

SENATE FINANCE COMMITTEE

April 25, 2025

9:03 a.m.

[9:03:19 AM](#)

CALL TO ORDER

Co-Chair Hoffman called the Senate Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Donny Olson, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Mike Cronk
Senator James Kaufman
Senator Jesse Kiehl
Senator Kelly Merrick

MEMBERS ABSENT

None

ALSO PRESENT

Senator Cathy Giessel, Sponsor; Joe Felkl, Legislative Liaison, Department of Fish and Game; IntiMayo Harbison, Staff, Senator Cathy Giessel; Senator Forest Dunbar, Sponsor; Sonia Kawasaki, Senate Majority Counsel; Evan Anderson, Staff, Representative Zack Fields; Katie Capozzi, President and Chief Executive Officer, Alaska Chamber of Commerce.

PRESENT VIA TELECONFERENCE

Megan Wallace, Chief Counsel, Legislative Legal Services; Geoffrey Toy, Staff Attorney, Alaska Federation of Natives, Anchorage; Mark Richards, Executive Director, Resident Hunters of Alaska, Fairbanks; Sam Rohrer, President, Alaska Professional Hunters Association, Kodiak; Blue Shibler, Executive Director, Association for the Education of Young Children, Juneau; Stephanie Berglund, Chief Executive Officer, Thread Alaska, Anchorage; Jenny Stucky, Chief Operating Officer, Campfire Alaska, Anchorage; Tracey Schaffer, Co-Executive Director, Nunakins, Kotzebue; Emily

Nauman, Director, Legislative Legal Services; Brandon Spanos, Deputy Director, Tax Division, Department of Revenue; Stephanie Berglund, Chief Executive Officer, Thread Alaska, Anchorage.

SUMMARY

SB 95 CHILD CARE: ASSISTANCE/GRANTS

SB 95 was HEARD and HELD in committee for further consideration.

SB 96 CHILD CARE: TAX CREDITS

SB 96 was HEARD and HELD in committee for further consideration.

SB 97 BIG GAME PERMIT PROGRAM

SB 97 was HEARD and HELD in committee for further consideration.

Co-Chair Hoffman discussed the agenda. He noted that the three bills were considered curative legislation and were related to the passage of SB 189 the previous year. He relayed that Megan Wallace, Chief Counsel for the Division of Legislative Legal Services, would provide a quick synopsis of the necessity of the legislation before addressing each bill.

#sb95
#sb96
#sb97

SENATE BILL NO. 95

"An Act relating to the child care assistance program and the child care grant program; and providing for an effective date."

SENATE BILL NO. 96

"An Act relating to education tax credits for certain payments and contributions for child care and child care facilities; relating to the insurance tax education credit, the income tax education credit, the oil or gas producer education credit, the property tax education credit, the mining business education

credit, the fisheries business education credit, and the fisheries resource landing tax education credit; providing for an effective date by amending the effective date of secs. 1, 2, and 21, ch. 61, SLA 2014; and providing for an effective date."

SENATE BILL NO. 97

"An Act establishing a big game guide concession area permit program on land in the state; relating to the duties of the Big Game Commercial Services Board, the Board of Game, the Department of Fish and Game, and the Department of Natural Resources; requiring the Board of Game to establish an initial big game guide concession area; and providing for an effective date."

9:05:01 AM

MEGAN WALLACE, CHIEF COUNSEL, LEGISLATIVE LEGAL SERVICES (via teleconference), affirmed that the three bills on the agenda were related to the passage of SB 189, which had passed the previous session and was enacted into law. She continued that the three bills together, in addition to the contents of SB 80, were contained in SB 189 last session.

Ms. Wallace informed that an issue had arisen under Article 2 Section 13, which required bills to be combined to a single subject. She said that SB 189 has been challenged under the single subject rule. She referenced a lawsuit filed in the Juneau Superior Court (copy on file) regarding an alleged constitutional violation, that SB 189 violated the single-subject clause because there was no single subject to describe the contents of the bill after the various components had been added at the end of last session.

