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## Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
BETTYE FAHRENKAMP, Vice Chairman  
JACK COGHILL  
DICK ELIASON  
VIC FISCHER  
RICK HALFORD  
FRED ZHAROFF

POUCH V  
JUNEAU, ALASKA. 99811  
(907) 465-4907



Senate  
Committee on Resources

February 26, 1986

Richard Cederberg  
Allied Construction Services  
7600 King Street  
Anchorage, Alaska 99502

Dear Richard:

Thank you for your letter on HB 353. The health of the oil industry is crucial to the health of Alaska's economy. One of the few things the State can do to contribute to this health is to maintain a stable and fair tax environment. I do not support HB 353 and will vote against it if it advanced to my committee or the Senate floor.

If the State were to switch to the taxing scheme called for in HB 353 (separate accounting), it is true that the State might receive greater tax revenues for the first few years. In several years, however, a crossover point would be reached where the existing tax structure (modified apportionment) would be more lucrative to the State. If we did switch taxing methods now, I predict that you would see the same people who advocated the switch clamoring for a return to modified apportionment when that crossover point is reached. The State has no business engaging in this type of flip-flopping, especially on an issue so vital to all Alaskans.

There is a further disadvantage to HB 353 that I also feel is very important and argues strongly against its adoption. Separate accounting, as proposed by HB 353, is much more sensitive to the price of oil than modified apportionment. In our State, which is so dependent on the price of oil already, it makes no sense to increase our vulnerability to price fluctuations.

Though there undoubtedly will be strong pressure to increase taxes on the oil industry this year, I am strongly opposed to the idea and do not expect such a bill to pass.

Sincerely yours,

Senator Arliss Sturgulewski  
Chairman, Senate Resources Committee

## Allied Construction Services

7600 King Street Anchorage, AK 99502 (907) 349-7411

FEB 7 1986

letter  
(Carol)

Arliss Sturgulewski  
1024 W. 6th, Suite 101  
Anchorage, AK 99501

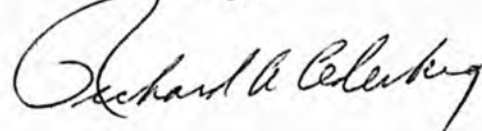
Dear Arliss,

It is my understanding that the legislature is considering an accounting change that would have the net effect of raising significantly the taxes on oil companies. (HB353)

If my understanding is correct then I would be very much opposed to the bill and any other similar bills designed to impose higher taxes on the oil companies.

Our first objective should be to dramatically reduce State spending. (including salaries and fringes of legislators) After we have brought spending under real control and reduced it to more realistic levels, then consideration might be given to sources of additional revenue.

Sincerely,



Richard Cederberg

SB 353

JAN 10 1986

# ALASKA RUBBER AND SUPPLY

5811 Old Seward Highway

(907) 562-2200

Anchorage, Alaska 99502

January 7, 1986

Arliss Sturgulewski  
1024 W. 6th, Suite 304  
Anchorage, Alaska 99501

*Carol,  
please send  
SB 353 Response  
M/E 1/10  
sent 1-13  
of*

Dear Mr. Sturgulewski,

Alaska Rubber & Supply Inc. is an AK Corporation just finishing its 5th year of business in Anchorage, and our 1st year in Fairbanks.

We employ 21 year around heads of household and several part time employees in the summer construction season.

Our success and growth has been made possible by the petroleum industry. I sincerely believe that our continued growth and expansion are dependant upon continued development of the oil industry.

HB353 would go a long way toward killing the goose that lays the golden eggs and we strongly urge you to vote against it.

Sincerely Yours

ALASKA RUBBER & SUPPLY



GARY DAMIAN,  
President

GD/sji

Sent To: Deborah Norton  
Jeffrey Lipscomb  
Derward Upchurch  
Michael D. Schall  
Elizabeth R. Mills  
Ben L. Odom  
Delia Ybany  
Clifton J. Gerrick II  
Jacqueline + Victor Manikian  
Vernon H. Boyles

HB 353

form: 2592-2601

January 7, 1986

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/If Not Empty,subtitle/VsubtitleV  
/End If//If Not Empty,company/VcompanyV  
/End If//If Not Empty,street/VstreetV  
/End If//If Not Empty,mail/VmailV  
/End If/VcityV, VstateV VzipV

Dear VsalutationV:

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Rephrase (If the State were to switch to the taxing scheme called for in HB 353 (separate accounting), it is true that the State might receive greater tax revenues for the first few years. In several years, however, a crossover point would be reached where the existing tax structure (modified apportionment) would be more lucrative to the State. If we did switch taxing methods now, I predict that you would see the same people who advocated the switch clamoring for a return to modified apportionment when that crossover point is reached. The State has no business engaging in this type of flip-flopping, especially on an issue so vital to all Alaskans.

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Resource des.

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Chairman, Senate Resources Committee