



May 4, 2023

Senate Finance Committee

Senate Bill 114 Public Testimony

Co-Chairs and members of the Senate Finance Committee, thank you for the opportunity to testify today. For the record, my name is Kati Capozzi and I serve as the president and CEO of the Alaska Chamber. I am testifying today in strong opposition to Senate Bill 114.

The Alaska Chamber was founded in 1953 and is Alaska's largest statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska.

The Alaska Chamber has several longstanding policy positions to support and encourage the growth of the oil and gas industry here in Alaska, including a specific position to "Support and encourage a positive investment climate that provides certainty and stability for statewide oil and gas activities; oppose efforts to increase oil and gas taxes."

SB114 is in direct conflict with this position as it seeks to impose a multi-layered and massive tax increase on large and small oil and gas companies which could cripple Alaska's economy. As many know, one in four jobs in Alaska can be attributed to the oil and gas industry, and SB 114 would have far-reaching negative consequences throughout our broader economy, threatening jobs all across the state.

The Chamber has another policy position to "Oppose new targeted taxes." While SB114 itself is a targeted tax, there is a provision within it that specifically targets S corporations. As the state's broadest business advocacy organization, the Chamber has grave concerns that if the legislature is going to open the door on S corporations within the oil and gas sector, it will only be a matter of time before taxation on other S corporations in Alaska are introduced. Will it be the fishing industry next? Banks? Medical cooperatives? This provision is cause for great concern among all S corporations registered in the state of Alaska.

In closing, the Chamber strongly opposes SB114 and we encourage a no vote.

Sincerely,

A handwritten signature in black ink that reads 'Kati Capozzi'.

Kati Capozzi
President and CEO



471 West 36th Avenue, Suite 200
Anchorage, AK 99503



Office (907) 278-2722
Fax (907) 278-6643



www.alaskachamber.com
info@alaskachamber.com