feelers from on what we want, but it ain't bringing taxes and making poor decisions of how our resources are used to sustain our government's basic responsibilities of what we need you to do. Invest wisely in our natural resources to allow it to benefit both financially and to run your day to day business. If we can't afford it and don't need something, then don't spend the money on it. Quit lobbyists and outside influences that are manipulating political outcomes. Prioritize Alaskans and preserving our ability to self sustain our selves in the Last Frontier. We do not need a governing body to dictate what we need. We just need you to sustain the basic's of laws and agencies protecting its citizens. Stop the over reach by businesses that take advantage of our natural resources. Ensure we are getting what we need to continue our Alaskans lifestyle and to sustain our state. Protecting our way of life and not falling into the trap of what has consumed the rest of the states.

Some ideas of spending cuts, but not all included:

Being the state capital back to being more accessible to politicians and the people.

Spend basic necessity for schools home/public. Whether it be traditional/career orientated. Stop paying to sustain substandard producing schools. They need to be paid on a standard scale of their ability to be identified as beneficial and productive in there outcome based results of the students. Streamline the University to what will make a graduate productive once they complete a degree/program. Eliminate excessive staff that is not contributing to either of these, both schools and universities. Improve the vetting process of those that you hire, one's that will stick to the curriculum and are safe to be around the students.

Prioritize NG to be one that is competent and capable in there missions. Do not pander money towards them unless they can prove their abilities.

Just like so many other programs to help or assist people in times of need. Need to be limited, verified for the need/being a legitimate entity and put requirements to have the individual develop off of the system. But also need to be monitored. I'm not talking about those with proven Disabilities, which are understandable and I feel is acceptable to most.

There are too many issues to discuss that range from contracts being issued for state projects, to having businesses being run and operated out of our state from another state. Where we are getting taken advantage of and not getting the return investment from it.

The fiscal budget issues are not only at the state, but the federal level. It's not about sides or feelings. It is about what would an individual do with what they have to cover their expense's. They wouldn't go out pandering or stealing from something or someone else to cover their bills. Some may either go bankrupt, become homeless or find another job to increase their revenue.

The bottom line is, fix the budget and it doesn't require taxes. Cause that will never be enough, specifically if we don't identify and sustain a legitimate budget!

Thank you for your time.

Sent from my iPhone

From: LYNN WILLIS [REDACTED]
Sent: Thursday, February 05, 2026 11:19 AM
To: House Finance
Subject: HB 284 Testimony

Committee Members:

Will HB284 generate meaningful revenue? Based on current population divide the projected revenue from this sales tax by the number of Alaskans who will be paying this tax year-round. I suspect you will be disappointed and perhaps cause even more Alaskans to shop online. Also, what are local governments depending on local sales tax supposed to do when/if the state consumes all or most of this revenue stream? Suggest you cap the PFD, withhold the PFD for children until they reach the age of majority or released for their direct benefit by court order. Next re-institute the income tax and annual school tax. Lynn Willis, Eagle River.

From: John Blaine [REDACTED]
Sent: Thursday, February 05, 2026 11:31 AM
To: House Finance
Subject: Governor's Tax Bill

It will always be difficult to achieve, but we are only going to be able to prosper as a state when a state income tax is in operation.

Income taxes are the least regressive taxes there are. With a state income tax, all Alaskans will continue to receive the PFDividend, but only those of us above some defined level of income will pay any income tax,

And the tax will need to be levied on everyone who receives income here in Alaska. Workers who live elsewhere should be taxed on their Alaska incomes.

A sales tax is regressive; there are many sales taxes being collected already by smaller governmental entities. To add a state sales tax to these existing sales taxes will affect people with low incomes negatively. An income tax does not affect people with low incomes. Sales taxes are burdensome on buyers and sellers alike.

As a legislator recently put it, "I wish the governor had put forth a fiscal plan seven years ago instead of now at the last moment of his tenure..."

Well, some time in the future, will legislators say, "I wish we had tried to revive an Alaska state income tax a long time ago...and now, we are unable to educate our children, keep our cities and villages safe, plow our roads and streets...."

Please escape from "woulda, shoulda, coulda...". Start now, and maybe, before everything falls apart, we'll find a way to institute an income tax and "Make Alaska Great Again!"

John Blaine
[REDACTED]
Anchorage, AK. 99517

[REDACTED]

From: Courtney Moore [REDACTED]
Sent: Thursday, February 05, 2026 11:32 AM
To: House Finance
Subject: Hb234 hearing 2/5/26

Hello,

I really appreciated Rep. Bynum, Rep. Jimmy, and Rep. Galvins questions and concerns today. I really appreciated Rep Galvin pulling up stats about out of state workers and how much money they make and take out of the state and Rep Bynum saying this will “stabilize the economy but then in 7 years we will go back to the instability oil brings.”

I think a seasonal sales tax would be alright, but not a year round one. I think yall should really figure out how to tax the out of state workers that fly up, make a ton of money, and fly right out of here. Side note- not to over generalize but the way they speak about Alaskans and our land online is really gross and disrespectful.

I do know as a mother to 3 children who attend ASD, I’m sick and tired of their education not being funded in full. As someone who never voted for Dunleavy or believed his lies about a full PFD, I think it’s awfully rich how now the state taking half is going to be the standard if this passes.

Any and all taxes to the oil and gas companies should be explored and implemented. When we were fear mongered into believing the oil companies would leave if we taxed them with SB21, that was a grave mistake the state made. We have been struggling and in a deficit ever since. I fully support SB92 and think we need to go even farther.

Any talk of sunseting corporate or oil taxes by 2031 like is being proposed should be laughed out of the room.

Thank you,
Courtney Moore
Rep. Nelson’s district

From: Mary Calmes [REDACTED]
Sent: Thursday, February 05, 2026 11:40 AM
To: House Finance
Subject: HB 234

I do not support a sales tax. I would much rather see an income tax put back into the revenue stream for the state.

The rationale behind eliminating corporate taxes corporate taxes over the course of the next five years evades me. As well as cutting oil taxes while the price of oil is low. I am sorry but why is the state (governor) so soft on corporations?

I agree with Dermot Cole: We need a fiscal plan, one that is the product of cooperation, negotiation and compromise. This isn't it.

And we need transparency in the process.

Mary Calmes
Fairbanks, AK 99712
Mary Calmes
[REDACTED]

Laughter: The tangible evidence of hope.

From: KC Casort [REDACTED]
Sent: Thursday, February 05, 2026 11:45 AM
To: House Finance; Rep. Frank Tomaszewski; Sen. Robert Myers; Rep. Ashley Carrick; Sen. Mike Cronk; Rep. Will Stapp
Subject: No Sales Tax - Tax Oil and Gas Companies Fairly Before Implementing A Regressive Taxes on Alaskans

Hello,

I do not support the Governor's proposed sales taxes that would be the MOST regressive and have the least impact on Alaska's wealthiest people and companies, while hurting poorest families the most. A sales tax is a regressive option and should be a last resort for Alaska's government.

I support an increase in corporate taxes, which was [thoroughly researched by ISER](#). See also this article from Alaska Public Media on January 30, 2026: "[Raising oil, corporate taxes is least-painful option for reducing Alaska deficits, ISER concludes](#)."

We all know that Alaska desperately needs new revenue in order to maintain basic government functions, and I am glad to see that economists are digging deep to examine the impacts of many options. I hope to see changes to Alaska's corporate tax structure this legislative session.

-Kasey Casort, HD 34
Fairbanks, AK 99712

From: Anne Edwards [REDACTED]
Sent: Thursday, February 05, 2026 11:49 AM
To: House Finance
Cc: Rep. Alyse Galvin
Subject: Say NO to any state tax

Hi,

I would like to go on record as an Alaskan voter.
I do not support any state tax, but especially not on top of never giving us our full PFD.