Ms. Wallace relayed that the status of the pending litigation was that the plaintiff, former Representative David Eastman, had filed a motion for summary judgement asking the court to invalidate the passage of SB 189. In response the state had filed a motion for a stay of proceedings until the end of session to allow the legislature to pass curative legislation. The motion asked that the court give the legislature time to hear the alleged defects. The plaintiff had opposed the motion and requested oral argument on the motion to stay. There had not been a ruling on the motion to stay.

[9:08:31 AM](#)

Ms. Wallace explained that the passage of the bills, irrespective of pending litigation, would ensure that if the litigation was successful, once the bills were passed there would be no impact to the law previously passed by the legislature. If the curative legislation was not passed, there was some risk that if the court struck down the passage of SB 189, all provisions of the bill would be struck down and the legislature would have to bring the impacted items back to the table.

[9:09:55 AM](#)

Senator Kiehl expressed an appreciation for the briefing. He relayed that his work in committee would reflect the merits of the legislation and not the reason that the items were back before the committee.

#sb97

SENATE BILL NO. 97

"An Act establishing a big game guide concession area permit program on land in the state; relating to the duties of the Big Game Commercial Services Board, the Board of Game, the Department of Fish and Game, and the Department of Natural Resources; requiring the Board of Game to establish an initial big game guide concession area; and providing for an effective date."

[9:10:33 AM](#)

Co-Chair Hoffman relayed that this was the bills first hearing.

SENATOR CATHY GIESSEL, SPONSOR, explained that there was a long-standing problem on state lands that included overhunting and conflicts between resident, subsistence, and guided hunters. The guide concession program would create areas much like federal concession land areas and would limit the number of hunters in each area. The provision would prevent an overabundance of guided hunts in hunting areas. There was no limit placed on Alaska resident hunters or subsistence hunters.

Senator Giessel continued that a big game guide would have to go through a competitive process. The permit area would be granted for a ten-year duration and applicants could compete for concession areas. There were limited transferability conditions provided in the bill for the permits should there be a need for transference. There was a fee structure that would support the program. The federal program had been very successful, and the bill modeled that program. She relayed that she knew resident hunters that had felt overwhelmed by guided hunts taking place in the areas. There was a public, competitive process and the program would start with one game unit before expanding after success was demonstrated.

Senator Giessel noted that the subject of the bill had been considered over several years. She emphasized that support for the bill had grown over the years. She noted that guided hunts brought in a huge amount of revenue to the state and contributed to the Department of Fish and Game Division of Wildlife - \$15.2 million per year. She noted the committee concern that boards and commissions be self-funded. She shared that the Big Game Board had been a deficit of \$1 million but had paid their debt and the board was now solvent and would oversee the program.

[9:15:30 AM](#)

[9:15:44 AM](#)

Co-Chair Stedman asked for a detailed explanation of how the initial permits would be issued. He pondered that the permits would last ten years, and wondered how the permits would be renewed. He asked whether the bill would lead to the privatization of natural resources. He thought that limited entry fishing had created problems.

Senator Giessel drew attention to Section 3 of the bill, which addressed the open competitive permit process:

Section 3: Creates new section AS 38.05.021 empowering the Department of Natural Resources (DNR) to administer the implementation of the big game guide concession area permit program on land approved by the BOG.

Outlines that the overarching goals of the guide concession program are to encourage long-term minded

conservation, enhance customer experience, reduce user conflicts, and ensure responsible, professional, economically guiding industry.

Establishes the features of the guide concession program permits:

1. All permits are awarded an open, public, and competitive process.
2. A guide may not hold more than three concession permits at a time.
3. Permits are valid for 10 years.
4. Permits may not be extended or renewed without the same open, public, and competitive process.
5. Permits may be transferred to another individual based on conditions set in regulation that are consistent with the overarching goals of the guide concession program.
6. If the terms of statute or regulation are violated, permit may be suspended or revoked after the permit holder has been given written notice and opportunity to be heard.

