



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Revenue

COMMISSIONER'S OFFICE
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January 20, 2016

The Honorable Mia Costello, Chair
Senate Labor & Commerce Committee
State Capitol Building
Juneau, AK 99801

Dear Senator Costello:

The Department of Revenue (DOR) respectfully requests that SB 133, "An Act requiring the electronic submission of a tax return or report with the Department of Revenue; relating to the taxes on cigarettes and tobacco products; taxing electronic smoking devices; and providing for an effective date," be scheduled in the Senate Labor & Commerce Committee at your earliest convenience.

The purpose of this legislation is to amend the additional tax levy on cigarettes and increase the tax rate on tobacco products (other than cigarettes) from 75 percent of the wholesale price to 100 percent of the wholesale price. This amendment and increase is expected to generate additional revenue of approximately \$29,000,000 annually.

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