

Linda Hay

From: Marc Cottini <marccottini@questengineers.com>
Sent: Wednesday, February 01, 2012 7:15 AM
To: Rep. Paul Seaton
Cc: Rep. Eric Feige; Rep. Peggy Wilson; Rep. Alan Dick; Rep. Neal Foster; Rep. Bob Herron; Rep. Cathy Munoz; Rep. Berta Gardner; Rep. Scott Kawasaki
Subject: House Bill 298: Exempt sand and gravel operations from the State of Alaska mining license tax

Dear Committee Members,

My name is Marc Cottini and I represent many small sand and gravel operators in the Matanuska-Susitna Borough. I represent these individuals, small companies, and trusts as a professional civil engineer and as an owner of a small gravel screening business.

During the past six years, I have also worked for these individuals, small companies, and trusts in order to ensure their compliance with State of Alaska regulations. Part of this compliance work has been filling out forms for the mining license tax and assisting others with these tax forms. To date, these individuals, small companies, and trusts have **never paid a penny** for mining taxes! Simply, because they never earn enough money in these small sand and gravel operations in order to exceed the current exemption of \$40,000.

Instead, we as a small gravel screening businesses spend approximately 8 hours every year filling out mining license tax forms for each pit that we operate in. Plus, we spend an additional two hours helping the individuals, small companies, and trusts (i.e. whom we pay gravel royalties to) fill out their mining license tax forms. Yes, every year I spend the better part of one full week filling out mining license tax forms and assisting others with their mining license tax forms. At the end of this process no money is ever paid to the State of Alaska..... what a waste of time!

In conclusion, the mining license tax is an undue burden and hardship on small sand and gravel businesses. Please exempt sand and gravel operations from the mining license tax.

Sincerely,

Marc Cottini