



March 3, 2025

Representative Zack Fields, Co-Chair  
Representative Carolyn Hall, Co-Chair  
House Labor and Commerce Committee

Re: House Bill 113, Tax Exemption: Small Business (version 34-LS0641\A)

Dear Co-Chairs Fields and Hall, and members of the House Labor and Commerce Committee,

The Alaska Chamber (the Chamber) writes in support of House Bill 113, an Act relating to a tax exemption for qualified small businesses; and providing for an effective date.

The Alaska Chamber is the state's largest statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska. The Chamber has more than 700 members and represents businesses of all sizes and industries from across the state, representing 58,000 Alaskan workers and \$4.6 billion in wages.

As the voice of the Alaska business community, we are dedicated to fostering a vibrant business environment across the state. HB113 reinstates a small business tax exemption that was implemented in 2013 and sunset in 2023, much to the surprise of the handful of small businesses that utilized it.

For the last decade, this small business tax exemption has allowed Alaska businesses to invest millions of dollars into additional staffing, infrastructure, and inventory to help them grow their business and the state's economy. According to a Department of Revenue small business exemption analysis, the 3-year average cost to the State for this tax exemption is \$2.5 million, and about fifty businesses took advantage of the credit. For those small businesses every dollar counts. With the ever-increasing costs of labor and supplies, this narrow tax exemption goes a long way for the small number of businesses that do qualify.

In closing, the Chamber supports HB113 and encourages swift passage of this straightforward and good for business bill. Thank you for considering the Alaska Chamber's comments.

Sincerely,

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

Kati Capozzi  
President and CEO



2550 Denali Street, Suite 530  
Anchorage, AK 99503



Office (907) 278-2722



[www.alaskachamber.com](http://www.alaskachamber.com)  
[info@alaskachamber.com](mailto:info@alaskachamber.com)