

SB

178

<TARGET><BILL>SB 178</BILL><SUBJECT>SB
178</SUBJECT><COMM>STRA28</COMM></TARGET>

**SENATE COMMITTEE REPORT
First Committee of Referral**

Add FIN Referral?

DATE: 2/18/14

FURTHER: Rules

Date of 5-Day Notice: 2/20/14
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/21/14

Transportation Committee considered SENATE BILL NO. 178

SB 178-PASSENGER VEHICLE RENTAL TAX

"An Act relating to the application of the passenger vehicle rental tax; and providing for an effective date."

and recommends:

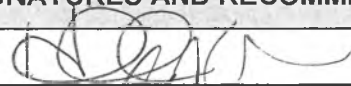

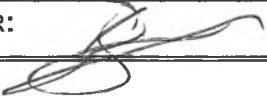
- be replaced with CS SB 178 (TRA) [] Same Title [] New Title
- [] adopt previous CS _____ (_____) [] Same Title [] New Title
- [] attached amendment(s)
- [] adopt _____ Letter of Intent
- [] further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
REV		✓		1

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[] APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	French				✓
	Dason				✓
Anna J. Fairclough	FAIRCLOUGH				✓
Celiah Bishop	Bishop	✓			✓
CHAIR: 	LEGAC			✓	

ALASKA STATE LEGISLATURE

Session:

State Capitol Building, Suite 115
Juneau, Alaska 99801-2186
Phone: (907) 465-2327
Fax: (907) 465-5241

Interim:

1292 Sadler Way, Ste. 308
Fairbanks, Alaska 99701
Phone: (907) 456-8161
Fax: (907) 456-8163



Senator Click Bishop

Senate Bill 178 Sponsor Statement

In 2003, the legislature passed a rental vehicle tax intended to raise revenue from tourists using rental cars on the state's road system. The rental car companies collect the tax when the vehicle is rented and then submit that tax to the state.

For the first nine years of the rental vehicle tax, the Department of Revenue did not apply the tax to Alaskan companies engaged in the long-term leasing of heavy vehicles to other Alaskan businesses. In 2013, however, the DOR began an attempt to collect the rental vehicle tax from Alaskan businesses who may not be involved in the visitor industry and do not rent to tourists. Some companies had long-term leases, mostly of heavier vehicles, with other Alaskan businesses.

Moreover, instead of announcing its new position and applying it prospectively, the DOR has sought to apply the rental vehicle tax retroactively back to 2004. Requiring businesses to pay a 10% rental vehicle tax on all leases for the past nine years that were not collected from clients may bankrupt many small Alaska businesses.

SB 178 clarifies and amends the rental vehicle tax to make it clear that the rental vehicle tax does not apply to Alaskan businesses making long-term rentals to other Alaskan businesses.

Specifically, SB 178:

1. Reduces from 90 days to 30 days the term of a rental that is exempt from the tax.
2. Reduces from 8,500 lbs. to 6,500 lbs. gross vehicle weight vehicles that are exempt from the tax.
3. Makes these two changes retroactive to 2004.

Please join me in supporting this needed change to the passenger vehicle rental tax law.

ALASKA STATE LEGISLATURE

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Senator Click Bishop

Senate Bill 178 Sectional Analysis

- (1) Section 1. Amends AS 43.52.010 to reduce from 90 days to 30 days the term of rentals that are exempt from the rental vehicle tax. It also clarifies that all renewals and extensions of a vehicle lease are included when determining if a lease is more than 30 days and, therefore, exempt from the rental vehicle tax.
- (2) Section 2. Makes two changes to current law. The DOR has interpreted the current rental vehicle tax's exemption of vehicles used to transport personal property as applying only to the transport of household goods for private, personal purposes. This section clarifies that this exemption applies to the transport of any goods, equipment, or other property, whether for commercial or private purposes. This section also reduces the minimum gross vehicle weight rating to qualify for this exemption from 8,500 lbs to 6,500 lbs to insure that the rental vehicle tax is not being applied to Alaskan businesses engaged in commercial rentals of heavy vehicles (i.e. half-ton and 3/4 ton trucks) to other Alaskan businesses.
- (3) Section 3. Makes these changes retroactive to 2004, so as to reflect the original intent of the legislature that the vehicle rental tax would apply to short-term rentals to tourists, and not to Alaskan businesses renting to other Alaskan businesses. This is needed because the DOR is attempting to collect nine years of back taxes, interest, and penalties from many different Alaskan companies based on its new interpretation and application of the vehicle rental tax.

SB 178 Side by Side Analysis with CSSB 178

SB 178	CSSB 178
	Section 1 Amends AS 43.52.010 and consolidates two existing sections, regarding the terms “recreational” and “passenger” into one section. Except for the tax rates, the factors are the same for both types of vehicles.
Section 1 Amends AS 43.52.010 reduces the term from 90 days to 30 days, for which a lease or rental is exempt from the rental vehicle tax. It also clarifies that all renewals and extensions of a vehicle lease are included when determining if a lease is more than 30 days and, therefore, exempt from the rental vehicle tax, as long as no time has lapsed between the initial date and the period of extension.	Section 2 Amends AS 43.52.010 reduces the term from 90 days to 30 days, for which a lease or rental is exempt from the rental vehicle tax. It also clarifies that all renewals and extensions of a vehicle lease are included when determining if a lease is more than 30 days and, therefore, exempt from the rental vehicle tax, as long as no time has lapsed between the initial date and the period of extension.
	Section 3 Amends AS 43.52.010 to again consolidate the terms “recreational” and “passenger” to better organize the statute. This section clearly states that passenger vehicles are taxed at 10% and recreational vehicles are taxed at 3%.
	Section 4 Amends AS 43.52.099 to add the words “for the primary purpose of transporting passengers” to the definition of “passenger vehicle”. This helps clarify the definition of passenger vehicles.
Section 2(f) Amends AS 43.52.099 to reduce the minimum gross vehicle weight from 8,500 lbs to 6,500 lbs to qualify for this exemption. This helps ensure that the rental vehicle tax is not being applied to Alaskan businesses engaged in commercial rentals of heavy vehicles (i.e. half-ton and 3/4 ton trucks) to other Alaskan businesses	Section 4(f) Amends AS 43.52.099 to reduce the minimum gross vehicle weight from 8,500 lbs to 6,500 lbs to qualify for this exemption. This helps ensure that the rental vehicle tax is not being applied to Alaskan businesses engaged in commercial rentals of heavy vehicles (i.e. half-ton and 3/4 ton trucks) to other Alaskan businesses
Section 3 Provided transitional and implementation language to help guide the Department of Revenue on how to retroactively give out refunds	The retroactive portion was deleted. Please see the draft letter of intent.
	Section 5 Repeals AS 43.52.030 and AS 43.52.040 because they are no longer needed due to the changes made in Sections 1 and 3 together.
Section 4 Provides language that would allow for Sections 1 & 2 to be retroactive.	The retroactive portion was deleted. Please see the draft letter of intent.

Draft Letter of Intent

It is the intent of the Senate Transportation Committee that the passenger vehicle rental tax described in SB 178, including the original law and the changes made by the committee substitute, should not be applied to Alaskan businesses doing business with other Alaskan businesses. The Department of Revenue (DOR) should not apply the tax retroactively to businesses it determines should be or should have been collecting the tax. However, if DOR is able to determine a business collected the tax but did not remit the tax to DOR, then DOR should charge back taxes, penalties and/or interest on those unpaid taxes.

In 2003, the legislature passed House Bill 271, a passenger vehicle rental tax intended to raise revenue from tourists renting passenger vehicles so that they could help pay for the wear and tear they inflict on the State's publically-maintained roads.

Since the passage of HB 271, AS 43.52 has been amended three times; two of which were to exempt Alaskan businesses doing business with other Alaskan businesses. The third time was to exempt motorcycles.

The intent of SB 178 is to clarify, once again, which rental vehicles are to be covered by the tax and which are not. It is the committee's intent that only passenger rental cars, as described in section 4 of CSSB 178 should be taxed under AS 43.52.010.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 178
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB178CS(TRA)-DOR-TAX-03-18-14
Title: PASSENGER VEHICLE RENTAL TAX
Sponsor: BISHOP
Requester: (S)Transportation

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues	***		***	***	***	***	***	***
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/14

Why this fiscal note differs from previous version:

Reflects changes to the bill whereby the retroactive provisions were removed.

Prepared By:	Johanna Bales, Deputy Director	Phone:	(907)269-6628
Division:	Tax	Date:	03/17/2014 04:00 PM
Approved By:	Angela M. Rodell, Commissioner	Date:	03/18/14
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CS SB 178 (TRA)

Analysis

Bill Language:

This bill makes significant changes to the vehicle rental tax on passenger vehicles as follows: **(1)** Vehicles rented for 30 days or more would be exempt from the tax (current law states that vehicles rented for more than 90 days are exempt from the tax); **(2)** requires that the initial contract terms be in writing and indicate that the rental is for 30 days or more and exempts contract renewals and extensions of the original 30-day contract provided there is no break in the lease period (current regulation does not allow contract extensions to be combined with the original rental contract); **(3)** changes the definition of a "passenger vehicle" which is subject to the tax to a vehicle that is used primarily to transport passengers; and **(4)** exempts all vehicles with a GVWR greater than 6,500 pounds (current law states that vehicles with a GVWR greater than 8,500 pounds used to transport personal property are exempt from the rental tax).

Revenues:

There will be a reduction in vehicle rental tax collected as a result of these changes. It is difficult for DOR to estimate the revenue impact on the state as a result of this legislation as DOR does not have detailed information from vehicle rental contracts which would allow DOR to currently determine how many rentals will meet the new exemption criteria. However, based on limited vehicle rental tax data from audits, DOR estimates that 10% to 20% of total vehicle rental contracts may meet the new criteria and, therefore, vehicle rental revenue is estimated to decrease between \$800,000 and \$1,600,000 each year. The current vehicle rental tax is deposited into a subaccount of the general fund which can be appropriated for tourism marketing.

Expenditures:

The department can implement the provisions of this bill with existing resources.

Regulations:

Under the provisions of this bill, the department will need to adopt and update regulations to implement the new exemption criteria outlined in the bill. Those regulations could be in effect by December 31, 2014.



December 27, 2013

Commissioner Angela Rodell
Alaska Department of Revenue
P.O. Box 110400
Juneau, AK 99811-0400

Re: Application of Tourist Vehicle Rental Tax to Delta Leasing, LLC

Commissioner Rodell:

We are writing to you in my capacity as president of Delta Leasing, LLC. An Alaskan-owned business with offices in Anchorage and Deadhorse, Delta Leasing has focused on leasing industrial equipment to construction contractors, mining companies, oilfield operators and associated industrial service providers. While much of Delta Leasing's income is earned by leasing equipment such as loaders, forklifts, man-lifts, generators, portable offices and other industrial equipment to customers working on the North Slope, the company also owns a fleet of vehicles, (primarily 4x4 pickup trucks) designed for hauling or towing light construction equipment, tools and safety gear. The vast majority of these pickup trucks are kept by our customers for periods of six to twelve months duration, or more.

These pickup trucks are the impetus for this letter since, as you may already know, the Alaska Department of Revenue has initiated criminal and civil investigations against Delta Leasing and several of our competitors for non-payment of rental car taxes alleged to be due under AS 43.52 in connection with the leasing of vehicles in their commercial equipment inventory. The purpose of this letter is to provide you with some background information and request that you review this matter. As explained below, we believe, following a careful review of this issue by our Alaska legal counsel, that the Department of Revenue has embarked on a misapplication of the Tourist Vehicle Rental Tax, and that Delta Leasing and many other Alaska businesses in our industry will sustain substantial damage and harm as a result of the Department of Revenue's interpretation of the statute.

