HB 111
Public Testimony
Documents in Support

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VOTE YES ON HB111! HERE'S WHY:

(i)

ALASKA IS NOT IN A BUDGET CRISES--- WE ARE IN A REVENUE CRISIS.

We cannot continue to run our state based on the price of oil, nor can we continue to give OUR resources away. We need to divest first of all. And protect!

Basing our state budget on oil is a HUGE mistake, as the world is, Like it or NOT, becoming less dependent on oil. It costs way less to get to the oil other places! At a cost I cannot stomach, and a cost our priceless environment cannot tolerate.

So lets talk money. Alaskans are angry. We are all aware now, that after tax credits were applied , we neted less than 1 billion dollars of the 8.4 billion dollars of oil money produced in 2016.

You all do realize that over 1/2 of our budget woes could have been handled with that money??? Instead we give it to the oil companies??

Why is SB21 and ACES based on net PROFIT instead of on GROSS PRODUCTION PROFIT???

In some complex and costly and difficult to understand way... (legal fees to defend it and even to understand it), You must by now realize how poorly designed and poorly understood SB21 was...

. Simply because the Oil Companies want it that way??? HELLO.. we alaskans do NOT want it this way!

The industry keeps changing their promises and you know this. Stop relying on their word.

I want the state to decide what the oil companies pay us, NOT The other way around...Net taxing is totally dependent on what the oil companies TELL us...... oil company secret internal information, and they so influence the tax rates in their favor at expense to us, the Alaskan people.

Stand up to them for Gods sake. You can't cut your way out of this hole. THEY OWE US.

We should not be paying them to come up here explore, drill and TAKE. It works best the OTHER way!!! They need to be paying for our schools and roads... after all they use them.

STAND UP TO BIG OIL!!! PLEASE.

Sincerely, Amy Christiansen

Homer Alaska 99603

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Dear House Finance Committee:

Thank you to the House Resources Committee and House Majority Coalition for coming together to develop a responsible approach to our oil and gas production tax structure with House Bill 111, and thank you Mr. Chairman and House Finance Committee for providing this opportunity for public testimony.

My name is Ann Rappoport and I am providing these comments on behalf of myself, as a 38-year resident of Alaska. My husband and I are proud to have been able to raise two children here in fine Anchorage public schools and provide them with a high quality life surrounded by the natural beauty and many outdoor opportunities we have in Alaska. But I have been saddened the past several years as past Legislatures have unsuccessfully struggled with balancing our State budget.

The math has been explained time and time again – we cannot continue the paralyzing cuts that are slowly sucking the life out of the fine education system my children were able to experience, that are beginning to destroy a University system that had achieved depth and breadth in the higher education it could offer, and that jeopardize the health and well-being of many Alaskans who are on the edge.

The solution to our budget crisis must include a balanced mix of tax reform for the major industry on which our state budget has misguidedly relied for far too long, and new tax revenues. We need a graduated income tax. Some minor cuts or tweaks to existing state activities may also be part of the mix. I'll now focus on HB 111 which addresses the reform needed in taxes on the oil and gas industry.

Oil is a finite resource. Burning oil produces CO_2 emissions and contributes tremendously to the climate change we are experiencing, and which in turn is exacting a tremendous toll on the Alaskan economy in terms of infrastructure damage, villages that are eroding and need to be relocated, and in health issues for far too many. We need to diversify our economy, and we need to transition our dependence from the oil wealth that has sustained the state in the past.

Part of that solution is oil tax reform, so that the state will fairly receive revenue from the oil and gas industry, as we reduce our dependency on oil, and transition to a broader based economy and tax base. Certainly I support my neighbors in the oil industry, and HB 111 will not prevent the oil industry from thriving, but it will result in tweaks that will save the state essential funds.

I urge you to support HB 111 and specifically, the provisions it provides to:

1) Eliminate the Carried Forward Annual Loss Credit to reduce future fiscal liability to the State;
2) Harden the floor so credits cannot be used to reduce payments below the minimum tax;
3) Increase the minimum tax a small amount, from 4 % to 5 %;
4) Reduce the amount of cash a company can receive each year for repurchased credits;
5) Eliminate a per-barrel credit at high prices of $80-$110/barrel;
6) Eliminate zero interest rate for delinquent taxes – we don't need to reduce the incentive for companies to settle their tax issues! and
7) Limit use of per-taxable-barrel credits to the month in which they were earned.