My family will personally lead a campaign for voters to vote out of office any elected representative or senator (in any Alaska location) who votes in favor of this bill or any bill that tries to create a state tax (income or sales).

Alaskans don't want this, so instead of trying to get more money from us during already tough financial times for families, start spending less.

With Regards,
Anne Edwards
Anchorage, Alaska

From: John Stout [REDACTED]
Sent: Thursday, February 05, 2026 12:01 PM
To: House Finance
Subject: State Sales Tax

I have noticed that the preponderance of proponents for a sales tax are from an industry that would be tasked with collecting sales tax ?

Since the State income tax was removed some fifty years ago, I've always believed it was a mistake. Collecting and enforcing income tax from non-resident workers employed by out-of-state companies will be challenging, but not impossible. When I worked as a non-resident in other states, I paid income tax there regardless of where my employer was based. Alaska could do the same with the right structure.

A sales tax, on the other hand, creates a different set of problems. It places a disproportionate burden on merchants, especially small businesses. While the Fourth Amendment doesn't directly govern tax collection, the broader principle still applies: the government cannot compel private citizens to perform government functions without compensation. If the State expects merchants to act as tax collectors, will it compensate them for the administrative burden, reporting requirements, and compliance risks?

In other states I've visited, I've seen news stories about criminal cases involving businesses that failed to report or remit sales tax accurately. That kind of system requires a whole new layer of enforcement, auditing, and prosecution. For many small merchants, the cost to the State of enforcing compliance may exceed the revenue collected.

And in many of the small towns and villages I've visited around the State, roadhouses and local stores don't even have a bank where a merchant can make daily deposits. How is the tax supposed to be deposited in those cases? The logistical burden alone makes a statewide sales tax far more complicated than it appears on paper.

From: victory lavalle [REDACTED]
Sent: Thursday, February 05, 2026 12:20 PM
To: House Finance
Subject: HB234 the governors tax bill

Dear Members of the Alaska Legislature,

Please consider implementing a state low-income tax rather than a regressive state sales tax. It is time to tax the thousands of North Slope and out-of-state workers who utilize Alaska's benefits without contributing.

I also encourage you to consider other options, such as the digital sales tax proposed by Senator Andrew Gray and other supportive members. A lack of corporate taxation further harms Alaska's economy without providing a clear benefit.

A statewide sales tax would disproportionately affect rural communities and impoverished residents. Additionally, it would negatively impact small cities and municipalities that rely on local taxes.

Thank you for your consideration.

Have a great day!

Victory Cheney

[REDACTED]

Anchorage Alaska 99508

From: LOWELL BAUMAN [REDACTED]
Sent: Thursday, February 05, 2026 12:25 PM
To: House Finance
Subject: Sales tax vs income tax

Sent from my iPad

I very much prefer income tax over sales tax..

It's always annoyed me that about half the workers on the North Slope are non residents. They do absolutely nothing to help this state. They fly up here, work their hitch and fly out. They contribute nothing.

This nonsense has gone far too long.

Sherry Bauman

From: Judith Burtner [REDACTED]
Sent: Thursday, February 05, 2026 12:30 PM
To: House Finance
Subject: Governor's Tax Bill

I am opposed to a state sales tax.
I support a state income tax.

Municipalities need their sales tax and the State of Alaska should not impose another one.

We have let too many years go by without an income tax while people earning in our state (fishers, oil and resource workers, and others) do not contribute to the general well-being.

Judith W. Burtner

From: Tracey Schaeffer [REDACTED]
Sent: Thursday, February 05, 2026 12:35 PM
To: House Finance
Subject: HB 234

Thank you for taking my testimony. I live in Kotzebue and work with families of young children in various capacities. I was disappointed that SB 113 did not pass as the state desperately needs revenue to provide state services. The proposal of a sales tax is going to hit Alaska families very hard. In looking at "Strong Families" as the Dunleavy Administration wants to make Alaska "the best and most affordable place to raise a family" a sales tax is not going to serve this end. Sales taxes are regressive, they hit the poor the hardest. It's hard to even imagine how much a weekly family grocery bill would look like here in Kotzebue.

While it would be great to find sources of revenue other than the people of Alaska, an income tax would be far more equitable, with those more able to pay more doing so instead of hitting the poorest families the hardest with a sales tax.

Tracey Schaeffer, OTR/L
Trauma Informed Occupational Therapist and Certified Yoga Instructor
Arctic OT Services, 907-355-6025/(907)412-1997
Fax: 1-888-822-0741

Want to be trauma aware? Connect before you correct and get curious, not furious!

From: Pat Race [REDACTED]
Sent: Thursday, February 05, 2026 12:39 PM
To: House Finance
Subject: Governor's Tax Bill

I'm writing to testify on HB234.

I've seen better ideas come out of the back end of a horse. May it fertilize the growth of something better.

The entire burden of the fiscal crisis has been carried by middle income and low income Alaskans through diminished PFDs and loss of state services. To further burden these Alaskans with a regressive sales tax while holding harmless wealthy Alaskans and out-of-state corporations would be an injustice.

But the governor's plan is worse even than that, it uses regressive taxes on middle income and poorer Alaskans to write off the cost of a massive corporate tax cut, north of \$500 million per year.

So, do what you've done with all of Dunleavy's overdrawn budgets. Throw it out and start over.

Figure out how wealthy Alaskans and corporations can carry their share of the burden that the middle class and lower paid Alaskans are already carrying. To my mind, that's an income tax on Alaskans making over \$100k/yr and oil tax reforms.

Oh. Also, spending caps are silly. They're either too high or too low. You're never going to get it just right so instead, sock all that imaginary extra money away in an account like the CBR that requires more votes to access.

Thanks,
Pat Race
Juneau

From: Anthony Lopez [REDACTED]
Sent: Thursday, February 05, 2026 12:51 PM
To: House Finance
Subject: HB234 Comment

Comment on Dunleavy's tax proposal.

- State payroll tax should be considered rather than a sales tax. I specify a payroll tax as opposed to income tax as tax on income would place a burden on retirees and those on a fixed budget.
- Leave adjustable sales taxation to local municipalities, boroughs and incorporated towns in light of SOA cutting revenue sharing. This will enable communities to address the issues that come with increased tourism traffic during summer months causing stresses to services and infrastructure.
- Or the State could institute a combination of payroll tax and an adjustable sales tax on prepared food and services that are targeted towards visitors and sportsmen. Drop or lower this tax during winter season and provide a portion of taxes for revenue sharing to communities.
- A flat tax on resource extraction of any kind. Place a term of, (perhaps 10 years?), at the end of which a legislative review would determine if it needs to be revised. Quit trying to pay businesses to develop our resources with tax cuts and incentives.
- Place limitations on AIDA and provide more legislative oversight to decisions made by its board.

Thank you for the opportunity to comment on this bill.

Sincerely,

Anthony Lopez

Kasilof, Alaska

From: Jack Brothers [REDACTED]
Sent: Thursday, February 05, 2026 1:28 PM
To: House Finance
Subject: HB 284

Here are my thoughts on House Bill 284:

A sales tax is regressive and should be reserved for use by municipalities and local districts.

Corporations use the roads and infrastructure just like everybody else; they should pay their fair share of taxes.

Alaska's tax on oil is one of the smallest in the nation and should be raised. Again, everyone should pay their fair share.

The Alaska State tax on gasoline, other road use fees, general license fees, and fines have not been raised in ages and need to be adjusted for inflation.

Thank you,

Jack Brothers
Anchorage, Alaska

From: Sue Keller [REDACTED]
Sent: Thursday, February 05, 2026 1:36 PM
To: House Finance
Subject: Weighing in on the governor's tax bill

Dear Alaska House Finance Committee,

We must have a tax on residents to balance the budget.

I am not in favor of the governor's plan for a sales tax. This would put too much of a burden on Alaskans with less money and fewer assets.

I am in favor of an Alaska income tax. I have been in favor of an Alaska income tax for at least 2 decades.

