



CONSOLIDATED ENTERPRISES, INC.

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March 27, 2013

Senator Peter Micciche
State Capitol Room 125
Juneau, Alaska 99801

Re: Senate Bill No. 83

Dear Senator Micciche:

Consolidated Enterprises was incorporated as a general contractor in the State of Alaska in 1974. Since that time we have employed many great people and pride ourselves on the successful completion of thousands of projects throughout our great State.

We believe that one of the many reasons we have maintained a strong, successful Company is that our approach has always been a conservative one. As a contractor we account for our long term projects under the percentage of completion method. This approach is extremely appealing to both our bonding company and our bank. Being conservative on our gross profits in one fiscal year, carries forward into the new fiscal year with gross profit gains that the readers of our financial statements desire.

As you are aware, the State of Alaska is currently charging 11% look back interest for taxes due on gross profit gains! The federal government is currently charging 2% interest for increases or decreases in tax of \$10,000 or less and are charging .5% interest if the increase or decrease in tax exceeds \$10,000. Additionally, the State does not currently make a distinction between the IRS required process of estimating taxes based upon the contractor's best knowledge and a tax payer who does not make a timely filing.

In our current economic climate, The State of Alaska's level of interest is extremely high. It has significant financial impact on our Company and most importantly negatively affects the conservative guideline that makes for a successful, profitable Company.


Therefore, our company respectfully requests that you pass Senate Bill No. 83. We believe this bill is fair, promotes conservative estimates and does not penalize corporations that are complying with all tax requirements.

Thank you for your time in this matter and if you should require any additional information, please do not hesitate to contact us.

Sincerely,
CONSOLIDATED ENTERPRISES, INC.


Chris Larson
President

Sincerely,
CONSOLIDATED ENTERPRISES, INC.


Destry Lind
Vice-President