



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Revenue

COMMISSIONER'S OFFICE

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January 20, 2016

The Honorable Bill Stoltze, Chair
Senate State Affairs Committee
State Capitol Building
Juneau, AK 99801

Dear Senator Stoltze:

The Department of Revenue (DOR) respectfully requests that SB 128, "An Act relating to the Alaska permanent fund; relating to appropriations to the dividend fund; relating to income of the Alaska permanent fund; relating to the earnings reserve account; relating to the Alaska permanent fund dividend; making conforming amendments; and providing for an effective date," be scheduled in the Senate State Affairs Committee at your earliest convenience.

The purpose of this legislation is to establish a new financial model to enable sustainable and stable funding of state services and the protection of the permanent fund. In this model an annual draw would be made from the earnings reserve account to the general fund to support state government. The permanent fund dividend would continue, but would reflect the state's success in natural resource development rather than investment performance.

Your favorable consideration of this request is appreciated. If you need any additional information, please contact Jerry Burnett, Deputy Commissioner for the Department of Revenue at 907-465-3669.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randall J. Hoffbeck".

Randall J. Hoffbeck, Commissioner

Cc: Darwin Peterson, Legislative Director, Office of the Governor
Jerry Burnett, Deputy Commissioner, Department of Revenue
Ken Alper, Director, Tax Division, Department of Revenue