Section 3 further empowers the DNR, in consultation with the BOG, DF&G, and BGCSB, to adopt the necessary regulations including the qualifications for full and limited concession permits, process for issuing the permits, and the collection of fees; grants DNR or their designee the authority to enforce the terms of this program; allows DNR to keep confidential any proprietary, commercial, and financial information provided by concession permit applicants; and includes definitions.

[9:17:57 AM](#)

Co-Chair Stedman understood that the system would be a bid system with renewal possible after 10 years.

Senator Giessel deferred to Joe Felkl from the Department of Fish and Game.

[9:19:00 AM](#)

JOE FELKL, LEGISLATIVE LIAISON, DEPARTMENT OF FISH AND GAME, introduced himself.

Co-Chair Stedman asked for clarity regarding how the permits would be initially issued and then renewed or extended.

Mr. Felkl relayed that the issuance of the permits would reside in DNR, and the Board of Game would decide how many permits were appropriate per area. He said that when a term expired the permit would have to go through the process all over again.

Co-Chair Stedman hoped to hear from DNR on the matter.

Co-Chair Hoffman asked whether the Board of Game had taken a position on the bill.

Mr. Felkl relayed that the board had adopted a proposal which would establish a guide concession area for Dall Sheep. He believed the board chair had provided a letter of support the previous year.

[9:20:42 AM](#)

Senator Kiehl asked whether the state ran the risk of pushing the overcrowding situation around.

INTIMAYO HARBISON, STAFF, SENATOR CATHY GIESSEL, relayed that was not the intent of the bill. The intent was to issue a first permit to see how the program worked and then expand.

[9:22:12 AM](#)

Co-Chair Hoffman OPENED public testimony.

[9:22:39 AM](#)

GEOFFREY TOY, STAFF ATTORNEY, ALASKA FEDERATION OF NATIVES, ANCHORAGE (via teleconference), spoke in support of the bill.

[9:23:45 AM](#)

MARK RICHARDS, EXECUTIVE DIRECTOR, RESIDENT HUNTERS OF ALASKA, FAIRBANKS (via teleconference), spoke in opposition to the bill. He asserted that the state did not have the funds to regulate the guide industry program. He noted that the fiscal note for the bill.

Mr. Richards thought that the bill would lead to litigation. He felt that the Big Game Board had failed to regulate their industry.

[9:26:43 AM](#)

SAM ROHRER, PRESIDENT, ALASKA PROFESSIONAL HUNTERS ASSOCIATION, KODIAK (via teleconference), testified in support of the bill. He addressed an earlier question related to how the state might avoid problems seen in limited entry fishing. He pointed out that the permits were limited to 10 years and were not primarily monetarily based, but rather considered operations, safety, and conservation measures.

[9:28:58 AM](#)

Co-Chair Hoffman CLOSED public testimony.

[9:29:05 AM](#)

Senator Kiehl addressed three fiscal notes. He spoke to FN 1, OMB Component 473. The note showed a cost of \$112.3 and included one full-time position.

Senator Kiehl addressed FN 2 from the Department of Fish and Game, OMB Component 2048. The amount was \$14.4 and was also reflected in the governor's budget request.

Senator Kiehl addressed FN 3 from the Department of Natural Resources, OMB Component 3002. The note showed a cost of \$341.6 in FY26, with two, full-time positions and indeterminate revenues from permitting fees.

[9:30:44 AM](#)

Co-Chair Stedman wondered whether there was consideration given to making the program self-sustaining, rather than the funds coming from the general fund.

Senator Giessel could not speak definitively to what the board would do but suspected that board would ensure that the fees covered the program.

Co-Chair Stedman asked whether the board would cover the costs of the three full-time positions.

Senator Giessel did not have the ability to answer the question.

Co-Chair Stedman thought that further discussion on the bill should include the issues brought up by Mark Richards during his public testimony.

Co-Chair Hoffman agreed.

SB 97 was HEARD and HELD in committee for further consideration.

#sb95

SENATE BILL NO. 95

"An Act relating to the child care assistance program and the child care grant program; and providing for an effective date."