An article in the Alaska Dispatch News this past Tuesday, March 21st, documented a number of local and national companies outside the oil and gas industry, that are continuing or expanding investments in Alaska this year. They all say they need a strong, predictable and sustainable state budget – this bill will help us get there.

Thank you for your attention to my comments, and for your support of HB 111.

Sincerely,

Ann Rappoport
Anchorage, AK 99516

In Regards to Fair Share Oil Revenue:

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1. We have a revenue crisis, not a budget crisis

2. The price of oil dropped 69%, production tax revenue dropped 109%.
After credits are paid AK revenue collapsed to minus -$0.5 billion in 2017,

3. In 2016 oil companies produced $8.4 billion of AK oil yet we netted only $0.9 billion after credits were applied. That's $1.9 billion less than AK would have received as fair share owners of oil produced. That amounts to slightly over half the current AK budget deficit, despite huge budget cuts,

4. Alaskans aren't getting their fair share that industry historically promised. In 2017 we should have received $3.6 billion (33%) instead of the paltry $0.1 billion (8%),

5. The solution is to replace the current verily complex oil tax system with a simple progressive gross-market tax (with adjustments for major and minor fields),

6. Net taxing is dependent on oil company secret information not readily available to Alaska which is wrong. This allows oil companies to artificially influence tax rates in their favor and at the expense of Alaska.

7. It also isn't right to tax the people, take away the PFD, take away services from the most needy, and give money to companies making profits. This is ultimately MORALLY WRONG. They know, we know it, and our legislators should know this.

Sincerely,

Shoshanah Stone
Anchorage, AK 99515

Please consider my vote as a big. ....YES on HB111

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Kristin Debbin
Eagle river, AK99577

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House Finance Committee,
I support HB111 over all. From 1958 to 2005, Alaska's part of the oil was about 30% from all sources including royalties, corporate tax, oil tax, and production tax, etc. Today it's under 8%. This bill will help to bring the revenue from oil back to the level it should be. Alaska can no longer afford the current NOL language in existing statute. You will more than likely hear that this will cost more Alaskan jobs, but Alaskans have lost their employment in other sectors as well because of the lack of a reponsible fiscal plan. Oil company "welfare" must not take precedence over state services, public safety, education, funding of the University, or transportation infrastructure in all parts of Alaska.

Passage of HB111 is an important part of an overall fiscal plan. I believe passage of HB111 will help to curb the escalation of the recession currently happening in Alaska. Thank you for considering HB111. It is long overdue.

Laura Bonner
Anchorage, Alaska

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Please pass hb111. I'm tired of hearing that oil companies will cut and run if we now impose a production tax. We don't have one now and of course they like it that way. AOGA has been very successful in their advertising over the years. If I hear "7 changes in 12 years" I'm gonna scream

I want an Alaska where my kids can continue to thrive. This is my home and I want to keep it that way.

I've been following this closely for years now, and I think it's time to set a 20% flat tax on gross revenue. If we want to invest in exploration, we should set up a govt dept and do it ourselves. It would save money as we're paying for it anyway without any control. It's time to give AOGA and the oil companies something to complain about.

Where would we be if not for ACES and PPT??

Andrea Stalder

⑦

HB 111 Please vote YES!!

I am Susan Kay , registered Democrat from Wasilla, District 10 Senate Seat E.

I would be interested to know what specific concerns would prevent Mr Eastman from voting YES on HB 111.

Thank you

Susan Kay
wasilla 99654

Alaska owns tens of millions of dollars in oil companies and their support industries stock in our Permanent Fund portfolio. Maybe it's time to sell that stock, which might be considered a conflict of interest, on order to pay the state and Alaskans their rightful share through the permanent fund, which would go further to help the people and the state than losing billions to international corporations.

