



March 3, 2025

Senator Giessel, Chair
Senate Resources Committee

Re: Senate Bill 92, Corp. Income Tax; Oil & Gas Entities, version 34-LS0540\N

Dear Chair Giessel and members of the Senate Resources Committee,

For the record, my name is Kati Capozzi and I serve as the President & CEO of the Alaska Chamber of Commerce. I'm calling in today to express the Alaska Chamber's strong opposition to SB92.

The Alaska Chamber is the state's most diverse 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 over \$4.6 billion in wages.

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." The Chamber has another policy position to "Oppose new targeted taxes."

SB92 is in direct conflict with these positions as it seeks to impose a targeted tax, that specifically targets not just S corporations, but **one single S corporation**. As many know, around one in six jobs in Alaska can be attributed to the oil and gas industry. SB92 threatens those direct and indirect jobs and poses a significant risk to our state's energy future by discouraging investment and potentially reducing production, which will ironically lead to even less revenue for the State down the road. These consequences would undermine the recent advances made in Alaska's energy sector and call into question the stability of investing in our state.

Instead of fostering policies that encourage reinvestment and production growth, SB92 focuses solely on increasing state revenue in the short-term without fully accounting for the complexities of the oil and gas tax structure. It ignores the financial and regulatory challenges already facing the industry, including limited access to capital for Arctic projects and constant legal battles from anti-development groups. Moreover, the bill lacks independent analysis to assess its full economic impact, creating uncertainty for current and future investors.

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 SB92 and we encourage a no vote.

Sincerely,

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

Kati Capozzi
President and CEO



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