[9:32:44 AM](#)

Co-Chair Hoffman relayed that this was the first hearing on the bill.

[9:33:00 AM](#)

SENATOR FOREST DUNBAR, SPONSOR, introduced the bill. He relayed that funding for the bill was already in the governor's budget because of the passage of SB 189 the previous session.

[9:34:02 AM](#)

SONIA KAWASAKI, SENATE MAJORITY COUNSEL, referred to the lawsuit status as discussed by Megan Wallace at the start of the meeting.

Co-Chair Hoffman summoned invited testifiers to the table.

[9:34:50 AM](#)

BLUE SHIBLER, EXECUTIVE DIRECTOR, ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN, JUNEAU (via teleconference), read from a prepared statement:

My name is Blue Shibler, and I serve as the Executive Director of the Southeast Alaska Association for the Education of Young Children, or SEAAEYC. We are the regional childcare resource and referral agency serving families and early childhood providers across Southeast Alaska. I'm testifying today in strong support of SB95 because increasing the income eligibility for the Childcare Assistance Program is a critical step toward stabilizing our childcare system and supporting working families across the state.

In my role, I regularly hear from families doing everything they can to live and work in our region and are struggling to make ends meet. Childcare is nearly always at the center of that struggle. The current income threshold for childcare assistance is so low that families can be penalized for earning just a little more. Many turn down raises or promotions for fear of losing their assistance before they can afford care alone. That's not how public policy should work. Assistance programs should create a bridge, not a cliff, supporting parents as they grow in their careers and helping them eventually become self-sufficient.

As this bill proposes, raising the income threshold would allow more families to access support and more accurately reflect the actual cost of living and working in Alaska today. Many families earn too much to qualify for assistance but far too little to afford childcare without it. I understand the state's fiscal challenges. However, investments in childcare pay long-term dividends by enabling more Alaskans to join and stay in the workforce. Legislative solutions to our childcare crisis cannot wait – and SB96 is a meaningful step in the right direction. I urge you to support this bill this session. Legislative solutions to the childcare system can't wait. Care Can't Wait. Thank you for your time and your work on behalf of Alaska's children and families.

[9:36:59 AM](#)

STEPHANIE BERGLUND, CHIEF EXECUTIVE OFFICER, THREAD ALASKA, ANCHORAGE (via teleconference), read from a prepared statement:

Thank you, Mr. Chair and members of the committee for hearing SB 95. I'm CEO of thread, Alaska's statewide childcare resource and referral organization. Thread is a 39-year-old nonprofit, and we provide services throughout the state to strengthen access to affordable and high-quality early childhood education with a focus on childcare. We serve more than 12,000 families, 2,000 early educators, and over 400 early childhood education programs each year. The childcare sector is fragile. It's long been a sector with institutional deficiencies for decades but has seen increased challenges over the last five years.

Since 2020, we've seen over 25 percent of the licensed childcare program close across the state, and those that are open, they're not able to serve all the children they would like due to staff shortages. Just last week, I received the very sad news that Bright Beginning, one of our largest childcare programs in South Anchorage, in Sen. Kaufman's district, is closing its doors after 30 years. That's 125 families who are losing their childcare space this month. thread anticipates that more childcare programs, like Bright Beginnings, will close if we do not see sustainable and meaningful investments in the state for childcare. The childcare workforce is struggling through the low wages and few benefits at the same time that there is high competition for qualified workers in Alaska.

Currently, fewer families can access affordable and quality childcare services than ever before. When we don't have a strong childcare sector, we see our economic infrastructure struggle. Businesses are not able to recruit and retain quality employees, and families are not able to participate in the workforce as they want. Our most recent research conducted with the McKinley Group in 2023 shows that families are greatly impacted by a struggling childcare sector. Businesses are not able to support their employees as they're showing poor attendance and loss of productivity. Childcare challenges for working families are resulting in great absence and employee turnover and are costing businesses an estimated \$152 million annually. We know when Alaskans can't work, they don't have financial security to support their

families, and they aren't able to achieve their self-sufficiency goals or contribute to our economy. That not only stifles the quality of life for families but also stalls Alaska's growth.

