

SENATE FINANCE COMMITTEE  
May 2, 2025  
9:02 a.m.

[9:02:27 AM](#)

CALL TO ORDER

Co-Chair Hoffman called the Senate Finance Committee meeting to order at 9:02 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

Carly Dennis, Staff, Senator Matt Claman; Pete Ecklund, Staff, Senator Lyman Hoffman.

PRESENT VIA TELECONFERENCE

Senator Matt Claman, Sponsor; Brandon Spanos, Deputy Director, Tax Division, Department of Revenue, Anchorage; Nicole Stewart, Self, Fairbanks; Claire Holland LeClaire, Self, Anchorage.

SUMMARY

SB 138 TAXATION: VEHICLE RENTALS, SUBPOENAS

SB 138 was HEARD and HELD in committee for further consideration.

CSHB 53 (FIN) am(brf sup maj fld) (efd fld)  
APPROP: OPERATING BUDGET; CAP; SUPP

SCS CSHB 53(FIN) was REPORTED out of committee with five "do pass" recommendations and two "amend" recommendations.

CSHB 55(FIN)

APPROP: MENTAL HEALTH BUDGET

SCS CSHB 55(FIN) was REPORTED out of committee with five "do pass" recommendations and two "no recommendations."

#sb138

SENATE BILL NO. 138

"An Act relating to vehicle rental taxes; relating to the issuance of subpoenas related to tax records; and providing for an effective date."

[9:03:33 AM](#)

CARLY DENNIS, STAF, SENATOR MATT CLAMAN, introduced the legislation.

Co-Chair Stedman asked for a history of the issue.

Ms. Dennis replied stated that the bill had been around in various forms over the last five years.

[9:07:52 AM](#)

SENATOR MATT CLAMAN, SPONSOR (via teleconference), stated that the bill had been copied initially from the year prior, but the Labor and Commerce Committee changed it to a flat fee of 9 percent for all rentals.

Senator Cronk queried the expected increase in tax revenue.

Ms. Dennis replied that the fiscal note was indeterminate because the Department of Revenue (DOR) was unaware of how many people were using the platforms.

Co-Chair Hoffman remarked that the fiscal note was still forthcoming.

Senator Kiehl remarked that Anchorage a similar law, and wondered about the impact on their tax collections.

Ms. Dennis replied that, discounting the year 2020, Anchorage had seen approximately \$9 million a year from vehicle rental tax revenue.

[9:10:04 AM](#)

Senator Kiehl wondered whether Anchorage had changed its tax rate when it initiated the vehicle rental tax.

Ms. Dennis replied that they did not.

Senator Kiehl surmised that the bill introduced a tax cut that raised more revenue.

Ms. Dennis agreed with that statement.

Co-Chair Stedman stated that he had a question for the deputy tax director.

Senator Merrick wondered whether it was a new tax.

Ms. Dennis replied that it was not.

Co-Chair Stedman wondered whether the tax was currently in place, and queried the constitutional provisions of the tax.

[9:11:17 AM](#)

BRANDON SPANOS, DEPUTY DIRECTOR, TAX DIVISION, DEPARTMENT OF REVENUE, ANCHORAGE (via teleconference), replied that the tax was overly broad, and stated that it was imposed on the individual renting the vehicle with the owner collecting and remitting the tax. He stated the tax would apply to vehicles rented through the platform, but the platforms were not cooperating with the tax information.

Co-Chair Stedman requested the letters and dollars collected. He was concerned about the department's constitutional obligation to collect the taxes.

[9:15:07 AM](#)

Co-Chair Hoffman asked about a timeframe from the committee to receive the requested communications.

Mr. Spanos replied that he could provide the information within the week.

[9:15:40 AM](#)

Co-Chair Hoffman asked that they be submitted by Wednesday.

Co-Chair Stedman asked for the details related to the letters.

Senator Kiehl recalled that there would be information received by the Department of Revenue (DOR) which would give information about individuals renting the cars on the platforms. He noted that the bill stopped DOR from acting retroactively. He wondered how many Alaskans might receive a letter about what they owe in back taxes.

Mr. Spanos replied that the IRS had the authority to request a 1099-K from the platform that issued payments in excess of \$600 to their customers.

