

TO: Alaska House Finance Committee  
[House.finance@akleg.gov](mailto:House.finance@akleg.gov)

FROM: Theresa Nangle Obermeyer, Ph.D.  
[REDACTED]

DATE: February 6, 2026

RE: HB284

I called in last night to AK House Finance and appreciated being heard about HB284.

HB284 is 86 pages of minutia and there are 58 pages of glossy slides from Alaska Department of Revenue in the "Documents" about this Bill.

I spoke against Alaska Statewide Sales Tax as did several Mayors all over Alaska including those locations that do not currently pay any type of taxes. All of us are opposed to creating a Statewide Sales Tax. In fact, I do not remember any testimony whatsoever in favor of HB284.

I mentioned that I had read this Sales Tax would require 67 new AK State Employees or an entire new Alaska State bureaucracy which I oppose. I am against having this type of tax when we have a PFD. We would be handing out money on one hand and collecting money on the other. That is ridiculous.

I brought up that usually Governors have a Fiscal Plan in the beginning of their term of office instead of at the end. Governor Dunleavy has been in Office since December 3, 2018 and he is just bringing up a Fiscal Plan now. We also know that Legislatures can only spend money during one Legislature, and yet, Governor Dunleavy's HB284 includes tax policy that would start five years from now in 2031.

I mentioned that I am for SB92 cancelling S-Corps tax loophole and SB113 apportioning taxable income, digital business. SB113 had passed Alaska Legislature 5-7-25. I am very saddened that Governor Dunleavy vetoed SB113 after it was he who gave this Bill to Senator Wielechowski to introduce to Alaska Legislature. This does not make any sense!

I did not have time to talk about HB124 "The AIDEA Accountability Act" but I am very much for that. AIDEA is only the Governor's slush fund and it has gotten less and less accountable over the decades.

I hope you will consider the issues I brought up last evening and above so that we can have more money in Alaska State Treasury instead of burdening Alaska citizens with a Sales Tax.

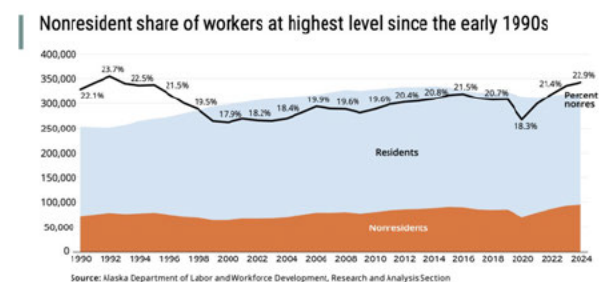
Thank you for allowing me to be heard under "Public Testimony" last evening.

**From:** Tina [REDACTED]  
**Sent:** Friday, February 06, 2026 12:26 PM  
**To:** House Finance  
**Subject:** Re: HB234 the Governor's Fiscal Plan - out of state workers who fly in and out and pay very little in tax

Timely report in the Alaska Beacon this morning see below - even a small income tax on 3.8 billion dollars would be a hefty income to the state!

And the vast majority of these highly paid workers aren't going to suddenly quit or leave the state if they have to pay an out of state income tax here.

I also sincerely doubt that retired military who have fallen in love with Alaska would leave - a PFD, hunting, fishing, continued low taxation, liberal home schooling policies, all positives to retired military. What is more concerning to me is the declining health of public schools, high cost of medical care, and dealing with the impact of climate change on our far flung infrastructure.



Almost one in four Alaska workers doesn't live in the state, new report concludes  
[alaskabeacon.com](http://alaskabeacon.com)

Sent from my iPad

On Feb 5, 2026, at 17:37, [REDACTED] wrote:

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

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**From:** Glenn Olson [REDACTED]  
**Sent:** Friday, February 06, 2026 1:35 PM  
**To:** House Finance  
**Subject:** Dunleavy's tax bill is just another case of pushing our fiscal crisis down the road. A graduated income tax is desperately needed as is an increased tax on oil companies. Remote sellers should also be taxed. In addition, we can no longer afford the PF...