SB95 adds needed support for childcare and strengthens the childcare assistance and subsidy program. While there are many areas of the childcare system that need support, SB95 aims to strengthen the childcare assistance by allowing more families, earning up to the 105th percentile of median household income, to participate in the program and create flexibility in childcare resources with aims to support childcare programs with the targeted supports they need. Changes in childcare assistance are needed.

Currently, too few families participate in the program as they don't qualify or can't access resources under the current structure. A change that can help is through SB95 and increasing childcare access and capping co-payments required for families. The bill will allow more families to qualify for assistance and allow more families access to quality care. These and other barriers impacting families' ability to participate in the workforce. Just over half of families report that household members' ability to be employed or work more hours are impacted by quality, availability, and cost of childcare. That is growing as we've seen a 29% increase in families reporting they're not able to work because of childcare challenges. These findings underscore the need for childcare change to strengthen our collective workforce and economy.

This bill also creates a program to partner with businesses to create incentives and support them with developing on-site or near-site childcare. Although childcare businesses are currently reimbursed at childcare assistance program rates set by a market rate survey that's based on the amount that childcare businesses charge for care, not what is the actual cost for providing that care and education. This creates an unstable foundation for the childcare system. We are encouraged to see the research that was completed through the Governor's Childcare Task Force to understand the true cost of care and that data shows a gap in what the state is paying for

reimbursement compared to the true cost of providing that care.

We are encouraged to see that the bill includes the option for the cost of care to be used in conjunction with market rate prices and policies. That supports a more stable and informed childcare system. SB95 is a great and necessary step for supporting families' affordability and this bill will have an impact in every single one of the legislative districts in your community, from Kotzebue to Ketchikan. Endorsing SB95 as a step toward more affordable access to more affordable care for families. We encourage you to consider and pass this bill as it was already passed through strong support last session. I also urge you to restore childcare funding in the Operating Budget that complements this bill to provide critical operating supports for programs. Please restore that funding. The positive change for childcare sector cannot come soon enough. I appreciate the sponsor for bringing the bill forward and thanks to Chair and Committee for considering the bill. Thank you.

[9:42:54 AM](#)

Co-Chair Hoffman OPENED public testimony.

[9:43:04 AM](#)

JENNY STUCKY, CHIEF OPERATING OFFICER, CAMPFIRE ALASKA, ANCHORAGE (via teleconference), called to express support for SB 95. She relayed that in 2024, the average cost of childcare, per child, in the state was \$13,500. The previous year, Campfire Alaska had provided over \$700,000 in financial assistance to families. She stressed the importance of access to affordable childcare for Alaska's families.

[9:45:37 AM](#)

TRACEY SCHAFFER, CO-EXECUTIVE DIRECTOR, NUNAKINS, KOTZEBUE (via teleconference), testified in support of the bill. She mentioned young foster children were shipped out of her region because foster families could not afford care for a child not yet in public school. She emphasized that functional communities needed a workforce and pointed out

the need for childcare options. She discussed early childhood and the importance of early childhood education.

[9:48:12 AM](#)

Co-Chair Hoffman CLOSED public testimony.

[9:48:19 AM](#)

Senator Kiehl addressed a fiscal note by the Department of Health, OMB Component 1897. The note showed a total of \$6,920,200 in the governor's budget request for the fiscal year. The total was comprised of \$225.1 in federal receipts and matching general funds. There was \$5,642.0 in unrestricted general funds. There was also a request for two full-time positions.

Co-Chair Stedman asked for an explanation on Section 7, and Section 8. He asked about the current median income per household in Alaska.

Senator Dunbar deferred to Evan Anderson from Representative Fields' office.

[9:50:17 AM](#)

EVAN ANDERSON, STAFF, REPRESENTATIVE ZACK FIELDS, spoke to the duplicative language in Sections 7 and 8. He explained that "daycare assistance program" was the former language in statute, which would be corrected to "childcare assistance grant" in SB 95.

