



## ASSOCIATED GENERAL CONTRACTORS of ALASKA

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Senator Peter Micciche  
State Capitol Building, Room 125  
Juneau, AK 99801

March 27, 2013

RE: SB 83

Dear Senator Micciche

*Peter*

On behalf of the Associated General Contractors of Alaska, a construction industry trade association of 660 construction industry business members, we heartily support SB 83.

As an advocate for our members and the Alaska construction industry, we look for ways to help contractors and other construction related businesses stay competitive and to stay in business. Helping to improve laws on the books is just one of the ways we do that. SB 83 is an excellent example of such an improvement.

Without getting into the complexities of look-back taxes, changing the interest charged on taxes due is a benefit to those contractors who choose to be C-corporations and pay state corporate income tax. While 11% interest rate set in statute may have been a reasonable rate over thirty years ago when it was put in statute, that rate today is considered usurious. Making it consistent with the IRS rate and standards is fair.

I wish this legislation was a benefit to a large number of contractors, but the truth is, it probably benefits less than two dozen. The benefit may be to relatively few, but the benefit to them is big. It helps even the playing field between them and their competitors who are not C-corps and do not pay state corporate income taxes.

This is good legislation and needs to move forward. Thank you for sponsoring SB 83.

Sincerely,

John MacKinnon  
Executive Director  
Associated General Contractors of Alaska