



February 21, 2014

The Honorable Representative Peggy Wilson Representative.Peggy.Wilson@akleg.gov
House Transportation Committee
State Capitol Room 406
Juneau, Alaska 99801

Re: HB 314 Passenger Vehicle Rental Tax

Chairperson Wilson,

I am writing to you in support of HB 314. Our company, SolstenXP, is an Alaska project management and contracting Service Company, for the petroleum and natural resource industries. Our services include permitting, exploration project management, drilling engineering, rig operations, infrastructure and facilities construction, production operations and decommissioning. An integral part of the various services we perform is the rental of vehicles on a long term basis.

We support HB 314 for the following reasons;

- The bill clarifies the original intent of the legislature when the Rental Car Tax was passed
- The intent of the lawmakers was not to tax Alaskan businesses doing business with other Alaskan Businesses, rather the intent of this tax was always targeted towards having outside visitors and tourists help raise funds for tourism related marketing funding

If this Bill is not passed, the result will be a direct pass-through retroactive tax, along with penalties and interest for the past 10 years, based on DOR's new interpretation and application of the vehicle rental tax. If not revised, this new interpretation could have a significant negative impact on our business, as well as our suppliers and customers in Alaska. HB 314 will also reduce the minimum gross vehicle weight rating to qualify for this exemption from 8,500 lbs to 6,500 lbs to insure that the rental vehicle tax is not being applied to Alaskan businesses engaged in commercial rentals of heavy vehicles (i.e. half-ton and one-ton trucks) to other Alaskan businesses.

Thank you for your time and consideration of my comments regarding House Bill 314. If you have any questions regarding my support, please contact me at eric.dompeling@solstenxp.com, or by phone at (907) 264-6107.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Dompeling", is written over a faint, larger blue ink signature.

Eric Dompeling
New Ventures Manager
SolstenXP Inc.

Cc: Representative Thompson Representative.Steve.Thompson@akleg.gov