Sent from my iPad

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**From:** PATRICK MULLER [REDACTED]  
**Sent:** Friday, February 06, 2026 2:05 PM  
**To:** House Finance  
**Cc:** Rep. Julie Coulombe  
**Subject:** HB 284 proposed tax increases

Good afternoon,

My name is Patrick Muller, I live in South Anchorage with my family. If you all don't mind, I will just jump right into this issue. It is no secret that the cost of living is exceptionally high in Alaska. In addition, well paying jobs appear to be elusive at times. Even with a well paying job, basic living costs take a significant portion of that income. Adding taxes to the mix will simply take more money out of the pockets of Alaskans. The political leaders in this state have shirked their responsibility in dealing with spending. I have not seen the collective legislature actually do the hard and difficult work of reducing spending. The state and cities keep reaching into my and every other Alaskans pocket for more money especially when public services are substandard and in decline. Public spending appears to go into bottomless pits with zero return. Taxes should not be proposed until the state, school districts, cities, and boroughs, learn to live within their means.

Sincerely,

Patrick Muller

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**From:** Holly Torrison [REDACTED]  
**Sent:** Friday, February 06, 2026 4:09 PM  
**To:** House Finance  
**Subject:** HB284

Hello, my name is Holly Torrison, I'm a registered voter and life long Alaskan.

I do not support HB284 and ask that this does not get approved. HB284 will ultimately do more harm than good.

Alaska is in a bad budget place but there are other options that will actually benefit Alaskans. Like actually taxing oil companies and a payroll tax (it's gross our high paying slope jobs go to out of state workers without any benefit to Alaska).

Please vote no on HB284.

Thank you,

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**From:** April Hutchinson [REDACTED]  
**Sent:** Friday, February 06, 2026 5:20 PM  
**To:** house.finance@ak.leg.gov; House Finance  
**Subject:** Fwd: Opposed HB 284

This is not a great way for the middle class to take care of our deficit.  
Sad we have to not support our kids in another way. With all the cuts kids are spread thin as it is.  
April Hutchinson  
Wrangell

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**From:** Shyanne Payment [REDACTED]  
**Sent:** Saturday, February 07, 2026 5:41 PM  
**To:** House Finance  
**Subject:** HB 284

I am writing to formally express my strong opposition to the current House bill regarding the proposed tax increases.

As an Alaskan resident, my family is currently navigating significant financial challenges. Implementing additional taxes would create an undue burden on households already struggling to manage basic living expenses from paycheck to paycheck.

I urge you to consider the economic impact this legislation will have on families across the state and request that you vote against this proposal.

Thank you for your time and for considering my perspective on this matter.

Sincerely,

Shyanne Johnston



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**From:** Sharon - Brad Hunter [REDACTED]  
**Sent:** Sunday, February 08, 2026 12:11 PM  
**To:** House Finance  
**Subject:** HB 284

Dear Honorable Members of the house finance committee,

While I do not disagree with the governor's statement that our state fiscal situation is indeed dire, I do strongly opposed his recommendation for addressing this issue.

The implementation of a seasonally variable sales tax is an approach to obtaining state income that will place an unacceptable burden on rural residents and Alaskan businesses.

The burden of sales taxes is bourn most heavily by Alaskans living more remotely where the prices of goods are high dure to the cost of transportation and limited competition of goods to select from. So while the majority of our population is concentrated in metropolitan areas where eggs may cost \$5 per dozen, many Alaskans live where eggs may well be more like \$10 or more per dozen doubling the tax cost for those living in low-income areas. This is a perfect example of regressive taxation.

In addition to the financial burden placed on Alaskans who can least afford it, this measure puts the entire weight of implementation upon our business owners and none upon state government. While we pay lip service to supporting our entrepreneurs and independent Alaska businesses this bill says otherwise.

When I first moved to Alaska in 1985 Steve Cowper was serving as our governor and he rightly stated that we would eventually reach the point where we find ourselves today if our leaders failed to enact a fair and reasonable income tax.

Allowing all the non-resident wage earners to come and acquire their income from Alaska and take it all with them has not served us well in the intervening years. It has been noted this last week that our proportion of non-resident wage earners has reached an almost all-time so this continues to be a relevant issue.