[9:20:19 AM](#)

Senator Kiehl felt that the policy should be set legislatively.

Senator Claman stated stressed that there were existing obligations within statute to enforce law

[9:21:57 AM](#)

NICOLE STEWART, SELF, FAIRBANKS (via teleconference), spoke in support of the bill.

Co-Chair Hoffman wondered how the taxes were being paid.

Ms. Stewart replied that she had not received a letter and did not know who to pay the taxes.

Co-Chair Hoffman wondered whether the taxes would be set aside.

Ms. Stewart replied that she was not setting money aside.

[9:24:18 AM](#)

CLAIRE HOLLAND LECLAIRE, SELF, ANCHORAGE (via teleconference), spoke in support of the legislation.

[9:26:17 AM](#)

Co-Chair Hoffman OPENED public testimony.

Co-Chair Hoffman CLOSED public testimony.

Co-Chair Hoffman noted that the Department of Natural Resources (DNR) needed to provide a fiscal note.

Senator Claman thanked the committee for hearing the bill.

SB 138 was HEARD and HELD in committee for further consideration.

#hb53

#hb55

CS FOR HOUSE BILL NO. 53(FIN) am(brf sup maj fld)(efd fld)

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; and making supplemental appropriations."

CS FOR HOUSE BILL NO. 55(FIN)

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

[9:27:59 AM](#)

Senator Kaufman MOVED Amendment 1 (copy on file):

DEPARTMENT: Revenue  
APPROPRIATION: Alaska Permanent Fund Corporation  
ALLOCATION: Various  
ADD: \$14,564.3 1105 PF Gross  
POSITIONS: Add I PFT position

EXPLANATION: Match the Governor's amended budget structure, funding, and transactions for the Alaska Permanent Fund Corporation by reversing all SCS2

transactions reflected in the attached Transaction Compare report, and restoring the GovAmd+ transactions.

Co-Chair Hoffman OBJECTED for discussion.

Senator Kaufman explained the amendment.

Co-Chair Hoffman wondered if the chair of the subcommittee of the Department of Revenue had comments on the legislation.

Senator Kiehl opposed the amendment.

[9:34:17 AM](#)

Co-Chair Hoffman remarked that the amendment could be addressed in Conference Committee.

Senator Kiehl stated that he did not believe anything was hidden.

Senator Kaufman felt that certain words could erode the trust of the management of the Permanent Fund.

Senator Kaufman WITHDREW his amendment.

[9:36:58 AM](#)

Co-Chair Hoffman MOVED to ADOPT Amendment 2 (copy on file):

DEPARTMENT: Department of Fish and Game  
APPROPRIATION: Commercial Fisheries  
ALLOCATION: Central Region Fisheries Management  
ADD: \$200.0 SDPR (1108)

EXPLANATION: Add \$200.0 SDPR for Anchor Point In-season Management Data Collection

Co-Chair Hoffman OBJECTED for discussion.

[9:37:07 AM](#)

PETE ECKLUND, STAFF, SENATOR LYMAN HOFFMAN, explained the amendment.

Co-Chair Hoffman WITHDREW his OBJECTION.

Senator Kaufman felt that generally the process in the committee had been well, but felt that the process on this particular issue was not managed properly.

Co-Chair Hoffman appreciated the comments.

[9:40:58 AM](#)

AT EASE

[9:41:10 AM](#)

RECONVENED

[9:41:19 AM](#)

Co-Chair Stedman MOVED to REPORT SCS CSHB 53(FIN) out of committee with individual recommendations, and MOVED that Legislative Legal and the Legislative Finance Division make any technical and conforming changes. There being NO OBJECTION, it was so ordered.

Co-Chair Stedman MOVED to REPORT SCS CSHB 55(FIN) out of committee with individual recommendations, and MOVED that Legislative Legal and the Legislative Finance Division make any technical and conforming changes.

[9:42:36 AM](#)

AT EASE

[9:44:42 AM](#)

RECONVENED

SCS CSHB 53(FIN) was REPORTED out of committee with five "do pass" recommendations and two "amend" recommendations.

SCS CSHB 55(FIN) was REPORTED out of committee with five "do pass" recommendations and two "no recommendations."

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ADJOURNMENT

[9:45:09 AM](#)

The meeting was adjourned at 9:45 a.m.