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Alaska State Legislature

House of Representatives

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811
907-465-4942

Special Committee On Foreign Trade

TO: IRENE CASHEN,
CHIEF CLERK

FROM: REP. GEORGE JACKO, JR.
CHAIRMAN

DATE: APRIL 27, 1989

SUBJ: COMMITTEE SCHEDULE, WEEK BEGINNING MAY 1

The House Special Committee on Foreign Trade will meet Monday,
May 1, at 10 a.m., in Room 124 Capitol, and will consider:

HB 281 Corporate Income Tax Reporting Methods



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May 1, 1989

Gennady Alferenko, Director
Foundation for Social Inventions of U.S.S.R.
Moscow, 125866
U.S.S.R.

Dear Mr. Alferenko,

As Chairman of the House Special Committee on Foreign Trade, it is my honor to extend to you and your delegation an invitation to Alaska next month.

I have been hearing much enthusiastic talk about the Alaska-Siberia Project. All over the state, Alaskans are ready and willing to contribute to this new current of friendly relations that has spread throughout our two nations. Each delegation that comes here establishes a healthy precedent for the kinds of cooperative joint ventures that can be realized.

I encourage these opportunities for our people to get together. It is this lasting spirit of sharing and cooperation that will eventually lead to a world of lasting peace.

Sincerely,

A handwritten signature in dark ink, appearing to read "George Jacko, Jr.", written over a horizontal line.

Representative George Jacko, Jr.



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Special Committee On Foreign Trade

May 1, 1989

Rep. Lyman Hoffman
Co-Chair, House Finance Committee
Room 507, Capitol
Juneau, Alaska 99811

Dear Representative Hoffman:

House Bill 281, which passed out of the House Special Committee on Foreign Trade today, would require multinational firms with foreign parents to file Alaska corporate tax returns using the "water's edge" method. Members of the committee believe the change proposed in this bill will remove a significant barrier to greater foreign investment in Alaska, but realize that time to fully consider the legislation during this session has run out.

Under HB 281 (and under current law), firms with domestic U.S. parents are not permitted to use the water's edge filing method. The committee heard testimony for extending this method to domestic firms, but the revenue loss apparently would be much greater -- up to \$6 million annually -- than restricting it solely to companies with foreign parents.

In referring HB 281 to your committee at this late date, it is our hope that the Finance Committee will have adequate time to do a complete and thorough analysis of the impact of this legislation on the State of Alaska's tax structure. It is this committee's hope that the Finance Committee will, with the assistance of the state Department of Revenue, develop a fuller understanding of the fiscal note attached to the bill and then move the bill to the full House for consideration as soon as possible next session.

Sincerely,

Rep. George Jacko, Jr.
Chairman