I. Background: Alaska's Tourist Vehicle Rental Tax

In adopting the rental car tax statutes found in AS 43.52, the clearly stated goal of the Alaska Legislature was to generate revenue from tourists visiting Alaska and require that tourists bear a portion of the costs of maintaining Alaska's roads and tourism infrastructure. The sponsor statement for the legislation explained that *"there were 1.6 million visitors to the state in 2002"* and that *"many of these visitors rent passenger vehicles."* It described the reason for the tax as *"a way for the State to raise revenues that could be used for road and highway maintenance, repair, and construction as well as contribute to the tourism industry for promotion and marketing."* Subsequent committee hearings on the bill focused on this stated purpose and made it clear that the bill was intended to create a tax that targeted short term car rentals to tourists. This intent is manifested in the enacted law itself, which provides in AS 43.52.080(c) that *"the legislature may appropriate the actual balance of the vehicle rental tax account for tourism development and marketing."* Throughout hundreds of pages of legislative history, a

continually repeated theme is that legislature's goal was to enact a tax that would be paid by out-of-state visitors renting cars on a short-term basis.

To prevent the tax from being applied to long-term rentals and leases -- transactions that would typically involve Alaska residents -- the legislature expressly exempted any vehicle lease or rental exceeding 90 consecutive days, (same vehicle, same client, with no interruptions in rental period), from being subject to the tax. Additionally, the legislature limited the scope of the tax to passenger vehicles driven on a "highway or public-right-of-way," which excludes all of the privately maintained roads within the Prudhoe Bay / Deadhorse area. State maintenance ends at the northern-most terminus of the Dalton Highway, and all of the roads beyond that point are maintained by BP Exploration (Alaska), Inc. or other oilfield operators. Delta Leasing's office and rental yard in Prudhoe Bay is located beyond the end of the Dalton Highway and our North Slope customers operate our leased vehicles on privately constructed and maintained roads beyond the security checkpoints located just past our office and rental yard facility.

In the years that followed the original enactment of the tax statute in 2003, the legislature fine-tuned AS 43.52 to minimize its impact on Alaska businesses that were never intended as targets of this tax. To accomplish this, the legislature created exemptions for taxicabs, off-road vehicles, and rental trucks. This latter exemption is of particular importance to Delta Leasing, since a "rental truck" is defined as any motor vehicle with a gross vehicle weight rating over 8,500 pounds designed or used for transporting personal property. "Personal property," as defined by Alaska law, includes the equipment, tools, supplies and materials transported by Delta Leasing's vehicles, regardless of the fact that they are transported for commercial purposes. This exemption covers ¾ ton or 1 ton chassis 4x4 pickup trucks, which comprise most of the vehicles Delta Leasing offers for lease to our customers.

II. The Department's Interpretation and Enforcement of the Rental Car Tax

Following enactment of the Tourist Vehicle Rental Tax in 2003, the Department of Revenue communicated information about the tax to conventional rental car companies to give them fair warning of the need to collect the tax from their customers. Significantly, the Department did not contact Delta Leasing or our many competitors who offer light industrial vehicles to commercial operators to warn that their vehicle leasing activities would be subject to the rental car tax. Presumably, the Department did not provide similar notice to Delta Leasing and others because the Department, itself, did not perceive that the tax statute applied to these leases. If the Department had provided such notice, Delta Leasing and our multiple competitors would have had a fair opportunity to open a dialog with the Department about the propriety of enforcing the tax against their business activities and /or begin collecting the tax from customers.

Thereafter, the Department adopted a regulation -- 11 AAC 52.030 -- which states in part that "unless the lease or rental contract contains a written term exceeding 90 consecutive days, the lease or rental is subject to the tax" and that "the extension or renewal of a lease or rental, or a new or supplemental contract, may not be combined with previous contracts." This regulation directly

The legislature intended this tax to be a pass-through and did not intend the burdens to fall on the Alaska companies that offer short-term car rentals. The express provisions of AS 43.52 and the accompanying legislative history make it clear that rental companies were merely the intermediaries whose limited role was collecting and remitting a tax that was to ultimately be paid by rental customers.

conflicts with the plain text of the statute, which mandates that the tax only applies to the lease or rental of a passenger vehicle that does not exceed 90 consecutive days. The statute says nothing about renewals or extensions not being considered part of the original lease. The only requirement is that the lease or rental duration exceed 90 consecutive days. The statute does not differentiate between long term rentals that are the result of a contract with "a written term exceeding 90 consecutive days" and those that do not. In attempting to impose that distinction, the regulation subjects to potential taxation transactions that the legislature clearly intended to exempt.

Delta Leasing's first contact with the State regarding this tax came in the in fall of 2010. The Department submitted a general inquiry via our website contact form asking about our operations and stating that our vehicles might be subject to the tax. We sent a return letter explaining that our business almost entirely involves long term vehicle leasing of vehicles to commercial and industrial customers, as opposed to short-term rentals to tourists and visitors. Our business also almost entirely involves leasing of vehicles in excess of 8,500 pounds to commercial and industrial customers operating on the North Slope of Alaska, where there are no publicly maintained roads or rights of way. The Department responded with a letter offering some non-specific and non-responsive guidance regarding the rental car tax, and requested a copy of a sample lease contract to review. Delta Leasing complied with the State's request and submitted several sample form lease contracts. The closing line in our transmittal to the State said, "Please feel free to contact me if you would like to discuss this matter further after you've reviewed the lease agreements." We have attached copies of this correspondence with the Department to this letter.

Delta Leasing heard nothing further from the Department on this matter, and given the legislative history of this tax, we assumed that the information and sample leases we provided sufficed to resolve any question the Department had about the application of the tax to our business. The Department never initiated any form of follow up contact, never initiated a tax audit, and never sent any further notice that it believed any taxes were due.

III. The Department's Pending Investigation of Delta Leasing

More than three years after these 2010 communications, on November 6th, 2013, Department agents, accompanied by armed police officers, went to Delta Leasing's Anchorage and Prudhoe Bay offices in a coordinated raid and seized numerous computers from our offices along with 70 bankers boxes of our business records and files pursuant to a criminal search warrant. To obtain this search warrant, a Department investigator alleged in an affidavit that Delta Leasing had violated AS 43.52 by offering to lease a heavy duty, ¾ ton work truck to an Alaska construction contractor without collecting the passenger vehicle excise tax. Apparently, the Department's employees believe that the Tourist Vehicle Rental Tax should be assessed against and collected from Alaska construction companies who lease trucks having a gross weight rating in excess of 8,500 pounds. Unquestionably, subjecting such leases to taxation is not within either the intent or the express wording of the statute.

Since having almost the entirety of our business records seized by the Department's investigators, Delta Leasing has extended every effort to cooperate with this investigation. We have requested settlement discussions to review what taxes may be owed, and whether the rental car tax is even applicable to companies such as Delta Leasing. We have clearly communicated the willingness of Delta Leasing to pay any taxes that might actually be owed, even though we never collected those taxes from any of our customers and now would be unable to "pass through" the tax to customers, as was the legislature's intent.



It has been and remains our good faith belief that Delta Leasing, as well as the multiple other Alaskan companies offering industrial vehicle leases to commercial operators, are not obligated to collect the tourism focused rental car excise tax from our commercial customers. Our belief and position are guided by the following factors:

1. AS 43.52's stated purpose and intent was to tax tourists visiting Alaska, not in-state industrial vehicle leases.
2. Since AS 43.52 defines a passenger vehicle as a vehicle "driven or moved on a highway or other public right-of-way in the State," vehicles leased on the North Slope are not subject to the rental car tax.
3. The rental car tax applies only when a lease or rental is 90 days or less, without regard to whether the vehicle in question is kept by a customer on a renewing lease, or lease extension of the same vehicle to same customer with no interruption.
4. AS.43.52 specifically exempts "rental trucks" with a gross vehicle weight rating over 8,500 pounds, which excludes ¾ ton or larger trucks that are designed or used to transport personal property.

Preliminary conversations with our core customers have confirmed that they are not being charged the Tourist Vehicle Rental Tax by competitors who also lease vehicles for commercial and industrial use. We are now faced with an impossible dilemma of whether to start collecting a tax from our customers when a tax may not be due. If Delta Leasing begins collecting the rental car tax in wholesale fashion at this time, we will have an immediate competitive disadvantage in an industry where there are over a dozen other similarly situated Alaska businesses like ours that are not (to the best of my knowledge) collecting this tax from their customers.

With 26 full-time employees, we are a relatively small company. If the Department elects to pursue and clarify these significant legal issues in a criminal case against our company:

- Delta Leasing will not be able to submit bids for new customers and new work;
- Relationships with our existing customers will be severely damaged;
- We will be unable to retain key employees and technicians, and;
- Delta Leasing will be unable to obtain equipment financing which is critical for the company's survival in the highly competitive equipment leasing business

We believe that, at a minimum, the approach used by the Department when it made the determination that vehicle rental tax was not applicable to motorcycles should apply here. In 2009 and 2010, when the Department determined, years after it had been adopted, that the vehicle rental tax applied to motorcycles, the Department properly applied its interpretation only *prospectively*, and it did not seek to impose punitive and destructive claims for back taxes, interest, and penalties in the companies that had, very much like Delta Leasing, unknowingly failed to collect and pay the tax. The Department did so because it recognized that applying its new interpretation of the vehicle rental tax retroactively would, in addition to being legally questionable, be so punitive that it would drive many small Alaskan companies out of business. The same considerations and realistic view of the law and the history of this tax that was applied to the companies renting motorcycles should be accorded companies like Delta Leasing who engage in offering industrial vehicle leasing to commercial entities.



In summary, pursuing a criminal prosecution against our company based on an incorrect interpretation and application of the vehicle rental tax could drive Delta Leasing out of business, and put dozens of Alaskans out of work. In order to avoid that possibility, I respectfully request an opportunity to discuss this matter with you in hopes of developing a consensus approach that Delta Leasing, and our multiple competitors, can utilize to address any potential liability for past-due uncollected taxes, and develop an industry-wide standard for application of the rental car tax that can be applied to our future leasing activities.

Our company is owned and operated by long-term Alaskans with impeccable personal and professional reputations, and by a respected Alaska village Native corporation. Whatever the resolution of the underlying tax issue ultimately may be, it did not and does not require a criminal investigation to secure our compliance with the law. We will do whatever is required to be good corporate citizens, but we also believe that the Department has a responsibility to act fairly and reasonably, and not with an undue heavy hand, in resolving what undeniably is a bona fide legal issue and unclear area of the law. Given our commitment to Alaska, we will plan to file a tax return for the past three years and pay the tax under protest that we believe may be due, irrespective of the legislative intent for this statute. It is our sincere desire to work with the administrative process of your department to resolve our good faith dispute; however, the actions of the State may ultimately leave us with no choice other than to seek judicial review of this statute and the State's actions.

I will be working from our Prudhoe Bay office most of the early part of January, but would be available to meet with you at your convenience any time from January 20th on. Thank you for your consideration of this important matter.

Sincerely,

Rudi von Imhof
President
Delta Leasing, LLC

Enclosures:

- Delta Leasing 10/5/10 Letter to State of Alaska
- State of Alaska 10/14/10 Letter to Delta Leasing
- Delta Leasing 10/29/10 Fax transmittal coversheet to State of Alaska





Alaska Department of Revenue
P.O. Box 110400
Juneau, AK 99811-0400

December 27, 2013

Re: Payment of AS.43 52 Vehicle Rental Tax Under Protest

Attached you will find payment of vehicle rental tax quarterly tax returns for Delta Leasing. The tax returns cover the period reflecting 4th Qtr., 2010 through 3rd Qtr., 2013.