Thank you for your work on this.
Carolyn Keller

[REDACTED]
Fairbanks, AK 99709

From: Franco Venuti [REDACTED]
Sent: Thursday, February 05, 2026 1:40 PM
To: House Finance
Subject: HB 284

My name is Caroline Venuti, and I proudly serve on the Homer City Council. While I am not speaking on behalf of the City Council in this correspondence, I want to take this opportunity to express my serious concerns about the impact of HB 284 on small Alaskan communities, such as Homer.

I recognize the importance of a comprehensive state fiscal plan, which may involve implementing a broad-based tax. However, I strongly oppose a state sales tax. Our existing municipal sales tax of 4.85% is critical for funding essential services—such as water and sewer systems that promote community growth and the maintenance of city roads and sidewalks.

Thanks to our local sales tax, Homer has invested in a state-of-the-art police station, and we plan to build a much-needed recreation center with these funds in 2026. Introducing an additional state sales tax on top of our existing city and borough taxes would place an undue burden on our residents and visitors.

It is vital to recognize that many in our community are low-income or vulnerable individuals. This tax increase would disproportionately affect those already

struggling, making it an inherently regressive measure that deepens inequality.

Furthermore, HB 284 undermines municipal exceptions to state tax and fails to safeguard voter-approved local choices, which is fundamental to maintaining local autonomy.

Thank you for your time and consideration, Co-chairs and members of the committee. I urge you to reconsider the implications of HB 284 on our communities.

Caroline Venuti

[REDACTED]

Homer, AK 99603

From: Bill Hawthorne [REDACTED]
Sent: Thursday, February 05, 2026 1:48 PM
To: House Finance
Subject: Taxes.

Thanks for your time.

I don't know the particulars of his legislation, but I'm always leery when it comes to proposals from the governor. On first thought, why would we tax regular working people with a sales tax and let corporations that are doing very well off the hook. When everyone I know is struggling.

Thank you,

Bill Hawthorne

From: Alberta L [REDACTED]
Sent: Thursday, February 05, 2026 1:49 PM
To: House Finance
Subject: HB284

Greetings,

I would like to express that Alaska cannot afford to eliminate all corporate taxes and corporations need to pay their fair share.

Petroleum companies need to be paying more, and we should increase the minimum tax petroleum companies pay in taxes per barrel in order to ensure they are paying their fair share for our resources.

In addition, I would like to express that a sales tax is not preferable for our state. I grew up in rural Alaska and know that those communities are already suffering economically. Residents of rural Alaska pay much more for necessities than we do in Anchorage and to add a percentage on to their purchases further punishes them economically, as residents of larger communities will pay less tax for the same items.

Thank you,
Alberta Laktonen
Anchorage, AK

From: Chuck Degnan [REDACTED]
Sent: Thursday, February 05, 2026 1:53 PM
To: House Finance
Subject: HB 284

I oppose the sales tax for the State of Alaska. It will be putting an additional cost to already high costs in small communities in our state.

To raise revenue, I am in favor of a state income tax. It is a fairer tax because it taxes individuals who are employed in the cash economy.

The Permanent Fund is not working as projected. We need taxes for the state to serve Alaskans in all the areas of our huge state. The extraction of oil, gas, and minerals in Alaska needs to be taxed in a way that is fair to the residents of Alaska.

Thank you,
Chuck Degnan
Former House Finance Committee Member
7th Alaska Legislature

From: Gail [REDACTED]
Sent: Thursday, February 05, 2026 1:54 PM
To: House Finance
Subject: Governor's tax bill

A sales tax is extremely regressive, and even more so when applied to groceries. This would hit the poorest and the rural residents of Alaska hardest. An income tax is what is needed. The least regressive option, it includes workers coming from Outside who make their money here, but spend it elsewhere. SB21 also needs to be revised or eliminated.

Gail Davidson
[REDACTED]
Fairbanks, AK 99701
[REDACTED]

Peace to All.

From: Cynthia [REDACTED]
Sent: Thursday, February 05, 2026 2:01 PM
To: House Finance
Subject: HB234

Regarding HB234, I oppose a State sales tax. There should be a tax taken out of payroll. There are thousands of out of state workers employed here. The oil, mining, fishing and timber industries employ most of them. Time for everyone with these high paying jobs to contribute something to our State.

Thank you,
Cynthia Spezialy
Kasilof, AK

From: Brent Williams [REDACTED]
Sent: Thursday, February 05, 2026 2:12 PM
To: House Finance
Subject: Income Tax vs. Sales Tax

I strongly oppose an income tax due to the already high property taxes that are assessed in Anchorage. A small sales tax would more directly put "skin in the game" for everyone that visits or lives in Anchorage or Alaska. Perhaps, certain foods and medicine could be the exception.

Brent L. Williams

Debenham Properties

2960 C Street, Suite 202

Anchorage, AK 99503

P: 907-562-9331

C: 907-242-6593

E: brent@debenhamproperties.com

Debenham Real Estate

From: Brent Williams [REDACTED]
Sent: Thursday, February 05, 2026 2:17 PM
To: House Finance
Subject: Income Tax vs. Sales Tax

Why does the state continue issuing a PFD to residents when it effectively will end up being given back to the state in some form of tax?

Brent L. Williams

Debenham Properties

2960 C Street, Suite 202

Anchorage, AK 99503

P: 907-562-9331

C: 907-242-6593

E: brent@debenhamproperties.com

Debenham Real Estate

From: DAVE JOHNSON [REDACTED]
Sent: Thursday, February 05, 2026 2:36 PM
To: House Finance
Subject: Fw: HB 234 thoughts

Hello,

I suggest a compromise: a seasonal sales tax, an income tax and revamp corporate taxes. I worked in Prudhoe a long time and saw many folks earning big bucks during their 2 weeks on and paying no state income taxes. That also pertains to the fishing and mining industries.

A seasonal sales tax needs no explanation.

Taxing the oil industry is complicated and if that's a non starter, go with the earlier 2.

Thanks,
Dave Johnson

[REDACTED]

Anch

From: Alaskaberrys [REDACTED]
Sent: Thursday, February 05, 2026 3:16 PM
To: House Finance
Subject: HB234 testimony

Hello;

I'd like to welcome the fact the governor has submitted a tax bill for consideration to alleviate Alaska's growing fiscal issues.

While as a young man I was more than happy to see Alaska's income tax go away, it didn't take much more than a decade to realize that was a mistake. Re-introducing a "tax" has always been a steep uphill battle for any government and especially hard for Alaskans to swallow. Years of oil dividends have made the idea of reversing the flow abhorrent in the eyes of many Alaskans.

I find it ironic that Governor Dunleavy is only now suggesting taxation at the end of two six year consecutive terms, but encouraged that it's finally being discussed to fill our shortfall.

I do want to testify that the idea of having corporate taxes expire in a few short years a terrible prospect. We've learned already that giving large corporations tax breaks does not bolster the Alaskan economy - jobs don't increase by any significant long term measure and our state coffers dwindle just the same. While I support most other forms of taxation I strongly support the idea that those that make money in Alaska, individual or corporate, continue to pay their fair share.

