

SENATE FINANCE COMMITTEE

May 16, 2025

9:02 a.m.

[9:02:23 AM](#)

CALL TO ORDER

Co-Chair Olson 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

Liz Harpold, Staff, Senator Donny Olson; Representative Kevin McCabe, Sponsor.

SUMMARY

CSHB 123(FIN)

TAXATION: VEHICLE RENTALS, SUBPOENAS

SCS CSHB 123(FIN) was REPORTED out of committee with seven "do pass" recommendations and one previously published indeterminate fiscal note: FN 1(REV).

#hb123

CS FOR HOUSE BILL NO. 123(FIN)

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

9:03:15 AM

Co-Chair Stedman MOVED to ADOPT the committee substitute for CSHB 123(FIN), Work Draft 34-LS0551\0 (Nauman, 5/15/25).

Co-Chair Hoffman OBJECTED for discussion.

9:03:42 AM

LIZ HARPOLD, STAFF, SENATOR DONNY OLSON, addressed the Explanation of Changes (copy on file):

Title: No change.

Sections 1 - 2: No change.

Section 3: New section. Establishes a 9 percent tax rate for passenger vehicle rentals.

Sections 4 - 5: Previous sections 3 - 4, renumbered.

Section 6: Previous section 5, renumbered. Includes the definition of "vehicle rental platform."

Section 7: New section. Establishes a July 1, 2028 effective date for Section 3.

Section 8: New section. Establishes an immediate effective date for Section 6.

Section 9: Previous section 6, renumbered and updated to reflect the additional effective dates in Sections 7 and 8.

9:04:57 AM

REPRESENTATIVE KEVIN MCCABE, SPONSOR, explained that the changes in the CS reflected a compromise between the Senate, House, and industry. He thanked the committee. He stated that it would lower the tax rate and levels the playing field. He stated that the bill protected Alaskans from back taxes. He felt that it was a practical overdue bill for Alaskans. He supported the committee substitute.

Co-Chair Hoffman REMOVED his OBJECTION. There being NO OBJECTION, it was so ordered.

Senator Kiehl reviewed the fiscal note, which was indeterminate from the Department of Revenue (DOR).

Co-Chair Stedman MOVED to REPORT SCS CSHB 123(FIN) with individual recommendations and attached fiscal note. There being NO OBJECTION, it was so ordered.

SCS CSHB 123(FIN) was REPORTED out of committee with seven "do pass" recommendations and one previously published indeterminate fiscal note: FN 1(REV).

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ADJOURNMENT

9:07:58 AM

The meeting was adjourned at 9:07 a.m.