The filing of these returns and payment of this tax is under protest. AS.43.52 was not intended to tax vehicles rented for industrial purposes by Alaska Companies. These returns are for rented vehicles less than 8,500 GVWR leased to customers operated on publically maintained road systems for a duration of less than 90 days. None of this tax was collected from our customers.

Sincerely,

Rudi von Imhof
President
Delta Leasing, LLC

[Handwritten signature]

13 pages redacted



October 29, 2010

Mr. Johnathan Page
Tax Auditor III
550 W. Seventh, Suite # 500
Anchorage, AK 99505-3566

Sent Via Fax: 269-664-- 20 pages

Re: Alaska Vehicle Rental Tax Compliance

Mr. Page,

Thank You for your recent letter with your input and interpretation of the tax law. Per your request, I have attached several representative lease / rental agreements with this letter for your review.

Please feel free to contact me if you would like to discuss this matter further after you've reviewed the lease agreements.

Sincerely,



Rudi von Imhof

STATE OF ALASKA

DEPARTMENT OF REVENUE

Tax Division

Sean Parnell, Governor

↳ State Office Building
PO Box 110420
Juneau, AK 99811-0420
907 465 2320

↳ 550 W Seventh Suite 500
Anchorage, AK 99501-3566
907 269 6620

www.tax.state.ak.us

October 14, 2010

Certified 7007 2680 0000 4635 8291

Delta Leasing, LLC
Attn: Rudi von Imhof
4040 B Street, Suite 200
Anchorage, AK 99503

Re: Alaska Vehicle Rental Tax Compliance

Mr. von Imhof:

We have received your response letter dated October 5, 2010. In your letter, you listed three reasons why Delta Leasing is not subject to the tax. I've included your points (in italics) below, my interpretation of the tax law follows.

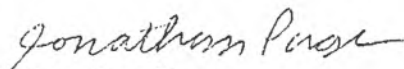
1. *"Our Company does not lease vehicles to consumers, we lease to business and / or commercial entities only."* **AS 43.52** makes no distinction between consumer, business or commercial renters.
2. *"Our operations are almost exclusively located on the North Slope, (Prudhoe Bay), Alaska. We do pay the State Taxes in the form of Oil & Gas Property Taxes assessed on our vehicles and equipment. Only 6 % of the income we receive from vehicle and equipment leasing is derived from equipment not located on the North Slope of Alaska."* **AS 43.52** contains no provision for rental exemption by Alaska region. The Vehicle Rental Tax is mutually exclusive from other State of Alaska taxes.

3. *"It is our policy for leases have a minimum duration of four to six months. More often we require twelve months or longer minimum lease duration on our leases. Many times, we offer flexible options for our clients to extend their original lease on a month-to-month basis after the original lease term has expired."* **15 AAC 52.030.**
Effect of extensions, renewals, or new or supplemental contracts.
In determining whether a lease or rental exceeds a period of 90 consecutive days, for purposes of imposing the tax in AS 43.52.010 and 43.52.030, (1) unless the lease or rental contract contains a written term exceeding 90 consecutive days, the lease or rental is subject to the tax; (2) the extension or renewal of a lease or rental, or a new or supplemental contract, may not be combined with previous contracts; and (3) a lease or rental contract that contains a term exceeding 90 consecutive days is subject to the tax if that lease or rental contract is closed or completed on or before the 90th day.

Please fax a copy of a recently closed pickup truck, van or SUV lease/rental agreement to the Tax Division so we can review the contract language.

If you any questions, please call me at (907) 269-1023, or Sarah Wilson at (907) 269-1017.

Sincerely,



Jonathan Page
Tax Auditor III
(907) 269-1023
(907) 269-6644 Fax

Cc. Collins Mount – Revenue Audit Supervisor

** This is a draft version of the letter dated 10/5/10 sent to Department of Revenue. To the best of our knowledge, this letter is a true and correct representation of the final version of the letter that was sent. (Copy of the original letter was confiscated by Department of Revenue on 11/6/13).*

October 5, 2010

Mr. Johnathan Page
Tax Auditor III
550 W. Seventh, Suite # 500
Anchorage, AK 99505-3566

Re: Alaska Vehicle Rental Tax Compliance

Mr. Page,

I am responding to your recent request for clarification on Delta Leasing's responsibility to pay quarterly tax returns for the 10% Vehicle Rental Tax Income. It is my understanding that Delta Leasing is not subject to this tax for the following reasons:

1. Our Company does not lease vehicles to consumers, we lease to businesses and / or commercial entities only.
2. Our operations are almost exclusively located on the North Slope, (Prudhoe Bay), Alaska. We do pay the State Taxes in the form of Oil & Gas Property Taxes assessed on our vehicles and equipment. Only 6% of the income we receive from vehicle and equipment leasing is derived from equipment not located on the North Slope of Alaska.
3. It is our policy for leases have a minimum duration of four to six months. More often we require twelve months or longer minimum lease duration on our leases. Many times, we offer flexible options for our clients to extend their original lease on a month-to-month basis after the original lease term has expired.

Please review the above and let me know if I do not understand the intent of the tax stipulations correctly. If you have any questions, feel free to call me at 907-771-1305.

Sincerely,

Rudi von Imhof



Alaska Department of Revenue
P.O. Box 110400
Juneau, AK 99811-0400

December 27, 2013

Re: Payment of AS.43.52 Vehicle Rental Tax Under Protest

Attached you will find payment of vehicle rental tax quarterly tax returns for Delta Leasing. The tax returns cover the period reflecting 4th Qtr., 2010 through 3rd Qtr., 2013.

The filing of these returns and payment of this tax is under protest. AS.43.52 was not intended to tax vehicles rented for industrial purposes by Alaska Companies. These returns are for rented vehicles less than 8,500 GVWR leased to customers operated on publically maintained road systems for a duration of less than 90 days. None of this tax was collected from our customers.

Sincerely,

Rudi von Imhof
President
Delta Leasing, LLC

Alaska Vehicle Rental Tax Quarterly Return

Authority AS 43.52

DEPARTMENT USE ONLY
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FSN

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Check if amended return and attach explanation.

DUE DATE: The Vehicle Rental Tax Return is due the last day of the month following the end of the calendar quarter.

<input checked="" type="checkbox"/> EIN <input type="checkbox"/> SSN 32-0001687	AK Business License # 422089	Calendar Quarter Ending 12/31/2010
Name Delta Leasing, LLC	Email Address gknight@deltaleasing.net	
Mailing Address 8101 Dimond Hook	Telephone Number (907) 771-1300	
City Anchorage	State AK	Zip Code 99507
Contact Person Greg Knight	Title Chief Financial Officer	Fax Number (907) 771-1380
Contact Telephone Number (907) 771-1300		
Physical Locations(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$6,579,855.00
2	Tax exempt fees and costs	(\$6,565,364.34)
3	Net taxable fees and costs (line 1 minus line 2)	\$14,490.66
4	Tax (multiply line 3 by 10% or .10)	\$1,449.07

Tax Computation - Recreational Vehicles

5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

Tax Computation - Summary

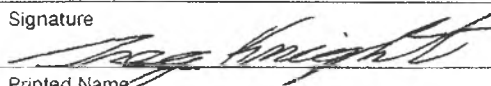
9	Tax liability (add lines 4 and 8)	\$1,449.07
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$1,449.07

Electronic Payment Information

Note: If your liability is \$100,000 or more, you must pay using the Online Tax Information System (OTIS) at www.tax.alaska.gov or by wire transfer.

Check if you are paying by: OTIS (confirmation # _____) Wire transfer (date _____)

I declare under penalty of perjury that the information provided in this return has been reviewed by me, and to the best of my knowledge and belief is true, correct, and complete. If prepared by a person other than the taxpayer, preparer's declaration is based on all information of which preparer has any knowledge. (AS 43.05.290).

Signature 	Date 12/27/2013
Printed Name Greg Knight	Printed Title Chief Financial Officer
Department use only PMD	Validation

Pay online at www.tax.alaska.gov or make check payable to State of Alaska

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Mail to: Alaska Department of Revenue, PO Box 110420, Juneau AK 99811-0420

0405-630 Rev 12/12

Alaska Vehicle Rental Tax Quarterly Return

Authority AS 43.52

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Check if amended return and attach explanation.

DUE DATE: The Vehicle Rental Tax Return is due the last day of the month following the end of the calendar quarter.

<input checked="" type="checkbox"/> EIN <input type="checkbox"/> SSN 32-0001687	AK Business License # 422089	Calendar Quarter Ending 03/31/2011
Name Delta Leasing, LLC	Email Address gknight@deltaleasing.net	
Mailing Address 8101 Dimond Hook	Telephone Number (907) 771-1300	
City Anchorage	State AK	Zip Code 99507
Contact Person Greg Knight	Title Chief Financial Officer	Fax Number (907) 771-1380
Contact Telephone Number (907) 771-1300		
Physical Location(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$4,071,153.32
2	Tax exempt fees and costs	(\$4,061,030.92)
3	Net taxable fees and costs (line 1 minus line 2)	\$10,122.40
4	Tax (multiply line 3 by 10% or .10)	\$1,012.24

Tax Computation - Recreational Vehicles

5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

Tax Computation - Summary

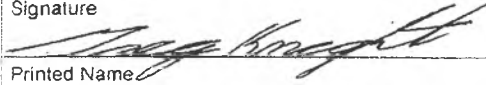
9	Tax liability (add lines 4 and 8)	\$1,012.24
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$1,012.24

Electronic Payment Information

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DUE DATE: The Vehicle Rental Tax Return is due the last day of the month following the end of the calendar quarter.

<input checked="" type="checkbox"/> EIN 32-0001687 <input type="checkbox"/> SSN	AK Business License # 422089	Calendar Quarter Ending 06/30/2011
Name Delta Leasing, LLC	Email Address gknight@deltaleasing.net	
Mailing Address 8101 Dimond Hook	Telephone Number (907) 771-1300	
City Anchorage	State AK	Zip Code 99507
Contact Person Greg Knight	Title Chief Financial Officer	Fax Number (907) 771-1380
Contact Telephone Number (907) 771-1300		
Physical Location(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$7,367,422.32
2	Tax exempt fees and costs	(\$7,362,745.32)
3	Net taxable fees and costs (line 1 minus line 2)	\$4,677.00
4	Tax (multiply line 3 by 10% or .10)	\$467.70

Tax Computation - Recreational Vehicles

5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

Tax Computation - Summary

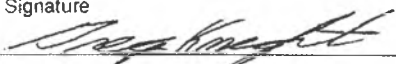
9	Tax liability (add lines 4 and 8)	\$467.70
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$467.70

Electronic Payment Information

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DUE DATE: The Vehicle Rental Tax Return is due the last day of the month following the end of the calendar quarter.