Co-Chair Hoffman asked Emily Nauman to address the question.

[9:51:14 AM](#)

EMILY NAUMAN, DIRECTOR, LEGISLATIVE LEGAL SERVICES (via teleconference), affirmed that Mr. Anderson's explanation was sufficient.

[9:51:36 AM](#)

Co-Chair Stedman asked about the state's median monthly household income.

Ms. Nauman did not know the median monthly income of Alaskan households.

Co-Chair Stedman shared concerns about the income restriction in the bill. He considered the cost of daycare, and the challenges that a single household earner would have to meet the income restriction in the bill. He worried that people who needed help would be excluded. He thought the issue was impacting the economics of the state. He thought the bill did not go far enough to assist working families in the state. He thought the state should work to assist a larger number of children.

Co-Chair Hoffman thought Co-Chair Stedman's comments suggested that amendments could be made to the three pieces of legislation. He wondered whether amending the legislation was possible under the lawsuit.

[9:55:18 AM](#)

Ms. Nauman advised that the committee pass the legislation as written. She thought that there was latitude to make changes if the sections matched up to the section of legislation that the legislature wanted to enact. She said that the legislature was free to make any policy changes it desired and then the court would be responsible for setting the same subject issue. She thought the matter was a policy call for the legislature. She stated that there was a possibility that the legislature could lose the legal argument and the legislation would be negated.

Co-Chair Stedman considered increasing the household income restriction from 105 percent to 150 percent as an enhancement of the legislation and not a matter of same subject rule. He wanted to hear from the bill sponsor regarding his decision to arrive at a level that would help working families with multiple children.

Senator Dunbar deferred to Mr. Anderson.

[9:58:11 AM](#)

Mr. Anderson relayed that the previous 85 percent number allowed for the maximum allowable for the federal pass-through grants. He added that state support for childcare subsidies up to this point had been entirely subsidized by the federal government. The change from 85 percent to 105

percent represented the first time that the state had invested in childcare subsidies. He agreed that the percentage could be higher, some states subsidized up to 400 percent of the median income. He said that the change in the bill represented 18,000 Alaskan children.

[9:59:13 AM](#)

Co-Chair Hoffman suggested that Mr. Anderson could provide further information regarding what the fiscal note might be at 150 percent.

Senator Dunbar agreed to provide the information.

SB 95 was HEARD and HELD in committee for further consideration.

#sb96

SENATE BILL NO. 96

"An Act relating to education tax credits for certain payments and contributions for child care and child care facilities; relating to the insurance tax education credit, the income tax education credit, the oil or gas producer education credit, the property tax education credit, the mining business education credit, the fisheries business education credit, and the fisheries resource landing tax education credit; providing for an effective date by amending the effective date of secs. 1, 2, and 21, ch. 61, SLA 2014; and providing for an effective date."

[9:59:42 AM](#)

Co-Chair Hoffman announced that this was the first hearing on the legislation.

[10:00:01 AM](#)

Ms. Kawasaki relayed that supporters of SB 96 described the bill as a workforce bill that strengthened Alaska's childcare system. The bill would incentivize the private sector to offer childcare benefits to their employees to fill jobs essential for economic growth. The bill would expand childcare tax credits that would create a tax credit for employers. The credits would be available to seven categories to be claimed against taxes to the state, which

included: insurance premium tax, title insurance premium tax, oil and gas production tax, oil and gas property tax, mining license tax, fisheries business tax, and fisheries resource landing tax. The bill encouraged employers to look at childcare as an employee benefit and encouraged businesses to open childcare services.

10:01:48 AM

Co-Chair Stedman asked Ms. Kawasaki to provide more detail as to how the credits would work, and whether there were any restrictions.

Ms. Kawasaki relayed that if one was not in one of the aforementioned tax collection categories incentivization would be based on whoever was currently paying taxes.

Co-Chair Stedman thought there were a lot of other employers, outside the categories, that could use motivation to assist with employee childcare. He stressed that childcare assistance was a recurring concern voiced by Alaskans.