Any tax credits from the state, should be invested in the state, at the very least!!!

Thank you, Leonard Peck and Valerie

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I am writing to testify in support of HB111. Further, I hope that additional measures will be sought to increase State revenue generated from our petroleum resources, while attempting to make our production tax structure simpler and more transparent.

I believe that both SB21 and ACES fail the State of Alaska at lower oil prices, and that SB21 fails the State's best interests at all oil prices up to $160 per barrel. While I believe that HB111 is a start, it is my belief that we need to continue to address the injustice that SB21 brought to the State. While I cannot blame oil companies for representing their shareholders best interests, I do fault our former governor and legislators for failing to see through the representations of big oil and for failing to look out for the State's best interests.

I also suspect the intentions of those who attempt to depict that the slight increase of oil currently being generated from the slope is solely due to the passage of SB21 or that it demonstrates that SB21 is working. If the slight uptick in oil currently flowing through the Trans Alaska Pipeline System is to be credited to SB21, it is my belief that the significant decline in North Slope employment should also be attributed to the passage of SB21. The argument to give away our natural resources in order to maintain jobs is faulty in my opinion. The State needs to seek fair compensation for our resources first, and let the number of jobs fall where they may. Further, the argument of putting more oil in the pipeline is of no real value to the State absent of receiving a fair amount of revenue from the oil.

I do not believe that we should owe oil companies more in credits than we collect in oil production taxes. I am in favor of tax credits for logical exploration activities and for bringing new fields online, but I also believe that the money to support oil tax credits should come from oil production taxes paid on oil generated from our legacy fields. As such, I am in favor of greatly increasing the taxes on the legacy fields, regardless of driving the "majors" away.

It is my belief that we should not be concerned with trying to prevent "big oil" leaving Alaska. My belief is that if they choose to leave our State, other oil companies would be able to take their place. My belief is that this is how oilfields in decline normally progress, Cook Inlet is a prime example of what happens when "big oil" departs from a field in decline. My belief is that Hilcorp has done an excellent job of capturing oil and natural gas from fields that was not deemed worthy of further development or expenditure by "big oil". Hilcorp came in and exploration activities increased significantly, as did production of oil and gas.

Thank you for this opportunity to testify in support of HB111

Don Fritz

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Support for this bill as a start to rewrite the guided by the oil industry SB21 which is breaking Alaska. You need to look at the lower end of taxation, because oil is more likely to become less valuable than more in the near future, as per barrel value. New pipelines and bringing more oil from foreign markets (Canada xl pipeline, OPEC, etc vow to bring prices even lower.) Alaska needs protection at low prices , or leave it in the ground until it's worth something. We need to diversify the economy to other energy systems that do not destroy the planet..then all this will be moot…and Alaska has many other possibilities for energy production that does not release hydrocarbons on our living earth. Continuing to subsidize an industry that contributes to the destruction of our environment is insanity, and that IS reality…not the wailing of industry adherents who are losing mere money….ALASKA is losing money subsidizing this industry…and more than that…losing faith that the legislature is making policy for the people and good of the state.

Thank you for your thoughtful considerations…Valerie Luczak

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I support this bill, but also support increasing oil taxes! I'm so tired of the oil company threats to leave the state. I've been hearing that since forever (I've been a resident for 62 years) and it has not happened. We can't come near closing the budget gap without taxes - the oil companies must pay their fair share!

Beth Adams

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Please vote Yes on HB111.

#1. Alaska does not have a budget crisis, we have a revenue crisis, #2. While the price of oil dropped 62%, production tax revenues fell 109%. Even worse, after credits are paid, Alaska oil revenue collapsed to minus -$0.5 billion in 2017, #3. In 2016 oil companies produced $8.4 billion of Alaska oil yet we netted only $0.9 billion after credits were applied. That is $1.9 billion less than Alaska would have received as fair share owners of the oil produced. That amounts to slightly over half of the current Alaska budget deficit that has been growing each year despite billions dollars of cuts to the budget, #4. Alaskans are not getting the fair share that industry historically promised. In 2017 we should have received $3.6 billion (33%) instead of the paltry $0.1 billion (8%), #5. The solution is to replace the current overly complex oil tax system with a simple progressive gross-market tax.