<input checked="" type="checkbox"/> EIN <input type="checkbox"/> SSN 32-0001687	AK Business License # 422089	Calendar Quarter Ending 09/30/2011
Name Delta Leasing, LLC	Email Address gknight@deltaleasing.net	
Mailing Address 8101 Dimond Hook	Telephone Number (907) 771-1300	
City Anchorage	State AK	Zip Code 99507
Contact Person Greg Knight	Title Chief Financial Officer	Contact Telephone Number (907) 771-1300
Physical Locations(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$4,250,263.77
2	Tax exempt fees and costs	(\$4,245,203.77)
3	Net taxable fees and costs (line 1 minus line 2)	\$5,060.00
4	Tax (multiply line 3 by 10% or .10)	\$506.00

Tax Computation - Recreational Vehicles

5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

Tax Computation - Summary

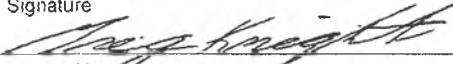
9	Tax liability (add lines 4 and 8)	\$506.00
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$506.00

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Name Delta Leasing, LLC	Email Address gknight@deltaleasing.net	
Mailing Address 8101 Dimond Hook	Telephone Number (907) 771-1300	
City Anchorage	State AK	Zip Code 99507
Contact Person Greg Knight	Title Chief Financial Officer	Fax Number (907) 771-1380
Contact Telephone Number (907) 771-1300		
Physical Location(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$2,750,837.36
2	Tax exempt fees and costs	(\$2,731,090.26)
3	Net taxable fees and costs (line 1 minus line 2)	\$19,747.10
4	Tax (multiply line 3 by 10% or .10)	\$1,974.71

Tax Computation - Recreational Vehicles

5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

Tax Computation - Summary

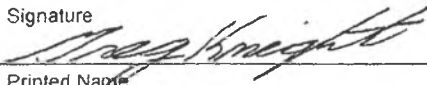
9	Tax liability (add lines 4 and 8)	\$1,974.71
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$1,974.71

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Name Delta Leasing, LLC	Email Address gknight@deltaleasing.net	
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City Anchorage	State AK	Zip Code 99507
Contact Person Greg Knight	Title Chief Financial Officer	Fax Number (907) 771-1380
Contact Telephone Number (907) 771-1300		
Physical Location(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$2,598,712.94
2	Tax exempt fees and costs	(\$2,596,319.42)
3	Net taxable fees and costs (line 1 minus line 2)	\$2,393.52
4	Tax (multiply line 3 by 10% or .10)	\$239.35

Tax Computation - Recreational Vehicles

5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

Tax Computation - Summary

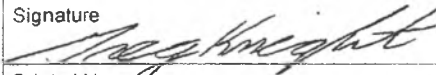
9	Tax liability (add lines 4 and 8)	\$239.35
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$239.35

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<input checked="" type="checkbox"/> EIN <input type="checkbox"/> SSN 32-0001687	AK Business License # 422089	Calendar Quarter Ending 06/30/2012
Name Delta Leasing, LLC	Email Address gknight@deltaleasing.net	
Mailing Address 8101 Dimond Hook	Telephone Number (907) 771-1300	
City Anchorage	State AK	Zip Code 99507
Contact Person Greg Knight	Title Chief Financial Officer	Fax Number (907) 771-1380
Contact Telephone Number (907) 771-1300		
Physical Locations(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$2,253,860.53
2	Tax exempt fees and costs	(\$2,249,972.38)
3	Net taxable fees and costs (line 1 minus line 2)	\$3,888.15
4	Tax (multiply line 3 by 10% or .10)	\$388.82

Tax Computation - Recreational Vehicles

5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

Tax Computation - Summary

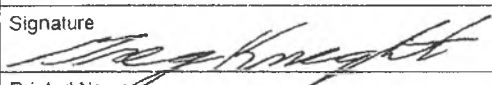
9	Tax liability (add lines 4 and 8)	\$388.82
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$388.82

Electronic Payment Information

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DUE DATE: The Vehicle Rental Tax Return is due the last day of the month following the end of the calendar quarter.

<input checked="" type="checkbox"/> EIN <input type="checkbox"/> SSN 32-0001687	AK Business License # 422089	Calendar Quarter Ending 09/30/2012
Name Delta Leasing, LLC	Email Address gknight@deltaleasing.net	
Mailing Address 8101 Dimond Hook	Telephone Number (907) 771-1300	
City Anchorage	State AK	Zip Code 99507
Contact Person Greg Knight	Title Chief Financial Officer	Fax Number (907) 771-1380
Contact Telephone Number (907) 771-1300		
Physical Location(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$2,037,798.43
2	Tax exempt fees and costs	(\$2,030,383.32)
3	Net taxable fees and costs (line 1 minus line 2)	\$7,415.11
4	Tax (multiply line 3 by 10% or .10)	\$741.51

Tax Computation - Recreational Vehicles

5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

Tax Computation - Summary

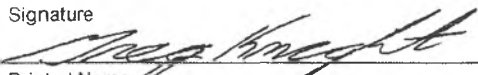
9	Tax liability (add lines 4 and 8)	\$741.51
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$741.51

Electronic Payment Information

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Mailing Address 8101 Dimond Hook	Telephone Number (907) 771-1300	
City Anchorage	State AK	Zip Code 99507
Contact Person Greg Knight	Title Chief Financial Officer	Fax Number (907) 771-1380
Contact Telephone Number (907) 771-1300		
Physical Location(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$1,808,030.10
2	Tax exempt fees and costs	(\$1,795,167.25)
3	Net taxable fees and costs (line 1 minus line 2)	\$12,862.85
4	Tax (multiply line 3 by 10% or .10)	\$1,286.29

Tax Computation - Recreational Vehicles

5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

Tax Computation - Summary

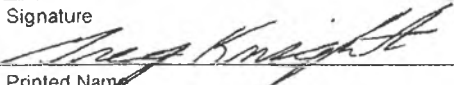
9	Tax liability (add lines 4 and 8)	\$1,286.29
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$1,286.29

Electronic Payment Information

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Contact Person Greg Knight	Title Chief Financial Officer	Contact Telephone Number (907) 771-1300
Physical Locations(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$3,059,651.29
2	Tax exempt fees and costs	(\$3,050,609.84)
3	Net taxable fees and costs (line 1 minus line 2)	\$9,041.45
4	Tax (multiply line 3 by 10% or .10)	\$904.15

Tax Computation - Recreational Vehicles

5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

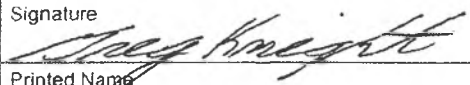
Tax Computation - Summary

9	Tax liability (add lines 4 and 8)	\$904.15
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$904.15

Electronic Payment Information

Note: If your liability is \$100,000 or more, you must pay using the Online Tax Information System (OTIS) at www.tax.alaska.gov or by wire transfer.
Check if you are paying by: OTIS (confirmation # _____) Wire transfer (date _____)

I declare under penalty of perjury that the information provided in this return has been reviewed by me, and to the best of my knowledge and belief is true, correct, and complete. If prepared by a person other than the taxpayer, preparer's declaration is based on all information of which preparer has any knowledge. (AS 43.05.290).

Signature 	Date 12/27/2013
Printed Name Greg Knight	Printed Title Chief Financial Officer
Department use only PMD	Validation

Pay online at www.tax.alaska.gov or make check payable to State of Alaska

630

Mail to: Alaska Department of Revenue, PO Box 110420, Juneau AK 99811-0420

0405-630 Rev 12/12

Alaska Vehicle Rental Tax Quarterly Return

Authority AS 43.52

DEPARTMENT USE ONLY
ENV
FSN

630

Check if amended return and attach explanation.

DUE DATE: The Vehicle Rental Tax Return is due the last day of the month following the end of the calendar quarter.

<input checked="" type="checkbox"/> EIN 32-0001687 <input type="checkbox"/> SSN	AK Business License # 422089	Calendar Quarter Ending 06-30-2013
Name Delta Leasing, LLC	Email Address gknight@deltaleasing.net	
Mailing Address 8101 Dimond Hook	Telephone Number (907) 771-1300	
City Anchorage	State AK	Zip Code 99507
Contact Person Greg Knight	Title Chief Financial Officer	Fax Number (907) 771-1380
Contact Telephone Number (907) 771-1300		
Physical Locations(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$3,078,242.40
2	Tax exempt fees and costs	(\$3,074,417.40)
3	Net taxable fees and costs (line 1 minus line 2)	\$3,825.00
4	Tax (multiply line 3 by 10% or .10)	\$382.50

Tax Computation - Recreational Vehicles

5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

Tax Computation - Summary

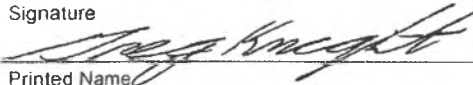
9	Tax liability (add lines 4 and 8)	\$382.50
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$382.50

Electronic Payment Information

Note: If your liability is \$100,000 or more, you must pay using the Online Tax Information System (OTIS) at www.tax.alaska.gov or by wire transfer.

Check if you are paying by: OTIS (confirmation # _____) Wire transfer (date _____)

I declare under penalty of perjury that the information provided in this return has been reviewed by me, and to the best of my knowledge and belief is true, correct, and complete. If prepared by a person other than the taxpayer, preparer's declaration is based on all information of which preparer has any knowledge. (AS 43.05.290).

Signature 	Date 12/27/2013
Printed Name Greg Knight	Printed Title Chief Financial Officer
Department use only PMD	Validation

Pay online at www.tax.alaska.gov or make check payable to State of Alaska

630

Mail to: Alaska Department of Revenue, PO Box 110420, Juneau AK 99811-0420

0405-630 Rev 12/12

Alaska**Vehicle Rental Tax Quarterly Return**

Authority AS 43.52

DEPARTMENT USE ONLY

ENV

FSN

630 Check if amended return and attach explanation.

DUE DATE: The Vehicle Rental Tax Return is due the last day of the month following the end of the calendar quarter.

<input checked="" type="checkbox"/> EIN <input type="checkbox"/> SSN 32-0001687	AK Business License # 422089	Calendar Quarter Ending 09-30-2013
Name Delta Leasing, LLC	Email Address gknight@deltaleasing.net	
Mailing Address 8101 Dimond Hook	Telephone Number (907) 771-1300	
City Anchorage	State AK	Zip Code 99507
Contact Person Greg Knight	Title Chief Financial Officer	Contact Telephone Number (907) 771-1300
Physical Location(s) Where Rental Transactions Take Place (use additional sheets as necessary): South Central Alaska		

Tax Computation - Passenger Vehicles

1	Gross fees and costs	\$3,091,236.47
2	Tax exempt fees and costs	(\$3,055,938.11)
3	Net taxable fees and costs (line 1 minus line 2)	\$35,298.36
4	Tax (multiply line 3 by 10% or .10)	\$3,529.84

Tax Computation - Recreational Vehicles

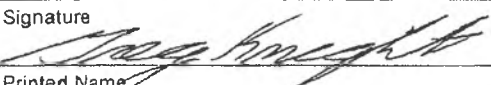
5	Gross fees and costs	\$0.00
6	Tax exempt fees and costs	(\$0.00)
7	Net taxable fees and costs (line 5 less line 6)	\$0.00
8	Tax (multiply line 7 by 3% or .03)	\$0.00

Tax Computation - Summary

9	Tax liability (add lines 4 and 8)	\$3,529.84
10	Amended returns only: Vehicle Rental Tax paid on original return	()
11	Total tax due or (refund) (line 9 minus line 10)	\$3,529.84

Electronic Payment InformationNote: If your liability is \$100,000 or more, you must pay using the Online Tax Information System (OTIS) at www.tax.alaska.gov or by wire transfer.Check if you are paying by: OTIS (confirmation # _____) Wire transfer (date _____)

I declare under penalty of perjury that the information provided in this return has been reviewed by me, and to the best of my knowledge and belief is true, correct, and complete. If prepared by a person other than the taxpayer, preparer's declaration is based on all information of which preparer has any knowledge. (AS 43.05.290).

