

HB111 Supporting Document - Letters in Support 3.6.17
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1. Jana Peirce, Fairbanks
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1.

From: Jana Peirce

Sent: Friday, March 03, 2017 12:51 PM

To: House Resources <lhsres@akleg.gov>

Subject: HB 111 - Letter in Support

Please support HB 111. It is an important measure to insert more rationality into our oil and gas tax system. When the current oil tax structure was passed no one envisioned a day when oil companies would receive more in subsidies than they pay out in taxes. During this deep fiscal crisis created by low oil prices, we cannot afford massive cash payments for business operating losses that the state has obligated itself to make under the current tax regime.

It should not be the job of Alaskans to insulate oil companies from downturns in the price of their commodity. In order to get to a balanced budget in Alaska and stop the hemorrhage from our short- and long-term savings accounts, it is critical that we close this irrational loophole and reduce the state's unsustainable oil tax credit liability. This would insert more fairness into our efforts to solve the state's fiscal crisis. Sacrifices are being made by the families of state employees and contractors, by our schools and universities, by Alaska municipalities and municipal taxpayers, and by all Alaskans who receive PFDs.

Reforming the oil tax code to limit cash subsidies in times of low oil prices should be the top priority for legislators working to close the state's fiscal gap. Please support HB 111

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2.

From: Rose Hanson

Sent: Sunday, March 05, 2017 9:39 AM

To: Rep. Geran Tarr <Rep.Geran.Tarr@akleg.gov>; Rep. Andy Josephson <Rep.Andy.Josephson@akleg.gov>; House Resources <lhrsres@akleg.gov>

Subject: HB 111 Testimony

Dear House Resources Co-Chairs and Committee Members,

My name is Rose Hanson and I am a 23 year old life long Alaskan working in Anchorage. I strongly support HB 111 to further reduce the oil tax credit program

I understand the need for a three-pronged approach to solving our fiscal crisis, including taxes and restructuring the Permanent Fund.

The oil tax credit program currently gives oil companies more money in credits than Alaska receives from oil production taxes. We are essentially giving away tax payer money to oil companies through the oil tax credits.

If you are going to increase taxes on and decrease the PFD pay outs to every day Alaskans, I DO NOT want my money going to oil companies who are not held publicly accountable for what they do with it. I am willing to pay taxes to pay for public services like education, public safety, and road maintenance. I am not willing to pay taxes to prop up an industry whose contribution to the Alaskan economy has dramatically decreased (85% to 26% of of State's unrestricted funds) in the past two years and who is not required to keep that money in state.

Please keep Alaskan taxpayer money and the permanent fund earnings in Alaska working for all Alaskans.

Sincerely,

Rose Hanson

3.

From: Chelsea Lindquist

Sent: Sunday, March 05, 2017 12:31 PM

To: House Resources <lhsres@akleg.gov>

Subject: HB111

I would like to write in support of HB 111. I believe in order for Alaska to get back on track, financially, it is imperative to reform the subsidies and taxes on oil and gas. Our legislators need to be advocating for Alaska to get it's fair share of the oil and gas revenue, not paying the oil companies more in subsidies than we get in return.

Thank you for your time and please support the oil and gas reforms in HB 111.

Chelsea Vukovich

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4.

From:

Sent: Sunday, March 05, 2017 12:55 PM

To: Rep. Andy Josephson <Rep.Andy.Josephson@akleg.gov>; Rep. Geran Tarr <Rep.Geran.Tarr@akleg.gov>; House Resources <lhrsres@akleg.gov>

Subject: Support for HB 111

Dear House Resources Co-chairs and Committee Members,

My name is Sheila Hanson, and I am a 39-year Alaska resident. I strongly support HB 111 to reduce the amount of oil tax credits given to the oil industry each year.

This bill fulfills part of your duty to transition Alaska's economy away from its deference to an industry that has been an outsized player in our economy, but is now seeing its value and influence diminish. Profit motivated oil companies are geared to fight for their interests, rightfully so. It is up to you to fight for Alaska and not let a domineering industry sink our boat as the industry clings to profit while our daily life suffers in terms of basic public services like education, safety, and road maintenance.

The oil industry now pays less production oil taxes than the tax credits we are give them, so essentially we are paying oil companies to drill. How would you respond to any other industry who would ask for the same extremely preferential treatment? The absurdity of this situation is highlighted by the fact that Conoco Phillips made \$330 million in profits in Alaska in 2016, while we are reducing Permanent Fund dividends, dramatically cutting public services, and even considering using the Permanent Fund earnings reserve to pay for a pared down government. The millions of dollars that should be dedicated to providing public services is instead being handed to a private industry.

It also seems wrong to give public money away with no industry accountability, and not allow citizens to know how much each company receives, or where or how it is used. Does most of this money end up in corporate pockets in Louisiana or Texas, or is it given to outside workers who take their money home? What is being hidden?

Let's assume that a major oil company receives the maximum allowable of \$50 million in cash payments for a year. To be a good citizen, this company donates \$10 million to local charities and the arts. This oil company appears to have invested \$10 million in our community, yet just received \$50 million in payments from the same community. This translates to a 400% profit on its \$10 million community investment. The point is that if a company can afford to give \$10 million to charity, why are we giving them money? We are, in addition, able to distribute \$10 million ourselves.

I value and appreciate the courageous work you are doing. Thank you for this opportunity to comment.

Sheila Hanson