A flat tax would be an equitable way to provide income to state coffers. While it may seem like closing the barn door after all our livestock has escaped an income tax of any minimal amount would be a smart first step to addressing our fiscal problems instead of making promises that cannot be fulfilled.

Respectfully submitted,

Sharon Hunter

[REDACTED]

Petersburg, AK 99833

Sent from [Outlook](#)

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**From:** Marilyn Wethekam <mwethekam@cost.org>  
**Sent:** Monday, February 09, 2026 6:26 AM  
**To:** House Finance  
**Subject:** Council On State Taxation Comments - H.B. 280  
**Attachments:** COST Testimony re. Alaska H.B. 280.pdf

Good morning,

Attached for your consideration are comments voicing COST's opposition to H.B. 280 imposition of a special apportionment formula for highly digitized businesses.

Should you have questions, please contact the undersigned.

Regards,

Marilyn A. Wethekam  
Of Counsel  
Council On State Taxation  
122 C Street, NW, Suite 330  
Washington, DC 20001-2109  
Phone - 202-484-5224  
Cell – 312-515-3240  
Email – [Mwethekam@cost.org](mailto:Mwethekam@cost.org)  
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**Marilyn A. Wethekam**  
*Of Counsel*  
(202) 484-5224  
[mwethekam@cost.org](mailto:mwethekam@cost.org)

February 9, 2026

Representative Neal Foster, Co-Chair  
Representative Andy Josephson, Co-Chair  
Representative Calvin Schrage, Co-Chair  
House Finance Committee  
Alaska State House of Representatives

*Via Email:* [House.finance@akleg.gov](mailto:House.finance@akleg.gov)

## Re: H.B. 280 – Highly Digitized Business Apportionment Formula

Dear Representatives Foster, Josephson and Schrage:

On behalf of the Council On State Taxation (COST), I am writing to voice COST's opposition to the adoption of a separate apportionment methodology for highly digitized businesses. H.B. 280, for corporate income tax purposes, would adopt market-based sourcing and require highly digitized businesses<sup>1</sup> to apportion income using a single sales factor apportionment formula.<sup>2</sup> COST's opposition to H.B. 280 is grounded in the fact that the legislation singles out one specific industry for special apportionment and likely violates the federal Internet Tax Freedom Act (ITFA) and other constitutional provisions. ITFA prohibits states from imposing discriminatory taxes against electronic commerce.<sup>3</sup>

### About COST

COST is a nonprofit trade association based in Washington, DC. 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. COST's objective is to preserve and promote the equitable and nondiscriminatory state and local taxation of multijurisdictional business entities. Several COST members have operations in Alaska that would be negatively impacted by this legislation.

### H.B. 280 Violates ITFA and the U.S. Constitution

ITFA, which was first enacted in 1998 and subsequently extended until made permanent in 2016, preempts state and local governments from levying multiple and

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<sup>1</sup> A highly digitized business is defined as one that 50 percent or more of its sales in Alaska consist of (1) intangible property by electronic transmission in the state; (2) services delivered by electronic transmission in the state; (3) services related to computer, electronic transmission, or internet technology; or (4) tangible personal property delivered in the state from Internet sales, if the Internet is the primary mode of customer access in the state

<sup>2</sup> COST takes no position on the proposal to adopt market-based sourcing provisions to apportion income.


<sup>3</sup> Public Law 114-125, § 922(a)

discriminatory taxes on electronic commerce.<sup>4</sup> The proposed legislation singles out and requires highly digitized businesses to apportion their corporate income tax using a single sales factor consisting of the ratio of Alaska sales to everywhere sales. Since the single sales factor apportionment method would only apply to highly digitized businesses and no other similar businesses, the law discriminates against highly digitized business engaged in electronic commerce. The bill also raises valid threats of constitutional challenges under the fair apportionment requirements of the Commerce and Due Process Clauses. Thus, the enactment of H.B. 280 will likely embroil the State in expensive and protracted litigation.

### **Conclusion**

COST respectfully requests that H.B. 280 be amended to remove the provisions related to highly digitized companies as such apportionment provisions likely violate federal law (ITFA) and raise serious constitutional concerns.

Sincerely,



Marilyn A. Wethekam

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

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<sup>4</sup> *Supra*