Signature 	Date 12/27/2013
Printed Name Greg Knight	Printed Title Chief Financial Officer
Department use only PMD	Validation

Pay online at www.tax.alaska.gov or make check payable to State of Alaska**630**

Mail to: Alaska Department of Revenue, PO Box 110420, Juneau AK 99811-0420

0405-630 Rev 12/12

DELTA LEASING, LLC
8101 DIMOND HOOK DRIVE
ANCHORAGE AK 99507

WELLS FARGO BANK, N.A.
www.wellsfargo.com
89-5 1252

6287

12-27-13

PAY TO THE
ORDER OF

TAX DIVISION

\$ 12,882.18

TWELVE THOUSAND EIGHT HUNDRED EIGHTY TWO DOLLARS AND 18/100 CENTS DOLLARS

TAX DIVISION
ALASKA DEPARTMENT OF REVENUE
PO BOX 110420
JUNEAU, AK 99811-0420

MEMO

⑈0000006287⑈ ⑆125200057⑆ 7758542448⑈

DELTA LEASING, LLC

6287

112445	Q1 2011 SOA	12-27-13	\$1,012.24	\$1,012.24	\$1,012.24
112449	Q1 2012 SOA	12-27-13	\$239.35	\$239.35	\$239.35
112453	Q1 2013 SOA	12-27-13	\$904.15	\$904.15	\$904.15
112446	Q2 2011 SOA	12-27-13	\$467.70	\$467.70	\$467.70
112450	Q2 2012 SOA	12-27-13	\$388.82	\$388.82	\$388.82
112454	Q2 2013 SOA	12-27-13	\$382.50	\$382.50	\$382.50
112447	Q3 2011 SOA	12-27-13	\$506.00	\$506.00	\$506.00
112451	Q3 2012 SOA	12-27-13	\$741.51	\$741.51	\$741.51
112455	Q3 2013 SOA	12-27-13	\$3,529.84	\$3,529.84	\$3,529.84
112444	Q4 2010 SOA	12-27-13	\$1,449.07	\$1,449.07	\$1,449.07
112448	Q4 2011 SOA	12-27-13	\$1,974.71	\$1,974.71	\$1,974.71
112452	Q4 2012 SOA	12-27-13	\$1,286.29	\$1,286.29	\$1,286.29
ACCT NO.	EIN: 32-0001687			CHECK AMOUNT	\$12,882.18

CS FOR SENATE BILL NO. 178()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS BISHOP, Micciche, Giessel, Dyson

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the passenger and recreational vehicle rental taxes; and providing
2 for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 43.52.010 is amended to read:

5 **Sec. 43.52.010. Levy of passenger and recreational vehicle rental tax.** There
6 is imposed an excise tax on the charge for the lease or rental of a passenger or
7 recreational vehicle in this state [IF THE LEASE OR RENTAL OF THE
8 PASSENGER VEHICLE DOES NOT EXCEED A PERIOD OF 90 CONSECUTIVE
9 DAYS].

10 * **Sec. 2.** AS 43.52.010 is amended by adding new subsections to read:

- 11 (b) A lease or rental is exempt from the tax imposed under (a) of this section if
 - 12 (1) the initial lease or rental contract is for a period of 30 days or more;
 - 13 (2) the initial lease or rental contract is in writing; and
 - 14 (3) the lease or rental contract is not terminated before the expiration

1 of 30 days.

2 (c) An extension of a lease or rental that is exempt under (b) of this section is
3 exempt if the extension is agreed upon before the expiration of the initial 30-day lease
4 or rental period and there is no break between the initial period and the period of the
5 extension.

6 * **Sec. 3.** AS 43.52.020 is amended to read:

7 **Sec. 43.52.020. Rate of [PASSENGER] vehicle rental tax.** The rate of the
8 tax levied in AS 43.52.010 is

9 (1) 10 percent of the total fees and costs charged for the lease or rental
10 of a [THE] passenger vehicle;

11 (2) three percent of the total fees and costs charged for the lease or
12 rental of a recreational vehicle.

13 * **Sec. 4.** AS 43.52.099(2) is amended to read:

14 (2) "passenger vehicle" means a motor vehicle as defined in
15 AS 28.90.990 that is driven or moved on a highway or other public right-of-way in the
16 state, and is rented or leased for the primary purpose of transporting passengers
17 but does not include

18 (A) a commercial motor vehicle as that term is defined in
19 AS 28.90.990;

20 (B) emergency or fire equipment that is necessary to the
21 preservation of life or property;

22 (C) a farm vehicle that is controlled and operated by a farmer,
23 used to transport agricultural products, farm machinery, or farm supplies to or
24 from that farmer's farm, not used in the operations of a common or contract
25 motor carrier, and used within 150 miles of the farmer's farm;

26 (D) a recreational vehicle;

27 (E) a taxicab;

28 (F) [A RENTAL TRUCK; IN THIS SUBPARAGRAPH,
29 "RENTAL TRUCK" MEANS] a motor vehicle with a gross vehicle weight
30 rating greater than 6,500 [8,500] pounds [THAT IS DESIGNED, USED, OR
31 MAINTAINED PRIMARILY FOR THE TRANSPORTATION OF

1
2
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4
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6
7
8

PERSONAL PROPERTY];

(G) a vehicle provided by an automobile dealer to a customer as replacement transportation during warranty, recall, or service contract repairs if the dealer does not receive compensation from the customer; or

(H) a motorcycle or a motor-driven cycle as those terms are defined in AS 28.90.990;

* **Sec. 5.** AS 43.52.030 and 43.52.040 are repealed.

* **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).

Questions regarding the passenger vehicle rental tax

- What process did the Department go through to reach the conclusion that vehicles other than those normally rented to tourists on a short term basis were subject to the tax. Who was involved in those discussions?
- Why the long delay in interpreting the statute in this manner?
- Who in the Department was responsible for accepting the conclusion that the tax should be applied to those rentals? Did the final decision involve the commissioner?
- Did either or both Revenue and Law find the language of the statute ambiguous? If so, was there any discussion about seeking clarification from the Legislature of its intent, or was there any discussion about seeking clarifying changes to the statute prior to any change in enforcement?
- What was the process for determining legislative intent from the record?
- Once the decision was made that the scope of the tax should be more expansive than Revenue at first recognized, who decided how to implement this new interpretation of statute? Was implementation carried out based upon existing department policy? If not, how and why did it differ from the implementation of other expansions of taxing authority?
- Who authorized a criminal investigation of Delta Leasing? Why was this approach chosen over a more collaborative, less confrontational approach?
- Have department policies, both at Revenue and Law, regarding interpretation of statutes changed since this experience?
- Have policies regarding enforcement changed in light of this experience?
- How will you interpret the language in the most recent draft of SB 178, should it become law? Do you need further clarification regarding language or intent? Do you have suggestions for changes that would help?

Alaska State Legislature

State Capitol, Room 9
Juneau, Alaska 99801
Phone: (907) 465-4947
Fax: (907) 465-2108



Committee Members:
Senator Dennis Egan, Chair
Senator Fred Dyson, V. Chair
Senator Click Bishop
Senator Anna Fairclough
Senator Hollis French

Senate Transportation Committee

March 20, 2014

AGENDA

1:30 PM Call to Order

Introduction of staff

Committee Staff: Dana Owen
Secretary: Ann Krekelberg
Teleconference Operator:

Announce members present

- 1) Entertain motion to go into executive session (Sen. Dyson)
- 2) SB178 – Passenger Vehicle Rental Tax
CS is before the committee: LS-1406\C
NOTE: new zero fiscal note, DOR – Tax Division
Status: Chair Egan has objected for discussion purposes

Adjourn

Motion for Executive Session

Senator Dyson

Mr. Chairman, I move that pursuant to Uniform Rule 22(b) the Senate Transportation Committee go into executive session to discuss matters, the immediate knowledge of which would adversely affect the finances of a government unit and that would tend to prejudice the reputation and character of a person.



February 26, 2014

Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, AK 99801

RE: SB 178 Passenger Vehicle Rental Tax

Dear Dennis

Cruz Construction Incorporated is an Alaskan owned business and we work with local businesses all over the state. Some of our projects require us to rent/lease vehicles and equipment for our many projects to build Alaska.

We understand the State of Alaska rental car tax was intended for tourists renting cars for short term duration, not for construction companies renting work trucks over extended periods for industrial uses. This 10% tax would greatly affect companies who rent in this state for weeks even months at a time would be crippling to their budgets and deadlines. It is substantial not just for my business but all businesses locally in Alaska that SB 178 amendments would be an asset. We want to make it easier to build Alaska into a brighter future.

We look forward to a quick passage of SB178.

Best,

A handwritten signature in black ink, appearing to read "Dave Cruz".

Dave Cruz, President of Cruz Companies



February 27, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

RE: SB 178 Passenger Vehicle Rental Tax

Dear Senator Egan:

This letter is in support of your efforts to clarify legislative intent for state tax on rental car use.

Repsol is an oil and gas company exploring new leases in Alaska. We rely on contractors to work on our North Slope leases and are concerned that a new interpretation of a ten-year-old statute would consider vehicles used by our contractors as "rental cars" subject to the Rental Car Tax. Such an interpretation would have an immediate and negative impact upon our business.

We do not think it is in the best interest of Alaska to add costs to doing business in what is already an expensive operating environment. We hope the legislature will recognize this new interpretation runs counter to the State's goals of encouraging investment and promoting economic activities that create jobs.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Hardham".

Bill Hardham
Alaska Project Manager

Cc: Senator Bishop

Brittany Hutchison

From: Scott Thorson
Sent: Friday, February 28, 2014 11:39 AM
To: Sen. Click Bishop
Subject: Senate Bill 178

Dear Senator Bishop:

I am writing to express my strong support for Senate Bill 178, an Act relating to the application of the passenger vehicle rental tax; and providing for an effective date.

I believe the Department of Revenue has gone too far in its changing interpretation of the car rental tax. Raiding Alaska owned businesses with armed tactical law enforcement units was completely uncalled for. I also think it was very unfair to change the interpretation of this tax and expect to collect revenue going back several years.

In one case I am familiar with the company was contacted several years ago regarding this tax. The company in question provided the requested documentation and never heard back from DOR regarding the matter. Four years later the DOR raided this company right in the middle of a board meeting. Many of the officers were armed, like they were making some sort of drug raid. Most or maybe all of their computers were confiscated which it made it almost impossible for them to conduct business. I thought this was very heavy handed and completely unnecessary.

I am very glad you are working to resolve this problem and prevent a repeat of this in the future with Senate Bill 178. I hope you are able to pass it out of committee and get it to the floor for a vote soon.

Thank you for your time and effort to resolve this problem.

Scott Thorson

Anchorage, AK

Alaska Oil and Gas Association



121 W. Fireweed Lane, Suite 207
Anchorage, Alaska 99503-2035
Phone: (907) 272-1481 Fax: (907) 279-8114
Kara Moriarty, President/CEO

March 11, 2014

Senator Click Bishop
State Capitol
Juneau, Alaska 99811

Re: SB 178, Passenger Vehicle Rental Tax

Dear Senator Bishop,

The Alaska Oil and Gas Association (AOGA) formally supports SB 178, Passenger Vehicle Rental Tax. AOGA is the business trade organization representing the majority of oil and gas producers, explorers, refiners, transporters and marketers in Alaska. With 15 member companies, we represent both large and small companies with interests on the North Slope, in the Cook Inlet and in the Outer Continental Shelf.

We understand the Department of Revenue has sought to apply the rental vehicle tax retroactively back to 2004. Requiring my member companies to pay a 10 percent rental vehicle tax on all leases for the past nine years that was not anticipated nor budgeted for essentially results in a retroactive tax increase, which further challenges the economics of operating on the North Slope.

SB 178 clarifies and amends the rental vehicle tax to make it clear that the rental vehicle tax does not apply to Alaska businesses making long-term rentals to other Alaska businesses. In our mind, this is a fair solution for an issue that surely was not intended to hamper economic growth.

We also appreciate the bill's provision that reduces the minimum gross vehicle weight rating to qualify for this exemption from 8,500 lbs to 6,500 lbs. This insures the rental vehicle tax is not applied to Alaska businesses engaged in commercial rentals of heavy vehicles, many of which operate on the North Slope, and in support of oil and gas operations in the Cook Inlet.

