

Dirk Craft

To: Lorali Simon
Subject: RE: Opposition to SB 3002

From: Lorali Simon
Sent: Wednesday, September 8, 2021 1:45 PM
To: senator.josh.revak@akleg.gov; senator.peter.micciche@akleg.gov; senator.click.bishop@akleg.gov;
senator.natasha.vonimhof@akleg.gov; senator.scott.kawasaki@akleg.gov; senator.gary.stevens@akleg.gov;
senator.jesse.kiehl@akleg.gov; Betty Tangeman
Subject: Opposition to SB 3002
Importance: High

Dear Senator Revak and Members of the Senate Resources Committee:

Usibelli Coal Mine, Inc., (Usibelli) is opposed to SB 3002 because it would unfairly penalize S-Corporations in Alaska, such as Usibelli. As you know, S-Corporations do not pay a corporate income tax, rather the shareholders of S-Corporations report income and losses on their personal tax returns. This allows S-Corporations to avoid double taxation on corporate income.

Taxing S-Corporations as suggested in SB3002 directly subjects the taxpayer to double taxation.

Usibelli Coal Mine has been Alaskan family owned and operated since 1943. Usibelli provides 100 percent of the in-state demand for coal. There are six coal-fired power plants in the Interior which make up approximately 30 percent of the region's energy mix. There is currently no alternative to the coal fleet in Interior Alaska; natural gas is not readily available on a large scale. Usibelli employs approximately 100 people and is the largest, year-round employer in the Denali Borough. The average wage in the mining industry in Alaska is \$115,000 per year; twice the statewide average. Additionally, Usibelli spent over \$20 million in Alaska last year in support of our mining operation.

Please do not pass SB 3002 from committee as it unfairly subjects Alaskan family owned and operated companies doing business as S-Corporations to double taxation.

If you would like additional information on Usibelli Coal Mine, please do not hesitate to contact me.

Sincerely,
Lorali Simon



Lorali Simon | VP External Affairs

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Everyday Safety - At Work. At Home. At Play.