10:03:51 AM

KATIE CAPOZZI, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ALASKA CHAMBER OF COMMERCE, introduced herself and relayed that the mission of the Alaska Chamber of Commerce. She testified in support of the legislation. She asserted that the state's economy depended upon a strong stable workforce, and the lack of affordable and accessible childcare hindered workforce participation. She mentioned employers struggled to recruit and retain employees due to unaffordability and unavailability of childcare. She spoke of the cost to the state, \$165 million per year, due to childcare related absences and employee turnover.

Ms. Capozzi referenced a public opinion survey by the chamber the previous month and cited that 24 percent of parents missed work due to lack of access to childcare, and 13 percent chose not to work at all due to lack of access or affordability. She noted that the average cost of full-time care for an infant was \$21,000 per year. SB 96 would add an additional mechanism to the existing education tax credits and would not increase the tax cap. It would allow corporate income tax paying employers the opportunity to provide childcare benefits to their employees, provide

direct support to childcare facilities, or use the credit for onsite childcare.

Ms. Capozzi referenced Co-Chair Stedman's question related to who could benefit from the credits. She said that if an employer used the credit for an onsite, or near-site, facility it could be used by other community members and increase access to childcare for all.

Ms. Capozzi addressed a concern with the sunset provision of 2028. The tax credits were used by the chamber to invest in the University of Alaska and a multitude of workforce development programs.

[10:07:36 AM](#)

Co-Chair Stedman mentioned the oil and gas severance tax. He asked how the tax worked for support companies that employed truck drivers, construction workers. He asked whether those satellite companies, who supported the work of the oil and gas industry, would qualify for the credit.

Ms. Capozzi relayed that if they paid corporate income tax, they would qualify for the credit.

Co-Chair Hoffman noted that a representative from the Department of Revenue was available for questions.

Co-Chair Stedman wanted to hear from the department. He worried that those support companies might be excluded from the credits.

[10:08:54 AM](#)

BRANDON SPANOS, DEPUTY DIRECTOR, TAX DIVISION, DEPARTMENT OF REVENUE (via teleconference), addressed whether a trucking company would be subject to the tax credits, and relayed that it would depend on how the company was structured and whether they paid one of the taxes that could claim the credit.

Co-Chair Stedman thought most of the support companies would not qualify for the credits because they were not C-Corps. He asked whether the processors and the fishermen would both benefit from the landing tax.

Mr. Spanos relayed that the taxes applied to the processors.

Co-Chair Stedman asked for further clarification.

Mr. Spanos relayed that the Fishing Business Tax was by the fishing processing entity. The Fishing Landing Tax was paid by the exporter.

Co-Chair Stedman asked whether fishermen would not qualify.

Mr. Spanos relayed that fishermen did not pay the tax.

Co-Chair Hoffman relayed that there were other people from the administration available for questions.

[10:12:34 AM](#)

Co-Chair Hoffman OPENED public testimony.

[10:12:52 AM](#)

STEPHANIE BERGLUND, CHIEF EXECUTIVE OFFICER, THREAD ALASKA, ANCHORAGE (via teleconference), spoke in support of the bill.

[10:16:16 AM](#)

Co-Chair Hoffman CLOSED public testimony.

[10:16:32 AM](#)

Senator Kiehl reviewed three fiscal notes. He addressed FN 1, from Department of Labor and Workforce Development, OMB component 336. The note contained zero fiscal impact.

Senator Kiehl addressed FN 2, from the Department of Revenue, OMB component 2476. The note reflected zero cost and indeterminate increase in revenue in FY29 and FY29.

Senator Kiehl addressed FN 3, from the Department of Community, Commerce, and Economic Development, OMB component 354. The note reflected zero fiscal impact.

Co-Chair Hoffman relayed that the three fiscal notes would be considered by the Conference Committee on the Operating and Capital Budgets.

SB 96 was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

10:17:58 AM

The meeting was adjourned at 10:17 a.m.