Thank you for introducing this bill and we look forward to providing support for the legislation.

Sincerely,

A handwritten signature in black ink that reads 'Kara Moriarty' in a cursive script.

KARA MORIARTY
President/CEO

Cc: Representative Steve Thompson

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 178
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB178-DOR-TAX-02-20-14
Title: PASSENGER VEHICLE RENTAL TAX
Sponsor: BISHOP
Requester: (S)Transportation

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	746.0		746.0	746.0			
Travel							
Services	47.0		47.0	47.0			
Commodities							
Capital Outlay	500.0						
Grants & Benefits							
Miscellaneous							
Total Operating	1,293.0	0.0	793.0	793.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	1,293.0		793.0	793.0			
Total	1,293.0	0.0	793.0	793.0	0.0	0.0	0.0

Positions

Full-time	10.0		10.0	10.0			
Part-time							
Temporary							

Change in Revenues	***		***	***	***	***	***
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/14

Why this fiscal note differs from previous version:

Initial fiscal note.

Prepared By:	Johanna Bales, Deputy Director	Phone:	(907)269-6628
Division:	Tax	Date:	02/20/2014 11:30 PM
Approved By:	Angela M. Rodell, Commissioner	Date:	02/24/14
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SB 178

Analysis

Bill Language:

This bill makes significant changes to the vehicle rental tax on passenger vehicles as follows: **(1)** Vehicles rented for longer than 30 days would be exempt from the tax (current law states that vehicles rented for more than 90 days are exempt from the tax); **(2)** allows contract renewals and extensions to be combined when determining if the rental period exceeds 30 days (current regulation does not allow contracts to be combined, however, DOR has a proposed regulation, currently out for public comment, that would exempt contract renewals and extensions from the tax as long as the initial contract exceeds 90 days), **(3)** exempts vehicles with a GVWR greater than 6,500 pounds used to transport personal or commercial equipment or property from the rental tax (current law states that vehicles with a GVWR greater than 8,500 pounds used to transport personal property are exempt from the rental tax), **(4)** contains a retroactive provision whereby the changes identified above would be retroactive to January 1, 2004 (the original enactment date of the vehicle rental tax), **(5)** contains transition language that would require DOR to adopt regulations that provide a means to reimburse taxpayers for all taxes paid on rentals that would be exempt from the tax based on the changes this bill would make to the tax program and requires DOR to provide public notice regarding potential refunds under this bill.

Revenues:

There will be a reduction in vehicle rental tax collected in the future for future vehicle rental contracts. DOR also expects a further reduction in vehicle rental tax during the first three years after the effective date of the act to reimburse taxpayers the tax that was paid during the previous 10 years. It is difficult for DOR to estimate the revenue impact on the state as a result of this legislation as DOR does not have detailed information from vehicle rental contracts which would allow DOR to currently determine how many rental contracts over the last 10 years would meet the new exemption criteria and, therefore, be eligible for a refund. Since January 1, 2004, DOR has collected approximately \$80 million in revenue (an average of \$8 million a year). Based on limited vehicle rental tax data from audits, DOR estimates that no more than 10% of total vehicle rental contracts would meet the new criteria and, therefore, no more than \$8 million would be reimbursed and future vehicle rental revenue would decrease by no more than \$800,000 each year. In addition, DOR would be required to pay interest on the amount of tax collected. Interest is estimated to be no more than \$6 million in total. Current vehicle rental tax is deposited into a subaccount of the general fund which can be appropriated for tourism marketing.

Expenditures:

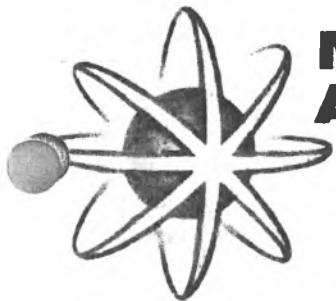
This bill would require DOR to publicly notice the changes to the vehicle rental tax and establish a program whereby DOR would refund vehicle rental taxes to taxpayers whose vehicle rental contracts met the new exemption criteria established in this legislation. It is important to note that the vehicle rental tax is levied on the customer that rented the vehicle and not the company that collected and remitted the tax. Although there were only 116 companies in FY 2013 that collected and remitted the tax, the DOR estimates that there were between 150,000 to 200,000 customers that rented vehicles in Alaska from January 1, 2004 through December 31, 2013 whose rental contracts met the new criteria and would be due a refund. Based on the language in this bill, DOR would need to establish a program to identify and reimburse these 150,000 to 200,000 taxpayers. The department believes that it would need an additional 10 Tax Technician II positions at a cost of \$74,600 with associated service costs of \$4,700 per position each year to process the estimated 150,000 to 200,000 refund claims submitted by taxpayers. The department would also need to establish a system to track the refund claims to ensure that only valid claims are made and that there are no duplicate claims. The department expects a system to do this would cost approximately \$500,000.

Regulations:

Under the provisions of this bill, the department would be required to adopt regulations to provide a means by which taxes collected would be reimbursed and interest would be paid to those taxpayers whose rentals would be exempt under the new criteria established in this bill.

Businesses Affected by the Tax

Business License#	Business Name	City
17352	AIRPORT EQUIPMENT RENTALS, INC 1285 VAN HORN RD, FAIRBANKS, AK 99701	FAIRBANKS
311773	ALASKA FRONTIER CONSTRUCTORS INC 6250 S AIRPARK PLACE, ANCHORAGE, AK 99502	ANCHORAGE
	ALASKA PACIFIC LEASING, LLC 9191 OLD SEWARD HWY., #15, ANCHORAGE, AK 99515	ANCHORAGE
723925	ARCTIC EQUIPMENT LEASING LLC 600 DRIVEWAY STREET, FAIRBANKS, AK 99701	FAIRBANKS
	ASRC ENERGY SERVICES 3900 'C' STREET, # 701, ANCHORAGE, AK 99503	ANCHORAGE
745837	BRICE EQUIPMENT RENTAL, LLC 1725 BADGER ROAD, NORTH POLE, AK 99502	NORTH POLE
909166	CH2M HILL EQUIPMENT, INC. 949 EAST 36TH AVE, SUITE 500, ANCHORAGE, AK 99508	ANCHORAGE
	CONAM CONSTRUCTION 301 W. NORTHERN LIGHTS, # 300, ANCHORAGE, AK 99503	ANCHORAGE
422089	DELTA LEASING, LLC 8101 DIMOND HOOK DR., ANCHORAGE, AK 99507	ANCHORAGE
	FIVE STAR OILFIELD SERVICES 14890 KENAI SPUR HWY., SUITE 306, KENAI, AK 99611	
	MAGTEC ALASKA, LLC 43385 KENAI SPUR HWY, KENAI, AK 99611	KENAI
	PEAK OILFIELD SERVICES 2525 'C'. STREET, ANCHORAGE, AK 99503	ANCHORAGE
	TYLER RENTAL 5216 BORCH STREET, KETCHIKAN, AK 99901	JUNEAU KETCHIKAN
270673	UNITED RENTALS 12802 TAMPA OAKS BLVD., #350, TEMPLE TERRACE, FL 33637	FLORIDA



MagTec Alaska, LLC

43385 Kenai Spur Highway, Kenai, AK 99611
(907) 335-6305 phone (907) 335-6313 fax

February 20, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

I am writing to you in support of Senate Bill 178.

MagTec Alaska, LLC services various businesses in the State of Alaska, providing rental equipment and support services to industry projects. Our main locations are Prudhoe Bay and the Kenai Peninsula.

We are supporting House Bill 314 because we feel that it clarifies the original intent of the vehicle tax. Currently, with the interpretation and enforcement of their interpretation of the rental vehicle tax by the Alaska Department of Revenue, it has created undo complications to our business processes, requiring us to implement manual procedures to determine what is and isn't taxable, as well as requiring us to collect this tax on long term rentals from our Alaskan businesses.

If this new bill is not passed, we feel that this will create unfair competitive advantages between Alaskan businesses in this heavily supported industry.

Thank you for your time and consideration of my comments regarding this Senate Bill 178. If you have any questions regarding my support, please contact me at 907-335-6305.

Best regards.

Sincerely yours,

Ryan A. Peterkin
President, MagTec Alaska, LLC

Cc: Senator Bishop

**Arctic
Petroleum
Products**



February 20, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

Alaska Petroleum Products is a company that started in 2011 and provides petroleum products to various customers, focusing mainly on the Kenai Peninsula and Prudhoe Bay areas.

As a young and growing company, the burden of an additional tax could be devastating and greatly affect our ability to operate.

We rely on the rental industry to provide part of our fleet that allows us to transport our products to our customers. With the addition of a 10% tax added to our expense of renting from our local vendors, it adds up to critical dollars that could be better spent in the operation of our business.

It is our understanding that the vehicle tax bill's original intent was for the purpose of collecting revenues from tourism, not the local Alaskan business that are already supporting the State of Alaska.

Thank you for considering my comments regarding Senate Bill 178. If there are any concerns regarding my support, please contact me at 907-252-5169.

Best Regards.

Wayne Wong
Managing Member
Cc: Senator Bishop

PO Box2656 Kenai Alaska 99611



ALASKA AUTO DEALERS ASSOCIATION

P.O. Box 201305, Anchorage, Alaska 99520-1305

February 20, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: Senate Bill 178, Passenger Vehicle Rental Tax

Chairman Egan,

Thank you for hearing SB 178. I am pleased to inform you that the Alaska Auto Dealers Association (AADA) fully supports this legislation and hopes for its quick passage. I am writing to you in support of Senate Bill 178.

The AADA is very familiar with the Rental Car Tax and its legislative history. SB 178 clarifies the original intent of the legislature that was to tax outside visitors and tourists to help raise fund for road maintenance and tourism marketing.

We are very concerned that recent retroactive re-interpretation of the tax by the Department of Revenue towards equipment leasing companies operating predominantly on the North Slope could have significantly adverse impact on those companies. Those companies are significant long-term customers of our member dealers.

SB 178 will clarify and enshrine the original intent of the rental car tax. More importantly, it will insure that Alaskan leasing companies can continue to do business with Alaskan auto dealers.

Thank you for your time and consideration of our comments supporting Senate Bill 178.

Sincerely,



Marten Martensen
President

cc: Senator Click Bishop



February 20, 2014

The Honorable Senator Dennis Egan
House Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

Chumley's Corporation Inc. is a construction contractor working in various locations within the State of Alaska.

We are in support of Senate Bill 178 because, as a small business owner, not having the ten percent charge translates to a few more critical dollars to support the going concern. We also rely heavily on activity from the oil industry and, as a company, we fear the consequences to our business if legislature does not uphold the initial intent of the vehicle tax, which was to charge this tax to tourists, and not Alaskan businesses.

We hope that legislature will support this bill and promote the growth of economic activities in our great State of Alaska.

Thank you for considering my comments regarding Senate Bill 178. If there are any concerns or questions regarding my support, please contact me at 907-252-5169.

Best Regards,

A handwritten signature in black ink, appearing to read "Elton McGahan", written in a cursive style.

Elton McGahan
Managing Member

Cc: Senator Bishop



February 21, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
Juneau, Alaska

Senator.Dennis.Egan@akleg.gov:

Re: SB 178 Passenger Vehicle Rental Tax

Chairperson Egan,

I am writing to you in support of Senate Bill 178. Airport Equipment Rentals, Inc. is the John Deere dealer for Alaska and we are also largest equipment rental company in the state with locations in Deadhorse, Fairbanks, Delta Junction, Anchorage and Kenai.