Thank you.
Barbara Farris

I urge you to support HB111. It is outrageous that AK pays oil companies to take our oil. I agree with an income tax and using part of the PFD, but ONLY if the oil tax formula changes.

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But - HB111 does NOT go far enough!

#1. Alaska does not have a budget crisis, we have a revenue crisis,
#2. While the price of oil dropped 62%, production tax revenues fell 109%. Even worse, after credits are paid, Alaska oil revenue collapsed to minus -$0.5 billion in 2017,
#3. In 2016 oil companies produced $8.4 billion of Alaska oil yet we netted only $0.9 billion after credits were applied. That is $1.9 billion less than Alaska would have received as fair share owners of the oil produced. That amounts to slightly over half of the current Alaska budget deficit that has been growing each year despite billions dollars of cuts to the budget,
#4. Alaskans are not getting the fair share that industry historically promised. In 2017 we should have received $3.6 billion (33%) instead of the paltry $0.1 billion (8%),
#5. The solution is to replace the current overly complex oil tax system with a simple progressive gross-market tax (with adjustments for major and minor fields),

- SB21 and ACES are based on net profit and should be based on gross production profit,
- The complexity of SB21 and ACES require auditing and legal costs which the Legislature has not funded.
- Net taxing is dependent on oil company secret internal information not readily available to Alaska. This allows oil companies to artificially influence tax rates in their favor and at the expense of Alaska.

Connie Fredenberg

(14)

I am writing today in support of HB 111. Due to the current financial situation in our state, and the continued low and fluctuating prices of oil, the current oil and tax structure in place is not sustainable for our state.

The people of Alaska must not be made to sacrifice their share of our resouces while continuing to pay unsustainable credits to the industry.

Our future and the future of generations yet to come depend on us to make sound choices for the people of Alaska, instead of continuing corporate gain.

Thank you for your consideration in this very important matter.

Fay Herold vice chair HD29
Interim chair Gulf Coast Democrats

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Thank you for the opportunity to comment. Without having a complete understanding of all the provisions of this bill, I can only comment on the general intent to reign in the generous and unaffordable tax credits provided to the oil and gas industry.

We sit at the card table holding "two of a kind", our pile of chips dwindling and yet still hoping for a royal flush. At this point, the odds are most definitely not in our favor.

In my own small town, we are trying to brace for the reductions in federal and state programs while still maintaining a reasonable quality of life. Over the last few years we have increased funds reserved for depreciation of borough equipment and facilities anticipating fewer state payments and grants, and have undertaken infrastructure projects we can afford in anticipation of few or no contract funds being available in the future. We are raising our water rates. We are raising our sewer rates. We are eliminating the ability of harbor users to pay fees by credit card in hopes of staving off a big increase in those fees, as this costs us tens of thousands of dollars per year. Two businesses have closed on our Main Street in the last year and another may follow. None of these things raise visitor or resident confidence.

Recognizing this financial situation, community members came together recently to offer funds and volunteer labor to expand our children center, to be able to accommodate an urgent local need. The community has held fundraisers to fund medical bills for residents not adequately covered for critical care. We've shared government resources with neighbor communities. Our radio station will be combining forces with a town on another island to shave costs. Local nonprofits are combining efforts to ensure continued success. The Borough has held off on filling positions, and cut some services in response to declining future budgets. We are working to do more with less, and recognizing we can't do it all. We do know, in general, we are in a better position than many communities. . . and yet our future looks rather bleak.

Alaska's oil and gas subsidies are the single biggest threat to the State budget. We know we can't eliminate all State government (nor do we want to) and the debt exceeds the costs of running that government. It is time to address this most unholy sacred cow. I urge you to consider changes to these subsidies that help put Alaska on a less precarious financial path. I don't want to live in a state with poor education, ineffective law enforcement, high user fees for low service, costly and poor transportation options, limited access to expensive health care, failure to adequately manage our natural resources and an economic climate that sends businesses packing. For too long we have seen a partisan approach to managing the State. We no longer can afford that luxury. To that end, I support the passage of HB 111 as a needed effort to limit unaffordable subsidies to oil companies, and encourage you to do so as well.

