

My name is Bill Howell. I've been a resident of Sterling, Alaska for the last twelve years. I'm a retired naval officer, and I also worked for over ten years as an administrator at Kenai Peninsula College, where I still teach as adjunct faculty.

The immortal Mark Twain said: "No man's life, liberty, or property are safe while the legislature is in session." That statement is doubly true these days in Alaska, as you ladies and gentlemen try to deal with the fact that state government can no longer live off the largess of the oil industry.

HB 248 The Alcohol Tax Bill, as proposed by Governor Walker, would double the current excise tax rates on alcoholic beverages in Alaska. I want to say that again: double existing tax rates. Alaska already has some of the highest alcohol taxes of any state, even before this proposed increase. For hard spirits, the current state excise tax is \$12.80 per gallon (second highest in the US); the national average is \$4.45 per gallon. For wine, the current excise tax is \$2.50 per gallon (the highest in the US); the national average is \$0.83 per gallon. The current excise tax on beer is \$1.07 per gallon (the second highest in the US); the national average is \$0.28 per gallon. Under the current tax scheme, the state is already taking in almost \$40 million a year in excise taxes, and now the governor proposes to double that?

Let's be perfectly clear who's paying that \$40 million a year: I am, along with rest of the citizens of Alaska. The producers, distributors, and retailers of beer, wine, and spirits have no choice but to pass this tax, just like any other tax, right along to the end consumers: me and any other person in this state who wants to consume alcohol. That's who Governor Walker is directly targeting with this tax: me, and every other Alaskan who might like a glass of wine with their meal or a nice beer after a hard day's work. It seems to me that we are already paying more than our fair share, what with state taxes 3 or 4 times the national average. So why single out this industry for such a draconian increase? I guess I missed the proposal from Governor Walker to double the current taxes on oil, fishing, and tourism. After all, if it's acceptable to just double the excise tax on alcohol, why not just double all taxes?

I'm not saying that you ladies and gentlemen of the legislature don't need to find new sources of revenue; clearly you do, even if the state budget still needs about another billion dollars cut out of it (including cuts to sacred cows like education and health care). But the source of this new revenue should be broad-based, like a state-wide sales tax, not targeted at one industry and its consumers, especially when that industry is already shouldering just about the largest state tax burden out there when compared to the rates across the other 49 states.

In summary, I'd ask you ladies and gentlemen to give the common folks of Alaska a break and not move HB 248 forward.

I thank you all for the opportunity to testify before you on this issue, and I hope you will do right by the citizens of Alaska.