Primarily as a customer service, we offer incidental rental of ¾ ton and one ton trucks to our construction equipment customers on the North Slope, largely to the producers and contractors. Most rentals are several months in duration and often one or two years.

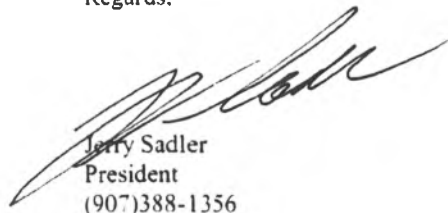
Coincidentally, we also owned the National-Alamo rental car concession for Fairbanks until May of 2013 so we are very familiar with and have paid the rental car tax since its inception and continue to do so today for our small remaining truck rental business.

The intent of the legislature was to tax short term car rentals to tourists to help fund road maintenance and tourism marketing. Recently, the Department of Revenue has retroactively re-interpreted the statute and legislature's intent, specifically with regard to long term rentals of ¾ ton and one ton trucks rented between Alaska businesses on private property on the North Slope.

Since we have been paying the tax, this issue has not impacted our company. However, if the bill is not passed, the result would likely be Alaska businesses passing the cost on to other Alaska businesses which is contrary to the original intent of the tax. Further, some of our competitors would likely be bankrupted which would not be positive for the industry or our company as we do not want to invest in the low margin truck rental business any more than we absolutely have to. We are also concerned about further retroactive re-interpretation of the statutes by the Department of Revenue.

Thank you for your time and consideration of my comments regarding SB 178. If you have any questions, please call or email Jon Cook at (907)460-7030 or joncook@aer-inc.net or feel free to call me directly at any time.

Regards,

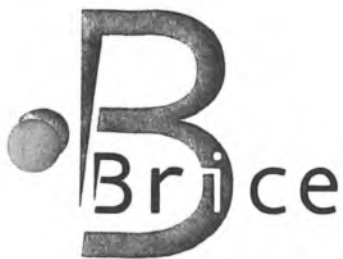


Jerry Sadler
President
(907)388-1356

Cc: Senate Transportation Committee Members, Sen. Click Bishop, Sen. John Coghill



P.O. Box 72578 Fairbanks, AK 99707



Construction
Environmental
Materials

P.O. Box 70668

Fairbanks, AK 99707

Phone: 907.452.2512

Fax: 907.452.1067

www.bricecompanies.com

February 21, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Senator.Dennis.Egan@akleg.gov

RE: SB178 Passenger Vehicle Rental Tax

Chairman Egan:

I am writing to you in support of Senate Bill 178. Brice Companies have been providing civil construction, marine services, equipment rentals and quarry materials in the State of Alaska for over 50 years.

Our Brice Equipment division provides arctic grade support equipment to the oil and gas and construction industries. We have offices in Fairbanks and Deadhorse. Brice Equipment hosts a fleet of more than 300 pieces of equipment.

We understand the intent of the legislation passed in 2003 was to tax short term car rentals to tourists to help fund road maintenance and promote tourism. The legislation specifically was to have no effect on Alaska businesses on private property on the North Slope. We price our rental rates to be competitive and the current interpretation of this existing legislation causes significant administrative and financial burden to our Alaskan equipment rental division.

Thank you for your time and consideration of my comments regarding Senate Bill 178.

I am willing to testify on this matter. If you have any questions regarding my support, please contact me at my office 907-452-2512 or on my mobile number 907-978-3000.

Sincerely,

A handwritten signature in cursive script that reads "Sam Robert Brice".

Sam Robert Brice
President

Cc: Senator Bishop

Senator.Click.Bishop@akleg.gov



February 21, 2014

The Honorable Senator Dennis Egan Senator.Dennis.Egan@akleg.gov
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

I am writing to you in support of Senate Bill 178. Our company, SolstenXP, is an Alaska project management and contracting Service Company, for the petroleum and natural resource industries. Our services include permitting, exploration project management, drilling engineering, rig operations, infrastructure and facilities construction, production operations and decommissioning. An integral part of the various services we perform is the rental of vehicles on a long term basis.

We support the SB 178 bill for the following reasons;

- o The bill clarifies the original intent of the legislature when the Rental Car Tax was passed
- o The original intent of the lawmakers was not to tax Alaskan businesses doing business with other Alaskan Businesses, the intent of this tax was always targeted towards having outside visitors and tourists help raise funds for tourism related marketing funding

If this Bill is not passed, the result will be a direct pass-through retroactive tax, along with penalties and interest for the past 10 years, based on DOR's new interpretation and application of the vehicle rental tax. If not revised, this new interpretation could have a significant negative impact on our business, as well as our suppliers and customers in Alaska. SB 178 will also reduce the minimum gross vehicle weight rating to qualify for this exemption from 8,500 lbs to 6,500 lbs to insure that the rental vehicle tax is not being applied to Alaskan businesses engaged in commercial rentals of heavy vehicles (i.e. half-ton and one-ton trucks) to other Alaskan businesses.

Thank you for your time and consideration of my comments regarding Senate Bill 178. If you have any questions regarding my support, please contact me at eric.dompeling@solstenxp.com, or by phone at (907) 264-6107.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Dompeling".

Eric Dompeling
New Ventures Manager
SolstenXP Inc.

Cc: Senator Bishop Senator.Click.Bishop@akleg.gov

Brittany Hutchison

From: Chris Von Imhof <
Sent: Friday, February 21, 2014 3:26 PM
To: Sen. Click Bishop
Subject: Fwd: Letter of Support for SB 178 and HB 314-- Clarification Legislative Intent for Rental Car Tax
Attachments: Rental_Car_Tax_Revision_Sponsor_Statement_2-3-14.docx

-----Original Message-----

From: Chris Von Imhof
To: Senator Dennis Egan <Senator.Dennis.Egan@akleg.gov>
Cc: "Senator.Click.Bishop" <Senator.Click.Bishop>
Sent: Fri, Feb 21, 2014 3:20 pm
Subject: Fwd: Letter of Support for SB 178 and HB 314-- Clarification Legislative Intent for Rental Car Tax

EDELWEISS ENTERPRISES, LLC
Girdwood, Alaska 99587

The Honorable Senator Dennis Egan,
Senate Transportation Committee
State Capitol Room 9,
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairperson Egan,

I am writing to you in support of Senate Bill 178

About 50 years ago I worked for your father Gov. Egan as Director of Tourism.

Since that time I have been CEO and General Manager at Alyeska Resort for most of my life. We are a year round Resort in Girdwood and our primary business is the Hotel and Ski area operation.

In 2004 a Car Rental tax was passed to tax the visitor and tourists. The tax was to be used for increased tourism marketing funding. I certainly supported this new tax.

Recently the Dept. of Revenue decided this tax should also apply to the North slope Heavy-Duty Rental Trucks that are used by the Oil companies for industrial purposes, even though they maintain their own roads.

To the best of my knowledge this was not the intent of the " Tourism " Rental Car Tax. It seems like the DOR is trying to kill the goose that lays the Golden Egg.

Please review the attached clarification on this car rental tax.

I would greatly appreciate your support of SB 178

I appreciate your consideration of my comments regarding the Senate Bill 178.

Thank you for your good work for us Alaskans,



Chris von Imhof

Cc: Senator Bishop





February 24, 2014

The Honorable Dennis Egan
Chairman, Transportation Committee
Alaska State Senate, Capitol Room 9
Juneau, AK 99801

Re: Senate Bill 178 Vehicle Passenger Rental Tax

Dear Chairman Egan,

The mission of the Alaska State Chamber of Commerce (Alaska Chamber) is to promote a positive business environment in Alaska. The Alaska Chamber represents hundreds of businesses, manufacturers and local chambers from across Alaska. Our members support legislation that updates and clarifies laws, provides regulatory certainty, and that generally improves Alaska's business climate. The Alaska Chamber supports the swift passage of Senate Bill 178 (SB 178).

SB 178 clarifies that the Vehicle Passenger Rental Tax enacted in 2003 does not apply to commercial long-term rentals among businesses in Alaska. The original legislative intent was to levy a tax on visitors using the State of Alaska's road system and infrastructure. Since the effective date of the law, rental car companies have collected the tax upon rental and submitted it to the State. Until recently, the Department of Revenue only applied this tax to rental car companies.

There are enough challenges to doing business in Alaska without uncertainties presented by inconsistent enforcement of the law. SB 178 updates and clarifies the Vehicle Rental Passenger Tax law that will provide regulatory certainty for Alaska businesses not in the vehicle rental business. We urge passage of SB 178 during the 28th Alaska Legislative Session.

Sincerely,

Rachael Petro
President/CEO

Cc: Senator Click Bishop
Senator Peter Micciche



February 24, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Senator.Dennis.Egan@akleg.gov;

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

I am writing to you in support of Senate Bill 178.

- I own and run a small Alaskan Owned Business who leases larger vehicles long term and see the passage of SB 178 as a necessary component for fair business practice to Alaskan Owned Companies that lease vehicles long term to companies like mine, who would be significantly negatively financially impacted if this bill is not passed.
- The bill clarifies the original intent of the legislature when the Rental Car Tax was passed. The original intent of the lawmakers was not to tax Alaskan Businesses doing business with other Alaskan Businesses, rather the intent of this tax was always targeted towards having outside visitors and tourists help raise funds for tourism related marketing funding.
- If this Bill is not passed, the result will be a direct pass-through tax by vendors of my business, increasing fees to them and the possible loss of jobs for me and my employees, when this was clearly never intended to be a tax on Alaskan Businesses.

Thank you for your time and consideration of my comments regarding my support of Senate Bill 178. If you have any questions regarding my support, please contact me at 907-677-6511

Cc: Senator Bishop

Senator.Click.Bishop@akleg.gov

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Shane M. Langland". Below the signature is a small, printed name "Shane Langland".

Shane Langland

Shane M. Langland
Owner, Eagle Enterprises, Inc.

5849 Old Seward Hwy
Anchorage, AK 99518

Phone: 907-562-2331
Fax: 907-562-6955

www.eaglesafety.net



February 24, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Senator.Dennis.Egan@akleg.gov

Re: SB 178 Passenger Vehicle Rental Tax

Dear Chairman Egan,

Coffman Engineers, Inc. (Coffman) is a multidiscipline engineering firm that has been in business in Alaska since 1979. Our firm is deeply rooted in the State and we are dedicated to justly perpetuating its economy. To this end, I am writing you in support of Senate Bill 178.

Senate Bill 178 clarifies the original intent of the legislature in regard to the initial passing of the Rental Car Tax. The intent was not to tax Alaskan businesses for commerce with fellow Alaskan businesses; the intent was to raise funds from outside visitors for marketing related funding for tourism.

If this Bill is not passed, the result will be a direct pass-through tax by vendors of my business when this was clearly never the intent of the legislature. This will be a huge detriment to all Alaskan businesses and more importantly, costly to our local economy.

Thank you for your time and consideration of my comments regarding my support of Senate Bill 178. Please note that I am willing to testify on this matter. If you have any questions, please contact me directly at Coffman (800 F Street Anchorage, Alaska 99501. Phone: 907.276.6664. Email: gries@coffman.com).

Sincerely,

A handwritten signature in black ink, appearing to be "J. Gries", written over a circular stamp.

Jeff Gries, P.E., Principal

Cc: Senator Bishop Senator.Click.Bishop@akleg.gov



ALASKAN OWNED & OPERATED SINCE 1944

February 21, 2014

The Honorable Senator Dennis Egan Senator.Dennis.Egan@akleg.gov;
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

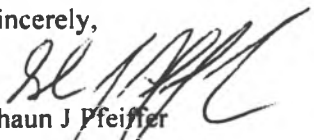
I am writing to you in support of Senate Bill 178.