Thank you,

Mark Berry
[REDACTED]
Gustavus, AK 99826
[REDACTED]

From: Merideane Kennison [REDACTED]
Sent: Thursday, February 05, 2026 3:17 PM
To: House Finance
Subject: House Bill 284 - reject and replace with reality based plan

Any Alaskan governor's budgetary plan should help set up our state for fiscal stability (at the very least) and a pathway towards economic growth (in the ideal). Unfortunately, Governor Dunleavy's House Bill 284, really looks like a hodgepodge of unrelated ideas, without any unifying vision (except maybe, "sorry folks, you're on your own!"). Here are some of the bill's plans that I take issue with:

- A temporary state sales tax - this is regressive and hurts the pocketbooks of all Alaskans on a daily basis. Also it's temporary and that will not solve financial problems down the road.
- A temporary cut in state oil taxes. How will that help Alaska's revenue shortage?
- The elimination of corporate taxes in 5 years. Dunleavy was not elected to represent national and international corporations. Taxes are a price of doing business, and corporations know that. The governor represents the state's people, and resources. Cutting off a valid source of revenue is unethical and economically hard to fathom.
- Placing a 1% cap on state spending growth every year also makes no economic sense. Inflation last year was 2.7% according to the BLS. The governor can wish for an alternate reality, but the budget needs to be grounded in what is known, or likely to be.
- Requiring a constitutional amendment to split Permanent Fund withdrawals 50/50 between state operations and individuals decreases funds that could come to the state in a year where disaster (natural, economic, or political) occurs.
- This bill will drain the state's rainy day fund dry in 8 years, according to one of the governor's own former budget directors (Neil Steininger).

I urge the state legislators to agree on another (actual) budgetary plan for Alaska. One that will create stability and cover the costs we all know are part of a well run state.

Merideane Kennison
40 year resident of House District 9

From: Christy McMurren [REDACTED]
Sent: Thursday, February 05, 2026 3:19 PM
To: House Finance
Subject: HB 284

I'm writing to provide public testimony about the governor's fiscal plan. I'm against any regressive sales tax. I am in favor of an income tax. I am NOT in favor of getting rid of corporate tax. I am also in favor of increasing the oil company's per barrel contribution to our state. We really need to repeal SB 21. Oil companies are not paying their fair share.

Thank you
Christy McMurren
Anchorage, Ak

From: mary lee Guthrie [REDACTED]
Sent: Thursday, February 05, 2026 3:41 PM
To: House Finance
Subject: Sales tax

Hello Legislators,

I think the governor's proposed sales tax is a very poor way to address Alaska's fiscal needs.

I urge you to not support it.

I have lived here long enough to recall paying a stare income tax.

Our fiscal problems are real and pressing.

Preservation of our hard working Permanent Fund is critical.

Wish you the best given this governor!

Thank you.

M.L. Guthrie

Mary Lee

From: Nancy Kinney [REDACTED]
Sent: Thursday, February 05, 2026 3:37 PM
To: House Finance
Subject: HB 284

NOOOOO on taxes!
Eagle River resident.
Nancy Kinney
Sent from my iPhone

From: sandra churchill [REDACTED]
Sent: Thursday, February 05, 2026 3:55 PM
To: House Finance
Subject: Statewide sales tax

Dear Legislators,

No thank you! Those of us Alaskans that live here don't want to pay a State tax. You do to focus on a tourism taxation instead. That would help us all. Sincerely, Sandy Churchill PO Box 73 Wrangell, AK 99929 Sent from my iPhone

From: Michele Vasquez [REDACTED]
Sent: Thursday, February 05, 2026 3:56 PM
To: House Finance
Subject: Re: Oppose HB 284

Dear House Finance Committee:

I oppose HB 284 in the strongest possible way! Sales taxes hurt those least able to afford it, which includes the poor, those in rural communities and those who are on a fixed income. It is the wrong way to go! Taxing Alaskans to pay a full PFD is just ignorant and foolish. This bill is NOT a way to fix our fiscal woes. You want to fix our fiscal crisis? Undo SB 21, re-work the oil tax regime and pass SB 92, for starters. Also, I suggest a modest flat income tax that will allow the richest among us to give back to the state while not forcing the poorest among us to pay what they cannot afford. There has to also be a way to force those who come to Alaska to work to pay taxes. They use our airports and other infrastructure, but pay nothing for that privilege. Again, I am utterly and completely opposed to any sales tax increase like the one in HB 284.

Thank you,
Michele Vasquez
Soldotna, Alaska

From: Barbara Haney [REDACTED]
Sent: Thursday, February 05, 2026 4:00 PM
To: House Finance
Cc: Rep. Will Stapp
Subject: HB 284

Dear Finance Committee Members:

I am writing in regard to the sales tax proposal in HB 284 as a private citizen and not a member of any board, office, or commission on which I may be or have served. The issue of the sales tax is one that should be considered independent of the PFD issue. I have many comments to make about the PFD, but I prefer not to put those forward at this time. They involve other structural issues regarding the APFDC, fees, and overall investment strategy that would muddy the waters on the discussion of the proposed tax. What should be on the minds of the finance committee is the price of oil. The target price of oil is headed toward \$40 per barrel, and at the current volume that could pose significant fiscal problems. This is particularly aggravated by the closing of refineries in California, which puts the state in a particularly precarious situation for selling its product.

I am an economist in the area of public finance and have looked extensively at sales taxes with respect to their applicability in the FNSB. Many of the issues raised by the AML are not particularly compelling. The vast majority of transactions are electronic, and the software for those transactions are widely used in retail outlets and can be easily programmed. A sales tax is much easier to collect than an income tax and is more difficult to avoid. AML prefers an income tax, which can readily be reduced or avoided with a clever accountant. In contrast, a low broad based sales tax would likely be more difficult to avoid. Whether a person is a resident or not, the only requirement is that the person has income and is making a purchase.

The sales tax should be rightly considered a tax in lieu of property taxes, not the PFD. While many think this is a borough issue, the state assessor has a high degree of influence on these taxes, so it is not entirely a borough issue. If a sales tax was in Lieu of a property tax, there might be political support for sales tax. However, I do not think there is political support for the PFD.

I would also challenge the regressive nature of the tax- purchases made with EBT would not be taxed lifting the burden from the poorest. As income rises, so do purchases, so over the vast majority of the population, it is proportional. While it is true that upper income families tend to spend less as a percentage of their income, they also have the means to avoid income taxes- so the whole regressivity issue is not one that is particularly compelling. An income tax is intrusive, requires extensive personnel, and is often something that can be avoided with a clever accountant.

However, I am not thrilled with the current proposal for other reasons. Having a 2% sales tax that is year round does hurt those in the interior more than those in other sections of the state. It would result in a regional inequity that is unfair. From both a revenue perspective and a regional equity perspective, it would be much better to have a 3.5% or 4% tax May 1 through Dec 31, and leave January, February, March, and April duty free.

From the perspective of state finances, powerball and other similar activities should be considered. While many object to the philosophy of gambling for revenue, the reality is that many Alaskans travel out of state to gamble, and many tourists often seek casino and powerball opportunities when they arrive in Alaska. It is a voluntary activity and generates revenue for the state. I don't personally gamble, but if others wish to do so, there is no reason they should have to leave the state to generate revenue for another state. A careful consideration of revenue in states like South Dakota and Nevada might be instructive for revenue potential and would compliment local revenues rather than compete with them.

From: Chris Noel [REDACTED]
Sent: Thursday, February 05, 2026 4:15 PM
To: House Finance
Subject: HB 284: Testimony
Attachments: 20260205 HB 284 testimony.pdf

Hello,

Please find written testimony for the Finance Committee meeting this evening. I also intend to call in to share verbally, for the record.

Best Regards,

Chris Noel
Denali Borough Mayor
[REDACTED]

From: Sidney Stephens [REDACTED]
Sent: Thursday, February 05, 2026 4:18 PM
To: House Finance
Subject: HB234

I am opposed to many elements of Dunleavy's proposed tax bill.

1. Local sales taxes are a critical part of the budgets for many Alaskan communities and implementation of a state sales tax would be harmful to those communities and difficult to resolve.
2. I can't imagine any time in my life that I would support the removal of corporate income taxes especially when the oil companies have benefited so tremendously on that score already. How about increasing their taxes and also making them contribute mightily to costs like road maintenance which our state currently covers?
3. What about a low and carefully thought out income tax?
4. How about eliminating the Permanent Fund and putting that money into schools.?

And by the way, although I am glad that Dunleavy finally put a fiscal plan together, why did he wait so long when the cards have been on the table for so long?