Thank you,
Cindi Lagoudakis
Petersburg, AK

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Please enter a yes vote on the oil tax legislation. However, know that this bill does not go far enough to recover the damage done by SB21. We should not be paying any oil company to drill in the state. SB21 was a travesty visited upon the state by oil company employees and toadies who have not represented the residents of Alaska but rather the companies who employ or who have bribed them with special favors or money in their election accounts. Time to get lobbyists and oil employees out of Juneau.

Thank you,
Penny McClain
Kasilof

Members of the Finance Committee,

I support HB 111. If passed, this bill will help to address our budget deficit which should be our highest priority at this time. It's high time the oil industry pay our state and people what's fair for our resource wealth. If they are not willing to do that, we should leave our oil and gas in the ground until they are willing. Please vote in favor of this bill.

Thank you,

Stacy Studebaker
Kodiak, AK 99615

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Fair Share of Oil Revenue Points of Concern March 25, 2017 before Alaska House Finance Committee by Dan K. Sadler, Steering committee Member Indivisible Alaska and from articles published on ADN.COM by Robin Brena

1. Alaska does not have a budget crisis.

2. Alaska does have a revenue crisis.

3. HB111 does not address the real problem.

4. Alaska is paying oil production companies to take our oil.

5. Alaska oil production pays the oil companies the highest per barrel profit in the world.

6. Alaska is not receiving it's historically agreed 1/3 share of gross oil production.

7. Alaska should be receiving one-third or $3.6 billion in net production revenues in 2017.

8. Alaska instead will only be receiving 8% or $0.1 billion.

9. Even worse Alaska net petroleum revenues, after credits to be paid to oil companies, have collapsed to ***minus*** -$0.5 billion for 2017. While the price of oil has dropped by
62% our production revenues have dropped by 109%.

10. In 2016 oil companies produced $8.4 billion of Alaska oil.

11. In 2016 Alaska received a net of $0.9 billion after credits were applied. That is $1.9 billion less than Alaska would have received as fair share owners of the oil produced. That amounts to slightly over half of the current Alaska budget deficit that has been growing each year despite billions dollars of cuts to the budget.

12. SB21 and ACES are unfairly complex to Alaska being based on oil company net production profits instead of oil company gross production profits.

13. SB21 and ACES complexity requires auditing by Alaska and resulting lawsuit costs which the Legislature has not funded, adequetly.

14. Net taxing is dependent on oil company secret internal information not readily available to Alaska. This allows oil companies to artificially influence taxing in their favor and at the expense of Alaska.

15. The solution is to replace the current overly complex net production tax system in place now and replace it with a simple progressive gross-market tax

with adjustments for the lower-cost major legacy fields and downward for the higher-cost minor fields.

It is time for the legislature to follow their Constitutional duty and ensure tthat Alaska's oil resource benefits the people of Alaska. The excuses are old and stale the accounting is behind. Stop taxing net revenue and begin to get a fair return on out gross oil resource production. It is in fact "OUR OIL"

David DeLong

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Dear Members of House Finance Committee:

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Due to previous commitments, I am not able to attend your March 25 hearing.

But in view of the extended period I have spent observing North Slope petroleum development since North Slope oil was discovered nearly half a century ago, I am attaching two documents that I believe will contribute to your public policy deliberations.

In addition to these documents -- "Better Oil Development Info Needed (Fineberg, News-Miner, Mar. 24, 2017).pdf;" and "Label Missing from ConocoPhillips 2013 Chart.pdf" -- readers who would like to see additional documentation on the history of petroleum development in Alaska may visit my web site (URL below), where seven boxes in the top section of my home page are among the items that may prove useful.