- I am the Vice President and minority owner of Alaska Sales and Service, Inc, which has the following companies under it's umbrella: Alaska Sales & Service – Anchorage, Alaska Sales & Service – Palmer, National Car Rental, Alamo Car Rental, and Alaska General Credit Corporation. Since 1944, Alaska Sales & Service has been serving Alaskans automotive needs with New and Used vehicle sales, vehicle servicing, vehicle parts, vehicle body shops, vehicle financing, and vehicle rentals. We currently employ over 220 Alaskans in Anchorage and Mat-Su Borough.
- I am in full support of SB 178 for the following reasons:
 - The bill clarifies the original intent of the legislature when the Rental Car Tax was passed.
 - The intent of the lawmakers was not to tax Alaskan businesses doing business with other Alaskan Businesses, the intent of this tax was always targeted towards having outside visitors and tourists help raise funds for tourism related marketing funding
- If SB 178 is not passed it will result in:
 - A direct pass-through tax by customers of my business when this was clearly never intended to be a tax on Alaskan Businesses.
 - Our customers likely purchasing vehicles and keeping them in service longer, rather than replacing them with newer more fuel efficient models that have cleaner exhaust emissions.

Thank you for your time and consideration of my comments regarding Senate Bill 178.

I am willing to testify on this matter. If you have any questions regarding my support, please contact me at 907-265-7550.

Sincerely,


Shaun J Pfeiffer
Vice President
Alaska Sales and Service, Inc.

Cc: Senator Bishop Senator.Click.Bishop@akleg.gov



February 22, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, AK 99801

Subject: Senate Bill 178 Passenger Vehicle Rental Tax

Chairman Egan,

This letter is being written in support of Senate Bill 178. CONAM Construction Company is a statewide General Contractor specializing in oilfield construction and maintenance. Our equipment fleet in the state is used primarily in support of our construction operations. Occasionally, we rent heavy equipment and vehicles to clients and other third parties, also for use in oilfield services. We do not rent equipment or vehicles to the general public for recreational purposes.

We support SB 178 because it will clarify the original intent of the statute which was to tax short term vehicle rentals used in the tourism industry in Alaska. It was not intended to tax rentals of vehicles from one Alaska business to another Alaska business, which ultimately puts yet another unnecessary government tax burden on the local Alaskan economy. The Bill also revises the minimum gross vehicle weight limit in the statute from 8,500 lbs. to 6,500 lbs. which will capture the class of vehicles the current statute originally intended.

If the statute isn't clarified through the passing of Senate Bill 178, there will be a substantial negative impact on many Alaska oilfield service companies. The Department of Revenue has only recently tried to collect vehicle rental taxes, penalties and interest dating back to 2004 from oilfield contractors not previously considered applicable under the statute. Why now? I ask for your support in passing SB178.

Thank you for your consideration and if you need further information from CONAM Construction Company, please contact me at dkissee@conamco.com or by phone at 907-278-6600.

Very truly yours,
CONAM CONSTRUCTION COMPANY

Dale Kisse
President

Cc: Senator.Click.Bishop@akleg.gov



ASSOCIATED GENERAL CONTRACTORS of ALASKA

8005 SCHOON STREET, SUITE 100 • ANCHORAGE, ALASKA 99518
TELEPHONE (907) 561-5354 • FAX (907) 562-6118

February 25, 2014

Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau AK, 99801

RE: SB 178 Passenger Vehicle Rental Tax

Dear Senator Egan *Dennis*

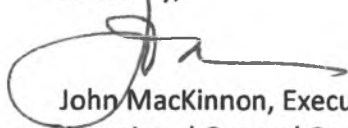
The Associated General Contractors of Alaska (AGC) is a trade association representing over 650 Alaskan businesses in the construction industry. I am writing to you in support of Senate Bill 178.

At the time the original legislation passed in 2003 as House Bill 271, I was Deputy Commissioner of DOT, and involved in the passage of a number of other revenue generating bills. I recall the discussion on the bill HB 271, that would impose an excise tax on short-term passenger and recreation vehicles. There was never any intent that this would apply to heavy vehicles and longer term leases. In fact, I recall conversation that they would not be included.

I am concerned that recent interpretation of the statute and tax by the Department of Revenue towards equipment leasing companies and the retroactive application could have significantly adverse impact on those companies. SB178 will clarify the original intent of the rental car tax.

The Associated General Contractors fully supports this legislation and hopes for its quick passage. Thank you for hearing SB178.

Sincerely,


John MacKinnon, Executive Director
Associated General Contractors of Alaska

TYLER RENTAL INC.

March 3, 2014

The Honorable Senator Dennis Egan
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

I am writing to you in support of Senate Bill 178.

I am the President and owner of Tyler Rental, Inc. Tyler operates in four locations in Southeast Alaska and one location in Washington State. Our primary business is the rental of large construction equipment. We do offer pickup trucks for rent primarily to construction and mining support companies that have projects in Alaska. We do not rent trucks to tourists or advertise in the travel industry.

We just recently became aware of Rental Car Tax. This came as a surprise to us as we have never received any information from the State of Alaska regarding this tax. We are in the process of going through our records to identify what needs to be reported. We are also trying to figure out how to capture this information in our computer systems going forward.

The regulations as currently written by the state are both inflexible and do not appear to have an understanding of how construction projects unfold in Southeast Alaska. Most of our construction is during the summer months with many projects taking three to six months to complete. The inflexibility of current regulations create unnecessary communication and accounting problems for both Tyler and our customers. It also appears that the original intent was to tax short term car rentals to capture tourist dollars in an effort to help fund road maintenance. A large percentage of the vehicles that we rent are for remote projects that are not on the State of Alaska highway system and therefor fall outside of the original legislative intent.

For out of state contractors it may be cheaper to bring in their own pickup trucks for their Alaska projects which will create a financial hardship for Tyler Rental and other companies that rent pickups for construction related activity. The way the regulations are written there will be an unnecessary and ongoing administrative cost to comply. Any and all laws with related regulations need to be written in such a manner that the law can be complied with in a timely, accurate, cost effective manner for the citizens. The current regulations are more antagonistic then helpful to a citizen.

Ketchikan, AK
5216 Borch Street
PO Box 8158
Ketchikan, AK 99901
Office: 907-225-6069
Fax: 907-225-6118


Craig, AK
400 Port Bagial Blvd
PO Box 1172
Craig, AK 99921
Office: 907-826-2924
Fax: 907-826-2956

Juneau, AK
5295 Glacier Hwy
Juneau, AK 99801
Office: 907-780-2210
Fax: 907-780-2213

Chehalis, WA
153 Hamilton Rd North
Chehalis, WA 98532
Office: 360-748-8109
Fax: 360-748-8113

Thank you for your time and consideration of my comments regarding Senate Bill 178. If you have any questions regarding my support, please contact myself at 907 228-5352 or my Chief Financial Officer, Doug Johnson at 907 228-5379.

Sincerely yours



Randy Johnson, President of Tyler Rental, Inc.

Cc: Senator Bishop



February 24, 2014

The Honorable Senator Dennis Egan Senator.Dennis.Egan@akleg.gov
Senate Transportation Committee
State Capitol Room 9
Juneau, Alaska 99801

Re: SB 178 Passenger Vehicle Rental Tax

Chairman Egan,

I am writing to you in **support of Senate Bill 178.**

- I own and run a small, Alaskan owned business who often leases larger vehicles long term throughout all areas of the state and see the passage of HB314 as a necessary component for fair business practice to Alaskan owned companies that lease vehicles long term to companies like mine, who would be significantly negatively financially impacted if this bill is not passed.
- The bill clarifies the original intent of the legislature when the Rental Car Tax was passed. The original intent of the lawmakers was not to tax Alaskan businesses doing business with other Alaskan Businesses, rather the intent of this tax was always targeted towards having outside visitors and tourists help raise funds for tourism related marketing funding
- If this Bill is not passed, the result will be a direct pass-through tax by vendors of my business, increasing fees to them and the possible loss of jobs for me and my employees, when this was clearly never intended to be a tax on Alaskan Businesses.

Thank you for your time and consideration of my comments in **support of Senate Bill 178.**

Thank you for your time and consideration of my comments regarding my support of Senate Bill 178. If you have any questions regarding my support, please contact me at 907-677-7701

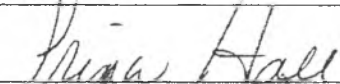
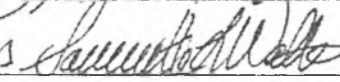
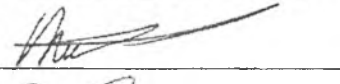
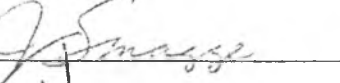
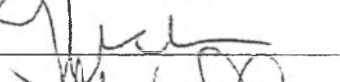
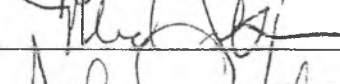

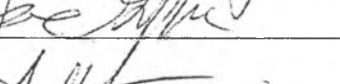
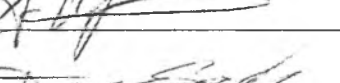
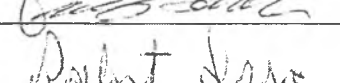
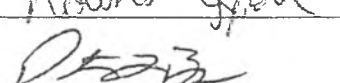


Cc: Senator Bishop Senator.Click.Bishop@akleg.gov

Respectfully Submitted,

Clint H. A. Lentfer, MBA
Owner, Alaska Appraisal & Consulting Group, LLC

Petition to Support SB178

Petition summary and background	Refer to attached Sponsor Statement
Action petitioned for	We, the undersigned, are concerned citizens who urge our leaders to act now to pass Senate Bill 178

Printed Name	Signature	Address	Comment	Date
TRINA HALL		P.O. Box 12 Kenai AK 99601 398-8529		2/20/14
Samantha Watters		P.O. Box 1135 Kenai AK 99601		2/20/14
Michael R. Walters		P.O. Box 1135 Kenai AK 99601		2/20/14
James Smagge		147 Sierra Heights Seldotna AK 99669		2/20/14
Michael Creigh		47208 Belmont Kenai		2/20/14
Michael Creigh		" "		2/20/14
Adam Creigh		47208 Belmont Kenai AK		2/20/14
Joe Grubbe		P.O. Box 2691 Kenai		2/20/14
Ann M. ...		Box 8017 Nikiski		2-20-14
Jane Sautter		35160 Cherokee Ln Sterling AK, 99672		2-20-14
Robert Spar		35555 Spar Hwy		2-20-14
Pete Burger		P.O. Box 3551 Seldotna AK		20 Feb 14
Ken Lucas		P.O. Box 1211 Seldotna AK		2/20/14

Printed Name	Signature	Address	Comment	Date
Stanny Sparks		310 Sterling Kenai AK		2-20-14
Carlin Sparks		310 Sterling Kenai AK		
Doug Dempsey		Nahadoff Trail Nikiski AK		
MARY Nuhndorf		Nahadoff Trail Nikiski AK		
Rod Peterson		4250 Kenai Spur Kenai AK		
Clint Charley		575 Dalchok Ln Kenai AK		
Steve Isaac		3640 Point AK		
Ed Yunker		3563 Lindgren Hill Quilicura WA 98338		2-21-14
SAM LARSEN		41430 GERRARD AVE SIDDONA AK 99669		2/21/14
Matt Jeffers		P.O. Box 2533 Nikiski AK 5104 Markene St.		
Misti Humphill				
Chris Leuci		41430 GERRARD AVE SIDDONA AK 99669		
Merrill Thom		P.O. Box 2141 Kenai AK 99601		2/21/14
Sean Lucas		P.O. Box 465 Kenai AK		2-21-14
Dalton Quimby		41430 Gerrard Ave. Siddona AK 99669		