Sincerely,
Sidney Stephens

From: [REDACTED]
Sent: Thursday, February 05, 2026 5:38 PM
To: House Finance
Cc: Tina Neal
Subject: HB234 the Governor's Fiscal Plan

Dear elected officials:

I do not favor a state sales tax as a means to address our fiscal crisis. It is regressive and will hurt those who can least afford it. It will complicate and inflame local jurisdictions who already or whom contemplate a local sales tax with specific carve-outs that make sense for communities. It will not touch the millions of dollars in salaries, top salaries, for North Slope workers and others who reside outside and fly into Alaska for weeks at a time, using state services, but paying zero in income tax.

Instead, let us make corporations who profit off Alaskans and Alaska's resources pay their fair share.

Close the S-corp loophole and join the majority of states in the Union who tax businesses like Amazon for internet sales. Companies have made billions of dollars in profits and they can afford to pay for services in the state that so enriches them.

Cap the annual PFD appropriately to maintain the integrity of our permanent fund as intended.

We need a bold combination of fiscal approaches to remain solvent and to provide essential government services that protect and enhance life in the Great State of Alaska. But we cannot place the greatest burden on those at the bottom of the economic ladder.

Please, include values of compassion and equity, essential American values, into your deliberations. This makes social and economic sense.

Christina Neal
[REDACTED]
Homer, AK 99603

From: Lili Misel [REDACTED]
Sent: Thursday, February 05, 2026 5:49 PM
To: House Finance
Cc: Sen. Mike Cronk; Rep. Rebecca Schwanke; Sen. Scott Kawasaki; Rep. Maxine Dibert; Rep. Will Stapp; Frank.Tomaszewski@fnsb.gov; Rep. Mike Prax
Subject: Comments on HB 284

Dear House Finance Committee,

I am sorry I cannot provide public testimony tonight, but I wanted to share my concern about HB 284 and the governor's proposed budget.

The temporary sales tax, temporary cutting of oil taxes, permanently eliminating corporate income taxes are terrible ideas.

We need to look to increasing our taxes from resources and to a flat income tax to increase the State's revenue, and in turn improve those things that matter most to Alaskans-a functioning ferry system, good roads, a strong education system, and having enough staffing at the State to process the things Alaskans need.

Instead, I encourage the legislature to consider a flat income tax of 2% with a PFD tax credit. The governor's approach of a sales tax year round with an increase in the summer will harm the poorer residents of Alaska, and with the expense already of living in rural areas it will be doubly harmful to those who cannot drive easily to Fairbanks or Anchorage for cheaper options. With a flat income tax of 2% all residents and those working in the state (currently the highest it's been at over 20%) it will catch all of those who work in the state. With a PDF tax credit, it would allow individuals to offset the cost of the tax by using their PDF.

I would like to see a review of the mining taxes which have not changed since 1957. By reviewing and even a small adjustment to mining taxes, it will alleviate our dependence on oil which drives our economy. Also, I believe it would be in the best interest of the legislature to look at mining royalties as well. With the continued impact of the current federal administration looking to open up Alaska further for development, now is the time to review the tax structure for mining and modernize it. By not doing so, Alaska is being short changed on receiving a fair value for our limited resources.

The temporary sales tax, temporary cutting of oil taxes, permanently eliminating corporate income taxes are terrible ideas - and looks like industry is soaking Alaskans without Alaska getting its fair share.

Thank you,
Lili Misel
Fairbanks

From: Chris Zafren [REDACTED]
Sent: Thursday, February 05, 2026 5:56 PM
To: House Finance
Subject: Gov tax bill

To the House Finance Committee,

The Governor's tax proposal will not solve the fiscal problems Alaska is experiencing. We need to re-establish the personal income tax and make sure industry is being taxed appropriately. Sales taxes should be reserved for local communities to use to raise funds.

Christina Tower Zafren
[REDACTED]

From: Angela Imholt [REDACTED]
Sent: Thursday, February 05, 2026 6:01 PM
To: House Finance
Subject: Governor Dunleavy's Budget Proposal

I am writing to express my opposition to the Governor's proposed budget. I am particularly concerned about the inclusion of a statewide sales tax, a 100% cut to the corporate income tax, and the establishment of a 6% floor on oil taxes.

Sales taxes are widely recognized as regressive, meaning they disproportionately impact low-income households. Lower-income Alaskans spend a much larger share of their income on necessities such as food, utilities, and household goods, while higher-income households are better able to absorb or avoid the burden. As a result, a sales tax takes a higher effective percentage of income from those least able to afford it.

If Alaska must adopt a new tax, I would strongly prefer an income tax, which can be structured progressively so that those with higher incomes contribute a fairer share, rather than shifting the burden onto working families, seniors, and rural residents through higher prices on everyday goods.

The Governor's proposal would also have a direct and significant impact on local communities. In Juneau, the addition of a statewide sales tax would raise the combined sales tax rate to 9%. Currently, Juneau exempts food and utilities from local sales tax. Under the Governor's proposal, these exemptions would be made illegal, meaning residents would face new taxes on essential items such as groceries and home heating—costs that are already exceptionally high in Southeast Alaska.

On January 30, The Alaska Beacon published an article discussing a study conducted by the Institute of Social and Economic Research at the University of Alaska Anchorage. That study concluded that raising oil and corporate taxes to balance Alaska's budget would likely have the lowest negative impact on Alaskans' jobs and incomes. Importantly, this report was commissioned by the Governor's own administration and was released just days after the Governor introduced his budget proposal.

Given these findings, it is deeply concerning that the proposed budget moves in the opposite direction—eliminating corporate income taxes entirely, reducing oil tax revenue, and instead relying on a regressive sales tax that increases the cost of basic necessities for Alaskans.

I urge the Senate Finance Committee to reject this budget framework and instead pursue revenue solutions that are evidence-based, equitable, and aligned with Alaska's long-term fiscal stability. Alaska should not balance its budget on the backs of working families when more effective and less harmful options are available.

Thank you for your time and consideration.

Sincerely,

Angela Imholt

From: Mary Corcoran [REDACTED]
Sent: Thursday, February 05, 2026 6:01 PM
To: House Finance
Subject: Public Testimony HB284

To House Finance Committee Co Chairs and Members,

Thank you for this opportunity to give testimony on the SALES TAX portion of HB284. I am 100% opposed to this tax for at least the following reasons:

- It is regressive, putting a disproportionate cost on rural and low income residents.
- To speculate that we will reap taxes from tourists is a guessing game dependent on market fluctuations out of our control.
- Municipalities will lose local voice on revenues they have agreed to raise.

I am not opposed to paying taxes. I understand that services cost money. The conversations need to broaden scope to look at corporate and income taxes for at least these reasons:

- Corporations are getting a pass on shouldering their share of Expenses that will support the State.
- To leave the billions of dollars earned by out of state workers on the table seems foolish, impractical.

Our State needs a stable fiscal plan not a blind search looking for boom, bust, boom...?

Thank you for your consideration.

Sincerely,
Mary Corcoran
Delta Junction, AK

From: Peggy and Alex [REDACTED]
Sent: Thursday, February 05, 2026 6:08 PM
To: House Finance
Subject: House Bill 284

Thank you for the opportunity to provide comments on HB 284. I am pleased to see the Governor is finally considering a broad base state wide tax to try and put the State budget on a sustainable path and avert a plunge off the proverbial fiscal cliff. Unfortunately, the Governor's plan is flawed and actually contradictory to his statement that "Alaskans deserve a stable, rules-based fiscal system that avoids the boom-and-bust cycle that comes with a budget based on the price of oil." Instead, it proposes a plan for short term relief through tax revenue, then blind faith in the volatile and uncertain revenue streams in the future from oil and gas extraction. I have three major concerns with the plan.

