



ASSOCIATED GENERAL CONTRACTORS of ALASKA

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February 25, 2014

Representative Peggy Wilson
Chair, House Transportation Committee
State Capitol Room 406
Juneau AK, 99801

RE: HB 314 Passenger Vehicle Rental Tax

Dear Representative Wilson

Peggy

The Associated General Contractors of Alaska (AGC) is a trade association representing over 650 Alaskan businesses in the construction industry. I am writing to you in support of House Bill 314.

At the time the original legislation passed in 2003 as House Bill 271, I was Deputy Commissioner of DOT, and involved in the passage of a number of other revenue generating bills. I recall the discussion on the bill HB 271, that would impose an excise tax on short-term passenger and recreation vehicles. There was never any intent that this would apply to heavy vehicles and longer term leases. In fact, I recall conversation that they would not be included.

I am concerned that recent interpretation of the statute and tax by the Department of Revenue towards equipment leasing companies and the retroactive application could have significantly adverse impact on those companies. HB314 will clarify the original intent of the rental car tax.

The Associated General Contractors fully supports this legislation and hopes for its quick passage. Thank you for hearing HB314.

Sincerely,

John MacKinnon, Executive Director
Associated General Contractors of Alaska