With best regards, I am

Sincerely,

Richard A. Fineberg

Fairbanks, Alaska 99701

Fairbanks Daily News-Miner

Community Perspective

State needs better oil development information

By Richard A. Fineberg *[March 24, 2017]*

The host of unanswered questions at Gov. Bill Walker's session on March 10 in Fairbanks demonstrates the significance of the political paralysis, experienced in this state since global oil prices crashed more than two years ago. Analysis of this situation calls for the need to focus on the basic economics regarding petroleum development in Alaska. The associated facts are important, because they are necessary to determine which measures will successfully establish the stability of state government while maintaining the profitability of business operations in this remote state by balancing the state budget without adversely affecting production economics. Although Gov. Walker deserves credit for his political courage in highlighting unpopular suggestions for resolving Alaska's fiscal crisis, the precise numbers he failed to present at the Fairbanks meeting left the public in confusion, thereby confirming his candid admission that he was not an experienced accountant.

In the time since the governor's conference, the press has moved on to cover a host of news stories ranging from local murders in Alaska to political controversies in Washington, D.C. politics. While details of the state history of petroleum development are often overlooked in this era of information overload, careful analysis reveals that the three major Alaska producers, which produce more than 90 percent of North Slope crude oil, earned profits that are remarkably high and stable under the progressive ACES tax regime. For this reason, they did not need the tax cut that was implemented by the legislative campaign in 2013 and subsequently confirmed by the statewide referendum the following year. Analysis also indicates that the progressive tax regime would have aided the industry by reducing taxes when prices dropped while enabling the state to share revenues with the industry at high prices, thereby providing savings for its public services that could be used if and when the oil prices crashed.

During the 2013 deliberations on this issue, ConocoPhillips presented legislators with a mislabeled and misleading bar chart. This chart by one of the North Slope's three major producers created the false impression that industry revenues declined as past oil prices increased. But the marginal prices represented only the incremental revenues, not the total revenues that the industry received.

Because of a lack of definitions and faulty labeling of oil prices, this misleading chart indicated that the ACES tax regime was reducing profits from oil profits when oil prices rose. In fact, however, the opposite was the case. For this reason, I was surprised to note that ConocoPhillips presented this chart to legislators on half a dozen separate occasions during the 2013 legislative session when the tax cut was enacted. Consequently, the undefined and mislabeled chart's false impression contributed to confusion. I later observed, from the standpoint of public policy, that these events demonstrated that the state should convert its state data to calendar-year totals so that Alaska's highly profitable North Slope petroleum operations can be meaningfully assessed for analysis of corporate profitability.

To help the public understand the state's failure to simplify the petroleum revenue picture and dubious conduct of the major North Slope producers, on my website, I have provided readers with comprehensive information that present the quantitative aspects that result from the extreme consolidation of North Slope production in the hands of three major oil producers. The appendix to my Dec. 14 web article, "Fact-based Corrections to Oil Rhetoric," presents charts that demonstrates the need for this state to gather better information on the remarkable profitability of North Slope oil production to deal with misinformation distributed by the state's major producers.

Based on the decades I have spent observing petroleum development in this state while serving as a reporter and as a senior advisor to former Gov. Steve Cowper, my analysis demonstrates it is necessary to look carefully at details to ensure the accuracy of factual statements and their results. From the boxes on current problems that are readily accessible from my website, concerned members of the public can find useful background information on the history of petroleum production in Alaska that support the following consequences. The fact that my analysis has been frequently overlooked in this remote state reflects the domination of the major North Slope producers. Nevertheless, from the standpoint of public policy, the approach I have recommended and the facts I have put together suggest the importance of the extreme consolidation of the North Slope major producers, along with their remarkable profitability and their dubious conduct. In sum, to deal with this state's current fiscal problems, we need to follow this approach to develop better information on petroleum development.