1. A state-wide sales tax is not the appropriate approach for Alaska. We need to return to a State income tax. I remember paying state income tax decades ago; it was a very simple process based on a percentage of your Federal tax. It is a progressive tax system, so that those who have limited income pay a lower percentage. It would recoup some of the money leaving the state with our large seasonal work-force, who take advantage of the resources and opportunities Alaska provides without contributing to the infrastructure and operation of the State. A sales tax would impact low income people the most. It would also disrupt the current use of sales tax by many municipalities throughout the state to fund local government, including the elimination of exemptions crafted by the electorate in those jurisdictions.

2. The sunset provision on the new taxes, as well as the future elimination of corporate income taxes, is incredibly shortsighted. We've seen this movie, the state eliminated the income tax because oil would pay for everything, and we know where that has put us. It is very much wishful thinking that increases in oil and gas revenues will increase enough to offset the need for tax revenue, especially when you throw in the elimination of important current revenue. We are back to the boom-and bust that the Governor says the plan avoid. If the State does indeed start to get increased revenue from new oil and gas projects, the tax rates can be modified to reflect that, but the taxes should not be eliminated.

3. Enshrining a 50/50 split of permanent fund earnings between supporting State services and the Dividend is also shortsighted, depending on the same wishful thinking of the bonanza ahead. If that bonanza does come, then future Legislatures can adjust the portioning of the earnings consistent with sustaining State services and obligations. If not, a larger share of the earnings may be needed to then, as now, to support State services. The fiscal situation we are in now is dire; can you imagine how bad it would be if we had had an obligatory 50/50 split?

Thank you for the opportunity to comment on HB284.
Alex Wertheimer
[REDACTED]
Juneau, AK 99801

From: Tina Pasteris [REDACTED]
Sent: Thursday, February 05, 2026 6:11 PM
To: House Finance
Subject: Governor's Proposed Budget & Sales Tax Proposal

Members of the House/Senate Finance Committee,

I am writing to express my opposition to the Governor's proposed budget. I am particularly concerned about the inclusion of a statewide sales tax, a 100% cut to the corporate income tax, and the establishment of a 6% floor on oil taxes.

Sales taxes are widely recognized as regressive, meaning they disproportionately impact low-income households. Lower-income Alaskans spend a much larger share of their income on necessities such as food, utilities, and household goods, while higher-income households are better able to absorb or avoid the burden. As a result, a sales tax takes a higher effective percentage of income from those least able to afford it.

If Alaska must adopt a new tax, I would strongly prefer an income tax, which can be structured progressively so that those with higher incomes contribute a fairer share, rather than shifting the burden onto working families, seniors, and rural residents through higher prices on everyday goods.

The Governor's proposal would also have a direct and significant impact on local communities. In Juneau, the addition of a statewide sales tax would raise the combined sales tax rate to 9%. Currently, Juneau exempts food and utilities from local sales tax. Under the Governor's proposal, these exemptions would be made illegal, meaning residents would face new taxes on essential items such as groceries and home heating—costs that are already exceptionally high in Southeast Alaska.

On January 30, The Alaska Beacon published an article discussing a study conducted by the Institute of Social and Economic Research at the University of Alaska Anchorage. That study concluded that raising oil and corporate taxes to balance Alaska's budget would likely have the lowest negative impact on Alaskans' jobs and incomes. Importantly, this report was commissioned by the Governor's own administration and was released just days after the Governor introduced his budget proposal.

Given these findings, it is deeply concerning that the proposed budget moves in the opposite direction—eliminating corporate income taxes entirely, reducing oil tax revenue, and instead relying on a regressive sales tax that increases the cost of basic necessities for Alaskans.

I urge the Senate Finance Committee to reject this budget framework and instead pursue revenue solutions that are evidence-based, equitable, and aligned with Alaska's long-term fiscal stability. Alaska should not balance its budget on the backs of working families when more effective and less harmful options are available.

Thank you for your time and consideration.

Tina Pasteris

Juneau, 99801

From: Mike Bronson [REDACTED]
Sent: Thursday, February 05, 2026 6:20 PM
To: House Finance
Subject: Kill the bill, HB 248

Dear House Finance Committee members,

HB 248 reminds me of my old Ford pick-up truck, “Found on Road Dead.” To mix metaphors, it’s also “a dollar late and a dime short.”

Drop HB 248 from your calendar and step up with your committee’s own legislation to pay the State’s mounting bills. The State is so far out of compliance with its constitutional obligations, especially funding schools and public safety officers. If for nothing else, you should be motivated to get serious revenue by your own voting district students’ need for smaller classes and more great teachers to gain back the full grade-level they lost in reading and math since 2010.

I know people get elected to office by saying that the government is no good, and then proving it. HB 248 is an example.

If you want other examples of the governor’s vision, I’ll be bringing them up at to the AASB at the Baranof Hotel on Superbowl Sunday morning. <https://aasb.org/event/leadership-academy-legislative-fly-in-and-youth-advocacy-institute/>

Thanks,

-Mike Bronson

Substack on schools:

https://substack.com/@mike256524?utm_source=user-menu

From: Larri Spengler [REDACTED]
Sent: Thursday, February 05, 2026 6:37 PM
To: House Finance
Subject: problems with the Governor's proposed budget

Greetings:

I am very opposed to Alaska using a state-wide sales tax to solve our budget woes. This would have a very disproportionate negative impact on lower-income Alaskans.

I much prefer a progressively structured income tax, and possibly increasing -
- certainly not decreasing! -- corporate taxes.

Larri Spengler

--

Larri Irene Spengler
[REDACTED]
Juneau, Alaska 99801
[REDACTED]

From: Maria Glad [REDACTED]
Sent: Thursday, February 05, 2026 7:54 PM
To: House Finance
Subject: Sales Tax proposal

As you have heard thousands of times by now, sales taxes hurt the poorest people the most. It also will disproportionately hurt rural Alaska, where the cost of goods are already high.

The governor's proposal also takes away local control and heavily impacts a local source of tax revenue. Locations throughout Alaska already have instituted sales taxes tailored to the consumption patterns and needs of residents of those communities and the governor's proposal would institute a statewide one size fits all system.

Please consider an income tax. There must be some acceptable income tax system that can pass in Alaska. Please work on that. Higher income people will then pay more tax, which is only fair. An income tax will also get revenue from out of state workers, and as you know, there are many out of state workers on the north slope and in the mining and tourism industries. I fail to understand why many continue to find sales taxes more acceptable than income taxes, it makes no sense to me.

Finally, as a former deputy mayor of Juneau, I know that if a state sales tax is implemented, it will impact Juneau's ability to get voter approval for the local sales tax. This would devastate City finances. Voters just removed sales taxes from food and utilities (that's a good thing as taxes on food and utilities again disproportionately affect lower income people), and the governor's proposal would reinstitute those taxes.

Please scrap the sales tax proposal and work on an income tax. Thanks for your hard work on these hard issues.

Maria Gladziszewski
Juneau

From: Bryan Smith [REDACTED]
Sent: Thursday, February 05, 2026 9:33 PM
To: House Finance
Subject: Fwd: HB 284

I'm a public school teacher here in Anchorage, and at my school we've recently learned the prospective consequences of our district's budget. The cuts in support staff and the increases in student-teacher-ratio that we're expecting will break schools and teachers. Next year will be bad. Education (and educators) will suffer. I'm sure you'll hear about it in the legislature. I understand the need to increase state revenues.

I also understand that the proposed sales tax is estimated to raise about a billion dollars each year. I oppose the proposed sales tax, however, as it is among the most regressive options for additional revenue streams available, disproportionately affecting the finances of who have the least ability to pay.

If I'm reading the Department of Revenue's Spring 25 Revenue Forecast (https://dor.alaska.gov/docs/default-source/homepage-documents/revenue-spring-2025-forecast.pdf?sfvrsn=c1a81c75_1) correctly, the state has distributed \$2.9 billion dollars over the past three years (FY 22, 23, and 24) to oil producers through AS 43.55.024(i) and (j). Eliminating those 024(i) and (j) credits would net the state that same billion dollars per year.

