

Konrad Jackson

From: George Tipton <ghtipton@kpunet.net>
Sent: Monday, February 15, 2016 9:03 AM
To: Konrad Jackson
Subject: SB131

Follow Up Flag: Follow up
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While I understand that all forms of revenue must be looked at for the State Budget, the alcohol taxes always seem to be one of the easier methods to try to obtain. However, you have seen the statistics but I will repeat them one more time.

Currently the Alaska excise tax on spirits is \$12.80 per gallon (the second highest in the nation) while the national average is about \$4.45 per gallon. Doubling the excise tax would mean \$25.60 per gallon or 5.7 times the national average.

Currently the Alaska excise tax on wine is \$2.50 per gallon (the highest in the nation) while the national average is about 83 cents per gallon. Doubling the excise tax would mean \$5.00 per gallon or 6 times the national average.

Currently the Alaska excise tax on beer is \$1.07 per gallon (the second highest in the nation) while the national average is about 28 cents per gallon. Doubling the excise tax would mean \$2.14 per gallon or 7.6 times the national average.

Based upon this it can be concluded that we are already making significant contributions to the State for their Budget and no change in the excise taxes should occur! While I understand that Social Services along with Education are 2 of the biggest department portions of the Operating Budget, it would seem the existing contribution, if handled well, should be handling what it was intended to accomplish.

I thank you for the opportunity to provide this written testimony.

George H. Tipton
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55+ year Alaska resident
Multiple liquor license owner

Konrad Jackson

From: Mike Coons <mcoons@mtaonline.net>
Sent: Friday, February 12, 2016 2:01 PM
To: Rep. Jim Colver; Rep. Mike Chenault; Rep. Sam Kito; Rep. Kurt Olson
Subject: Oppose HB 248

Follow Up Flag: Flag for follow up
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My name is Mike Coons from Palmer and I am speaking out against HB 248.

This testimony will sound a lot like my testimony last week against HB249 Gas Tax. Why, because the reasons against sin taxes go to all sin taxes and the real consequences of sin taxes. The written version of my testimony has more detail on Governor Walkers taxation schemes.

The stated reasons by Governor Walker for all the taxes he is proposing is that we can't cut our way to a sustainable budget. His piddling 100-200 million dollars in cuts does little to nothing in getting the budget to a sustainable level. To Representative Ortiz since you applauded the Governor for putting forth the budget. That is his duty under the Constitution, so why would we applaud him for submitting a budget? I know you believe 100 million in cuts isn't piddling, yet he campaigned on a 16% budget cut and the Legislature cut 800+ Million last year and will be cutting to 4.5 Billion this year, so 100 million is just a start. The Governor instead taxes the PFD (even Chief Justice Roberts would agree).

Then he wants a State Income Tax, but that only goes after those of us that work. Like all progressive tax schemes, the people who are generational welfare, suck up the vast majority of HHS spending and don't pay anything. Then he wants a sales tax, although that is somewhat more "fair" it taxes everyday consumable items, thus hurting the low income who don't have EBT cards the most. Then of course is the sin taxes on cigarettes, as if the stated goal of reducing that consumption has reduced the use of cigarettes in any meaningful way (well, has given the option of e-cigarettes a boost but that is being taxed too). This proposal is like HB 249 in the 100% increases on products that we the people use.

So on to HB 248. Section 3 of this bill shows a 100% increase in sin tax on all alcohol products. I don't see any tax on home brew, \$50 a bucket last I heard, maybe cheaper to buy home brew? If this sin tax goes through, I'm sure the bootleg cost to the "dry villages" will jump!

So, why do we have sin taxes? The socialist/liberal stated goal is to make it so expensive that the users stop buying the product. Yet what real decrease has there been? Those with a alcohol addiction buy home brew, beg on the street corner to buy the needed rock gut, those that have no regard for other peoples safety get drunk, drive and kill people on the roads. So, what is the real result of sin taxes? The State (local government as well) get a nice hunk of money to put into the general fund. Oh sure, some of that general fund money then goes to HHS and "rehabilitation" efforts, but that is a drop in the bucket compared to the total sin taxes taken in to fund a bloated local and State government.

For once, it would be great if those that want to tax the daylights out of us would just admit that sin taxes on alcohol, cigarettes, gasoline, etc.

are really a means to attack users of a product that they hate so that the progressive goals of big government can be funded!

So, what percentage of the sin tax will be on those whom have an addiction 10%, 5%? What percentage of the sin tax will be on people like me, who like a beer, some wine with dinner or a evening sip of a good whiskey?