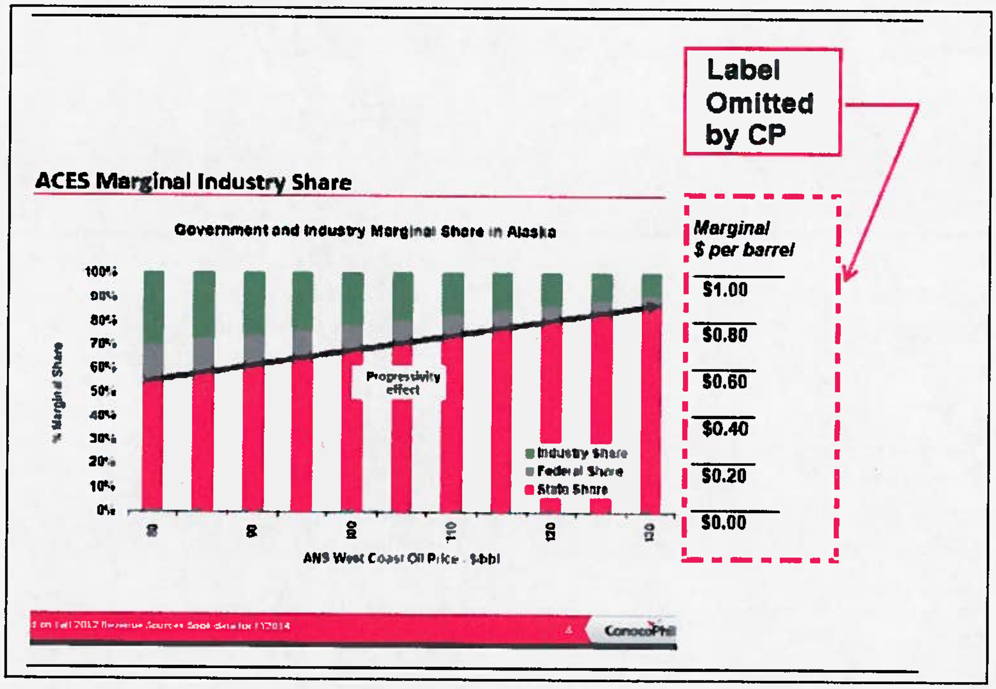
Richard Fineberg is an independent oil and gas policy analyst. He lives in Fairbanks. His website can be found at finebergresearch.com.

[This article appeared on March 24, 2017 at p. A6 of the *Fairbanks Daily News-Miner*, and on the web site at http://www.newsminer.com/opinion/community_perspectives/state-needs-better-oil-development-information/article_29f975ac-104e-11e7-bbf4-d307767d4634.html.]

Informative Label Missing from ConocoPhillips 2013 Chart

The term "marginal" generally refers to small amounts, outside a main body of data or near the break-even point, but in the oil patch this term may refer to the much larger cash spread between costs and market prices. ConocoPhillips testified that the bars in this chart represented the division between industry and government of an additional $1 per barrel increase to the prices shown in each bar.

Total industry profits per barrel and marginal returns on a $1 per barrel price increase are completely different financial entities. Calling attention to this important distinction, earlier this year I added the clarifying label at the right side of the chart, as shown below.



This labeling correction was only the first step in clarifying the chart's several defects. To accurately represent the economic effects of a price increase from $80 to $130 per barrel, the right-hand bar would need to be 62.5% taller than the bar at left ($130 / $80 = 1.625). But in this ConocoPhillips chart display, the unquantified total net revenues appeared equal in height at all prices. For this reason, the chart understated the effects of revenue increases at high prices.

But perhaps the chart's most important defect was this: By presenting oil prices on the horizontal axis without revenue amounts on the vertical (only percentages of the revenue split were shown), the diminishing green swath in this misleading chart first created and then exaggerated the false impression that industry's total net profits decreased when oil prices increased at the prices shown.

— *A Tale of Two Charts (Oct. 20, 2014 cop [rev. Mar, 23. 2017])*

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My name is Ed Wesley. I have been a resident of Alaska for 43 years. I strongly support HB 111. I encourage the oil industry to be a willing partner that accepts a fair share of taxes credits to support reducing the state' s deficit. A fiscally sound state offers stability for resource development.

To Members of the House Finance Committee:

I strongly urge the Committee to pass the proposed revisions to the Oil and Gas Tax Credits. Given the perilous condition of our finances, it is ludicrous that we continue to hand over millions of dollars every year to the petroleum corporations. Before we gut all state services and completely ruin the university, make this first step toward regaining control of the money entering and leaving our coffers.