By fiscal year 2032, the easing of corporate income tax is expected to cost more than \$540 million annually. Definitely don't do this. If anything, increase those corporate income taxes.

The temporary increase to the "minimum oil and gas production tax" raises as little as \$73 million annually. Instead, just eliminate the 024(i) and (j) credits and recoup more than 10 times the funds, and not just temporarily.

To the extent that an additional revenue stream is needed, a state income tax would be an obvious choice, capturing revenue from both seasonal workers and rotational workers that currently leaves the state untaxed. A flat percentage tax of the taxpayer's federally reported adjusted gross income would be easy enough to understand and administer, and would be equitable in taxing those most able to pay.

Thank you for wading into this issue at this critical time for our state. May you find the courage to tax the people and the corporations who can afford to increase their payments.

Respectfully,

Bryan Smith
Anchorage

From: Bill Vedders [REDACTED]
Sent: Friday, February 06, 2026 6:13 AM
To: House Finance
Subject: Sales Tax

I am opposed to any tax.

If I must be taxed more I would rather it be sales tax instead of income tax.

I don't think the state of Alaska has even come close to cutting all of the waste, fraud, and abuse in the government.

Bill Vedders
[REDACTED]
Kenai, AK 99611

From: [REDACTED]
Sent: Friday, February 06, 2026 8:03 AM
To: House Finance
Subject: No new taxes

No new sales tax , ever, nor income tax. Get your spending under control! Cut back or eliminate programs added in the last 35 years. --Rich Eide. District #33

From: Christie Jamieson [REDACTED]
Sent: Friday, February 06, 2026 9:31 AM
To: Finance
Subject: HB 284

Good morning! I missed last evening's testimony hearing however, I am a long-time Alaskan and I am totally against the passage of HB 284. We Alaskans are strong but there comes a point when enough is enough. We cannot afford to pay anymore rising prices of groceries, and other living expenses! I fear that rising prices will take us completely out of our beautiful state to live elsewhere, where it is affordable.

Please do not pass HB 284, a proposal of a statewide sales tax.

Thank you, Christie Jamieson
Gunalcheesh/Thank you

[REDACTED]

"Life isn't about finding yourself. Life is about creating yourself." George Bernard Shaw

From: Lisa Daugherty [REDACTED]
Sent: Friday, February 06, 2026 10:05 AM
To: House Finance
Subject: sales tax

Hello,

I would like to state my total opposition to a statewide sales tax. I understand wanting to have tourists and seasonal/out of state workers paying their share of taxes. I do not, however, think sales tax is the mechanism.

As a small business owner in a family that operates several businesses, I cannot overstate what an accounting nightmare a seasonal sales tax would be. On top of Juneau's city sales tax, it would be difficult for both our business, and our selves a regular people to swallow that financial and time burden.

One big part of the seasonal sales tax debate at the city level last year that was left out of the conversation was the burden on businesses. People would just say, "well that money was never *yours*, you collected on behalf of the city." BUT, what those people failed to see is that a business spends a lot of money to operate, and the tax on THOSE expenses, that we pay for, are going to be financial burden/expense that has to get passed on in turn to our customers. As an example: my business uses heavy machinery. If my front end loader breaks down in May, when I'm in the height of my season, and I need to pay a mechanic \$10,000 for a repair, there is \$500 of sales tax added on top of that. That is part of my business's expenses. If the sales tax was seasonally higher, why should the city be entitled to get more tax off of my equipment failure just because it's tourist season? An argument people often gave to counteract the seasonal increase was to purchase goods in the winter during the low tax rate to balance things out, or potentially save money. But that totally does not take into account SERVICES that business pay for, and ignores that fact that much of Alaska commerce is boom in the summer, bust in the winter. It's not just tourism! Fishing. Construction. Landsaping, on and on. Many businesses see their revenues and bank accounts hit their lowest point in the winter, so pre-purchasing summer goods and services is not feasible.

My husband is a commercial fisherman. His business spends A LOT of money to get ready for the season each spring. None of that boatyard work can happen in winter. He also can't set the price of his catch to offset any additional sales tax he pays for goods and services. The fish buyers set the price, so sales tax our business pays would jut be another layer of expense.

In short state an/or seasonal sales tax would negatively affect our family and all commercial fishermen.

Can you instead find ways to generate more revenue from the oil companies, seasonal workers, and the tourists as a first step before asking all residents to pay more money for everyday living? Can the head tax be increased?

Thank you for your consideration,

-Lisa Daugherty
23-year resident of Juneau

House Finance

February 5, 2026

Re: HB 284 testimony

Co-Chairs and members of the committee,

For the record, my name is Chris Noel, and I serve as the Mayor of the Denali Borough. Thank you for the opportunity to testify on HB 284.

The Denali Borough understands the state's revenue shortfall and the pressure it creates. We need support for our schools, a capital budget that makes a meaningful difference in halting the decline of large and important pieces of state and community infrastructure, and investments in new needs across the state, as well as inflation-adjusted programs so that we are not locked in a cycle of declining support. The borough has long supported a fiscal plan that includes new revenue, and an income tax is the fairest statewide tool because it asks Alaskans to contribute based on their ability to pay. It is also a tool the state is uniquely equipped to use and one that is not available to municipalities.

A sales tax proposal must not undermine local authority or override decisions local voters have already made. A sales tax is among the most regressive revenue tools, with the burden falling most heavily on low-income and vulnerable residents. It threatens local decision-making and voter-approved local policy choices. HB 284 risks subordinating municipal exemptions to state law and does not clearly protect voter-approved local decisions.

In the Denali Borough, HB 284 would impose a sales tax when voters have not yet approved a local broad-based sales tax. In many places, it would do so on top of local taxes voters have already approved, making day-to-day life more expensive. Finally, it would preempt local control by risking the subordination of municipal exemptions and caps to state law and layering state administration onto locally imposed taxes.

Thank you, Co-Chairs and members of the committee.



Officers, 2025-2026

Mollie L. Miller
Chair
*Fresenius Medical Care
North America*

Jamie S. Laiewski
Vice Chair
Charter Communications

Karen DiNuzzo-Wright
Secretary & Treasurer
Walmart Inc.

Michael F. Carchia
Immediate Past Chair
Capital One Services, LLC

Robert J. Tuinstra, Jr.
Past Chair
Corteva Agriscience

Arthur J. Parham, Jr.
Past Chair
Entergy Services, LLC

Amy Thomas Laub
Past Chair
Nationwide Insurance Company

Patrick J. Reynolds
President
Council On State Taxation

Directors

Madison J. Barnett
The Coca-Cola Company

C. Benjamin Bright
HCA Healthcare, Inc.

Lani J. Canniff
Ameriprise Financial, Inc.

Kathryn S. Friel
Entergy Services, LLC

Damian B. Hunt
Amazon

Laura James
Kimberly-Clark Corporation

Erica S. Kenney
NextEra Energy Resources

Jeffrey A. Langer
The Home Depot

Stephen J. LaRosa
Alexion Pharmaceuticals, Inc.

Jonathan M. Mieritz
Corteva Agriscience

Toni Mincic
Lumen Technologies

John H. Paraskevas
Exxon Mobil Corporation

Michael R. Raley
VF Corporation

Patrick A. Shrake
Cargill, Incorporated

Kyle Snedaker
Conagra Brands, Inc.

Andrew H. Solomon
Stagwell, Inc.

Beth L. Sosidka
AT&T Services, Inc.