90%, 75%? Although I doubt there is any good study that would show the impact on all purchasers of alcohol, I'm betting that the impact will be paid for by the responsible users in the neighborhood of 90-95% and to the addicts,

maybe 5-10%. The bottom line is that if this were to pass, it will generate a nice sum of money and do exactly zero to "alcoholism", the "homeless", reducing DUI's, etc!

Like so many bills of this nature, the proponents will use the excuse of:

"This isn't a perfect bill, but needs to pass." I agree, this is not a perfect bill, it is a horrible bill that punishes responsible adults while not doing anything to get a sustainable budget! Get a big back hoe and bury this bill 10 feet under poured concrete!

Mike Coons
5200 Dorothy Drive
Palmer, AK 99645

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Using Opera's mail client: <http://www.opera.com/mail/>

Konrad Jackson

From: Mike Coons <mcoons@mtaonline.net>
Sent: Monday, February 15, 2016 11:13 AM
To: Rep. Kurt Olson; Rep. Shelley Hughes; Rep. Jim Colver; Rep. Gabrielle LeDoux
Cc: Rep. Cathy Tilton; Rep. Andy Josephson; Rep. Sam Kito; Rep. Mike Chenault
Subject: Oppose HB 252

My name is Mike Coons from Palmer and I am speaking out against HB 252.

The stated reasons by Governor Walker for all the taxes he is proposing is that we can't cut our way to a sustainable budget. His piddling 100 million dollars in cuts does little to nothing in getting the budget to a sustainable level. The Governor instead wants to tax anything that makes money and which now goes into our pockets.

Why in the world would we want to tax one of our most valuable resources, tourists? The last I heard, next to the oil industry and fisheries, tourist are number 2 or 3 as a state resource. Fortunately, with the major reduction in gasoline prices, we may see a return of tourist driving in this year. But wait, there is more, how about?! A tourist tax at the Canadian border. We could say that money would go to road maintenance.

In reality we all know that all taxes go to general fund, then appropriated to the bloated education, HHS, Medicaid expansion, etc. I'm sure those rich people who can afford quarter million dollar RV's can cough up a couple hundred in a road user tax! Oh, I know, let's require gas stations to determine tourist vehicles and hit them with a 20 cents fuel tax! We can require business' to determine if a customer is here for a visit and hit them with a 10% Sales Tax! Gee, I wonder how many more we can get to come to our great state to visit and give us their tourism dollars!

Now, seriously. How much did the State of Alaska spend on the lawsuit when we increased the last passenger tax? I wonder, of the revenue we got from that, how much of that was spent in the lawsuit that we lost? Don't we ever learn from our mistakes?

Reading the bill, all I get from it is "repealing the tax reduction...passenger excise tax, lines 2 and 3. In reading the body of the bill, no idea of how it will tax each passenger. So to better understand, one has to read the "analysis" in the fiscal note. What I get from this is; head tax stays the same, but the cruise industry pays more, \$16.6 million, of course that is passed on in fees. Then from what I read, less to municipalities but supposed offset by the change in voyage rules.

I'm sure other testimony will use the term: "This isn't a perfect bill, but needs to pass." I agree, this is not a perfect bill, it is a horrible bill that hurts all Alaskans and tourists alike, while not doing anything to get a sustainable budget! Get a big back hoe and bury HB 252 10 feet under poured concrete!

Mike Coons
5200 Dorothy Drive
Palmer, AK 99645

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Using Opera's mail client: <http://www.opera.com/mail/>

Konrad Jackson

From: Rep. Kurt Olson
Sent: Saturday, February 13, 2016 12:20 PM
To: Konrad Jackson
Subject: FW: HB 248

From: Rony Bossell [mailto:rondyroo@hotmail.com]
Sent: Saturday, February 13, 2016 10:00 AM
To: Rep. Kurt Olson <Rep.Kurt.Olson@akleg.gov>
Subject: Fw: HB 248

Sent from Windows Mail

From: [Rony Bossell](mailto:rondyroo@hotmail.com)
Sent: Saturday, February 13, 2016 9:49 AM
To: representative.kurt.olson@akleg.gov

Sent from Windows Mail

Dear Representative Olson

I would much appreciate it if you could please include the following as public testimony on HB 248

I oppose this tax increase .

I believe the Alaska working class people already pay a sufficient excise tax on Alcoholic Beverages. Contributing already nearly \$40,000,000 annually towards the state budget.