Thank you,

June Pinnell-Stephens
Fairbanks, AK 999709

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To members of the House Finance committee:

I want to express my support for HB 111. Oil companies have earned more than enough tax credits from us!

It's definitely time, in my opinion, that they no longer need to be subsidized at the current levels, especially when our schools and state departments like ADF&G have been cut to the bone.

Please stand strong on revising our oil tax credit program and invest in our schools and other public services.

Thank you,

Maureen Knutsen
Naknek, AK 99633

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Dear Representatives:

I am writing to let you know that I support an income tax as well as a decrease in the production tax credits. We need a stable tax base that is less dependent upon the oil and gas industry. Alaska has benefitted greatly from the oil and gas industry and it certainly will continue to have a part in the future of Alaska. And I'm grateful that the taxes paid have supported Alaska through these difficult days.

However, we have to face the reality of the current oil and gas prices, the fact that our oil is expensive compared to the oil fields of the lower 48, and we need to find new and more stable sources of revenue in order to stabilize our economy.

HB 111 and HB 115 are both forward thinking bills that will help us build a long term fiscal plan that will breathe confidence into our economic system.

- Bhree (mobile)

Bhree Roumagoux
Anchorage AK 99502

Hello House Finance Committee:

I would like to voice my support for you to re-do the cashable Oil Tax Credits. Please change their structure, form or percentage to greatly reduce this huge spending portion of our State budget! We can't be pulling basic services, public safety or other important state programs just to line the pockets of the oil producers, especially in times when oil prices are down.

We have great oil resources - and it is a privilege to these companies to have access to take it from us. Let's not PAY THEM hundreds of millions of dollars to do it!

I also support HB 115 - to re-instate a very modest state income tax. We should tax out of state workers, and more fairly share the economic burden among Alaskans. While I support the cap on the PFD, this hurts low-income / rural Alaskans more and is not as fair as an income tax.

Thank you for your work on Alaska's behalf.

Sincerely,
Mary Ver Hoef
Fairbanks, Alaska

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Dear House Finance,

I can't say for sure I know all the details of HB 111, but I do know that we cannot continue with SB21. It's obvious and plain as day that we aren't getting our fair share in revenues.

When you take away all the graphs, projections, and just go right down to a positive/negative return for the state , we are going broke and it's directly related to how much we keep paying the oil companies in credits and providing them with "no tax" scenarios.

I think that instead of subsidizing one industry, a mega industry, we need to use that funding to distribute the benefits to all Alaskans as required by the Alaska Constitution.

I realize we have low oil prices and so I support the income tax options you guys have proposed.

I know that folks on the upper end of the income bracket are going to fight this tooth and nail and will likely threaten to move away, but here's the thing... when essential services are fully funded and we get back to a full PFD, Alaska's economy will take an upturn and those very people will ultimately benefit from it.

More money in the majority of the people's pocket is how we build a stronger economy. We know oil is on the downturn, but with good prospects on the horizon and dividends at an all time high we will get through this if we do it right.

Implementing an income tax is going to help us pull through this mess plus give us a buffer in the event of future oil price collapses. It's tangible income we can count on every single year.

When dividends are flying around $2,000 that's a significant amount of funding for small families who want to start new businesses. Those small businesses create jobs.

So, I guess I support your efforts, if Alaskans get their full PFD, we can fully fund our government, and we can make sure that our wealth grows instead of paying oil companies to drill.

Warm Regards,

Jeremiah Emmerson

(27)

Dear House Finance Committee members,

I am writing in support of HB 111, a much needed building block to returning Alaska to fiscal health, accomplishing this by cutting subsidies to oil and gas corporations. As services to Alaskans get cut, it makes no sense to increase subsidies to the oil and gas industry.

s a former elected member of Juneau's school board I believe it is fair to see a ten year 1,647% increase in subsidies to this industry while support for education was cut more than 7% in FY2015.

If we are to get out of our fiscal crisis we must re-prioritize and place priority on our children and public health and safety, not on supporting a highly profitable industry.

Sincerely,

Margo Waring
Juneau, AK 99801