Archana Warner
*Constellation Energy
Corporation*

Dylan Waits
Tax Counsel
(202) 484-5222
dwaits@cost.org

February 4, 2026

VIA EMAIL

Alaska House Finance Committee

Co-chairs: Representative Neal Foster, Andy Josephson, and Calvin Schrage

Alaska Senate Resources Committee

Chair: Senator Cathy Giessel; Co-Chair: Senator Bill Wielechowski

RE: Request for Modifications to H.B. 284 & S.B. 227 for Sales Tax Proposal to be SSUTA Compliant and Eliminate the Throwout Provision

Dear Chairs and Members of the House and Senate Finance Committees,

On behalf of the Council On State Taxation (COST), I respectfully submit this testimony to request modifications to H.B. 284 and companion bill S.B. 227, which would impose a statewide sales tax and authorize the Department of Revenue (DOR) to enter the Streamlined Sales and Use Tax Agreement (SSUTA). If Alaska chooses to adopt a statewide sales tax, we strongly encourage the State to do so through full conformity to SSUTA; however, without an amendment to the bills to incorporate the SSUTA's definitions and processes, the legislation will fail to comply with SSUTA and would impose additional complexities on both Alaska retailers and remote sellers. In addition, given the opportunity to design an optimal sales tax, Alaska should take steps to avoid subjecting business inputs to taxation to ensure the tax falls on final (end user) consumption, which prevents pyramiding of the tax. Lastly, a throwout provision should be removed from the bills.

About COST

COST is a nonprofit trade association based in Washington, D.C. COST was formed in 1969 as an advisory committee to the Council of State Chambers of Commerce and today has an independent membership of approximately 500 major corporations engaged in interstate and international business, many of which directly do business in Alaska. COST's objective is to preserve and promote equitable and nondiscriminatory state and local taxation of multijurisdictional business entities.

Central Administration & SSUTA Membership Promotes Sound Tax Policy

COST has long advocated for sound tax policy through simplification and uniformity of state and local sales and use tax systems.¹ As part of its efforts, COST has advocated for states to

¹ COST policy position on Simplification is found here: <https://www.cost.org/globalassets/cost/state-tax-resources-pdf-pages/cost-policy-positions/simplification-of-the-sales-and-use-and-similar-transaction-tax-system---final-revised-june-2021.pdf>

join the SSUTA and adopt the SSUTA's definitions and procedures,² including a uniform sales tax base and central administration of a state's local sales taxes. The central administration of local taxes has worked very well in the SSUTA Member States that have local taxes and improves the efficiency of the administration of the local taxes for both businesses and the states. Alaska adopting SSUTA's definitions and processes would significantly reduce administrative and compliance burdens for all sellers through the following:³

- Single, state-level administration for all sales and use tax collections, which the bills partially address but it also needs to clearly cover audits⁴ (Section 301 of the SSUTA).
- Uniformity in the state and local tax bases, which the bills appear to require (Section 302 of the SSUTA).
- Uniformity of major tax base definitions, which would require some revisions to the bills to adopt some of the SSUTA's definitions such as prewritten software, telecommunications, prepared food, etc. (See definitions used throughout the SSUTA, and importantly the Library of Definitions that is part of the Agreement).
- Allow the use of SSUTA's central electronic registration system (Section 211 of the SSUTA).
- Simplification of state and local tax rates by providing a database of local rate jurisdictions associated with each five- and nine-digit zip code, with limitations on when local taxes can be changed to the beginning of a calendar quarter at least 60 days after proper notice is provided (see Section 305 of SSUTA).
- Uniform destination-based sourcing rules for all taxable transactions, with a preference for the sourcing provisions to be in the law and not just a regulation (Sections 309 to 311 of the SSUTA).
- Completion of the SSUTA Taxability Matrix and Tax Administration Practices which would require revisions to the bills to assist sellers in understanding the requirements of Alaska's sales tax laws (Section 328 of the SSUTA).
- Clearly allow Certified Service Providers to assist sellers in collecting and remitting the tax and provide CSP compensation as required by SSUTA (Section 601 of the SSUTA).
- Simplified exemption administration (Sections 316-317 of the SSUTA).
- Simplified tax returns (Section 318 of the SSUTA).
- Simplification of tax remittances (Section 319 of the SSUTA).
- Protection of consumer privacy (Section 321 of the SSUTA).

The proposed legislation achieves some of these standards. We recommend amending both bills to more closely adopt the SSUTA provisions.

For all the reasons outlined above, we strongly support Alaska becoming a full SSUTA member state in total compliance if it seeks to enact a statewide sales and use tax.

² The Agreement itself is available at: [ssuta-as-amended-through-12-19-25-with-hyperlinks-and-compiler-notes-at-end.pdf](#); and the SSUTA rules are available at: [STREAMLINED SALES TAX GOVERNING BOARD, INC.](#)

³ We strongly encourage you to reach out to the SSUTA staff, specifically Craig Johnson (craig.johnson@sstgb.org), Executive Director, and/or Alison Jares (alison.jares@sstgb.org), Director of Research and State Compliance for more guidance on what Alaska must do to be compliant with the SSUTA.

⁴ Centralized auditing does not mean local auditors cannot be used, but when auditing a taxpayer, an auditor should follow the DOR's centralized audit processes and conduct the audit for all the State's localities and the State's sales taxes.

COST's Position on Sales Taxation of Business Inputs

The COST Board of Directors has adopted a formal policy statement on sales taxation of business inputs.⁵ COST's policy position is:

Imposing sales taxes on business inputs violates several tax policy principles and causes significant economic distortions. Taxing business inputs raises production costs and places businesses within a State at a competitive disadvantage to businesses not burdened by such taxes. Taxes on business inputs, including taxes on services purchased by businesses, must be avoided.

As noted in COST's policy position above, the imposition of sales tax on business inputs violates several tax policy principles—economic growth, equality, simplicity, and efficiency. In addition, imposing sales tax on business inputs causes economic distortion that results from pyramiding. Pyramiding occurs where a tax is imposed at multiple levels, such that the effective tax rate exceeds the retail sales tax rate. This forces companies to either pass cost increases to consumers or reduce their economic activity in the State to remain competitive with other producers who do not bear the burden of such taxes. The result of these choices is that the economic burden of taxes on business inputs inevitably shifts to labor in the State (through lower wages and employment) or consumers (through higher prices). With both bills proposing to broadly subject services to sales taxation, it is critical that business inputs are exempt from the tax to avoid running afoul of these sound tax policy principles.

COST Opposes the use of Throwback/Throwout Provisions

The COST Board of Directors has adopted a formal policy statement on throwback and throwout laws.⁶

Throwback and throwout laws seek to require companies to pay tax in one state on income that another state has chosen not to tax or is legally unable to tax. A company's tax liability in one state should not be measured by its tax in another state. Throwback and throwout rules also discourage investment in a state. Such rules must not be adopted and must be repealed where they presently exist.

Throwback and throwout laws require a company, when calculating its tax in a state, to add income earned in another state if that other state chooses not to tax that income or is prohibited from taxing that income by the U.S. Constitution or by federal law. Therefore, COST opposes the enactment of any throwout provision and asks that it be removed from both bills.

⁵COST policy position on Taxation of Business Inputs is available here:
<https://www.cost.org/globalassets/cost/state-tax-resources-pdf-pages/cost-policy-positions/sales-taxation-of-business-inputs.pdf>.

⁶ COST policy position on Throwback/Throwout Positions is available here:
<https://www.cost.org/globalassets/cost/state-tax-resources-pdf-pages/cost-policy-positions/throwback-throwout.pdf>.

Conclusion

If Alaska wishes to impose a statewide sales tax, we support the State's efforts to invoke central administration of the state and local jurisdictions' sales and use tax by joining the SSUTA. We also strongly recommend that H.B. 284 and/or S.B. 227 be amended to comply with the SSUTA's definitions and process along with including a clear and broad exemption for business-to-business transactions, including services purchased by businesses. We also strongly recommend removing the throwout provision from the bill.

Respectfully,



Dylan Waits

cc: COST Board of Directors
Patrick J. Reynolds, COST President & Executive Director