Alaska current excise tax on Alcoholic Beverages:

\$12.80 per gallon on spirits (the 2nd highest in the nation) while the national average is about \$4.45 per gallon. Doubling that would bring that to \$25.60 per gallon or 5.7 times the national average.

\$2.50 per gallon on wine (the highest in the nation) while the national average is \$0.83 per gallon. Doubling that would bring that to \$5.00 per gallon or 6 times the national average.

\$1.07 per gallon on beer (second highest in the nation) while the nation average is \$0.28 per gallon. Doubling that would bring that to \$2.14 per gallon or 7.6 times the national average.

I believe this is a unfair excise tax increase and the state should look elsewhere to solve the budget .

Thank You for considering my opinion on this matter.

Rony Matthews

business owner

1154 Krueth Way

Homer Alaska

907-299-3519

Sent from Windows Mail

Konrad Jackson

From: Rep. Kurt Olson
Sent: Saturday, February 13, 2016 12:33 PM
To: Konrad Jackson
Subject: FW: HB 248

From: stihlerunits@mosquitobytes.com [mailto:stihlerunits@mosquitobytes.com]
Sent: Friday, February 12, 2016 1:23 PM
To: Rep. Kurt Olson <Rep.Kurt.Olson@akleg.gov>
Subject: HB 248

Dear Representative Olson,

I was writing you today regarding House Bill 248.

I urge you to reconsider this bill.

During budget short-falls it common practice to impose, so called, sin taxes to help make up the difference.

This has been far too many times in Alaska.

We already have some of the highest taxes on alcohol of any state in the nation.

In recent years the craft beer industry in Alaska has been thriving which means more jobs in Alaska and greater variety for the consumer.

Please don't stifle the growth of the craft beer industry in Alaska with a potentially harmful rise in the excise tax on alcohol.

Thank you for your time.

Cheers,

Scott Stihler

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.

HB 248

Public Testimony

Larry J. Hackenmiller, I-CHARR Sec./Treas. 388-4677 518 Farmers Loop Rd. Fairbanks, Alaska

I wish to speak against passage of HB 248 which seeks to double the alcohol tax for the purpose of closing the budget gap.

In the DOR presentation on the alcohol tax history it shows a major tax increase in the year 2002. It also created the Alcohol and Other Drug Abuse Treatment and Prevention Fund where 50% of the ALCOHOL taxes would be deposited & used for mental health budget (fund code 1180).

Today that means \$20 million dollars went to the Alcohol and **Other Drug Abuse treatment and Prevention fund**. Do you know how much of this money was spent for alcohol treatment and prevention and how much for other drug abuse treatment and prevention?

And today we want to double the tax costs on alcohol consumers so half the money collected can go to pay for other than alcohol drug abuse treatment and prevention programs. Does this make any sense to anyone? Because of this dedication of half the alcohol taxes to include other drug abuse treatment and prevention this tax finds definition in punitive. It is punishing the alcohol consumer. It is severely discriminatory. It is punitive taxation.

On page 11 of the documents submitted in the "NEW SUSTAINABLE ALASKA PLAN" under the title "Closing the Budget Gap" I don't see the marijuana revenue component in these figures. Perhaps the marijuana tax can pay for the other drug abuse treatment and prevention programs. Would this raise \$40 million a year. Certainly some millions will be taken in and this number should be part of the Closing the Budget Gap model presented by the governor. No need to tax alcohol here.

And the additional \$40 million new revenue component coming from the new alcohol tax is incorrect. You are increasing the general fund revenue by only \$20 million because the other \$20 million is dedicated to the expenditure side of the budget gap. Throwing another \$20 million into the mental health budget (fund code 1180) will increase government spending.

Give any department of the state another \$20 million bucks and you will see more office space, computers, copy machines, employees with benefits and new programs just to burn up the money. All with no legislative appropriation control due to the dedicated, **but not illegally dedicated**, funds assured by statute.

Not enough homework done on this budget gap model. The state budget footprint needs to be decreased first. There are more spending reductions to be found. I just found \$20 million and if you look at all the other dedicated, but not dedicated funds I am sure you could find more.

This time the alcohol tax is a punitive tax and should not be considered in your budget gap proposal. Unless we decrease the budget expenditures footprint down to where it is sustainable we will be revisiting new revenue alternatives, or taxes, all over again in the near future. Taxes never go away, they always go bigger. Just ask the alcohol consumers.