

**Fact: Tax policies affect investment decisions.**  
It's time for a change.

Work Together. **WIN** Together.

During the past several weeks, scores of Alaskans have weighed in on one of the most important issues affecting our future: the need for oil tax reform to protect and grow Alaska's economy. Recently, the Alaska State Legislature's Senate Resources Committee heard public testimony on Senate Bill (SB) 192, a piece of legislation that makes only minor, inconsequential changes to Alaska's current punitive oil tax structure. Of the citizens who testified, more than 65 percent opposed SB 192 and voiced their support for real, meaningful reform to the tax structure.

Despite the clear message delivered by the public testimony, on March 2, a majority of Senate Resources members voted to advance SB 192 to the Senate Finance

Committee in its present ineffective form. AOGA would like to thank Sens. Lesil McGuire and Tom Wagoner for their efforts to improve the bill and, ultimately, their refusal to support it.

Gov. Sean Parnell has also been a vocal proponent of meaningful change to the state's oil tax code. Some legislators have criticized his tax cut plan, saying it doesn't require new investment by oil companies. But in an interview with the Associated Press last week, the governor posed a question to state senators who question oil producers' commitment to invest more in Alaska under his plan.

"I think the question needs to be turned around on those who are supporting SB 192 and needs to be asked: What commitments have they gotten, or are they pursuing, for the tax changes they're proposing? The answer, right now, I think is zero," Gov. Parnell told the AP. "Which means what they're proposing is really a giveaway of Alaska's tax revenue if there's no commitment of new investment."

The governor added that he hopes the Senate Finance Committee will take steps to provide "more meaningful tax changes that will result in new production" as it considers SB 192. He also told the AP he doesn't feel compelled to accept just any oil tax plan simply for the sake of making a change, although some legislators may be prepared to do just that.

"I think they want to," Gov. Parnell said. "I think some just want to be able to say they did something so others won't say they did nothing, and then take a victory lap with a marginal change."

But that's not enough, he added: "A tiny change or a marginal change is not going to change Alaska's future. And I want to make sure that any change that comes across our way, that gets implemented, significantly improves Alaskans' lot in this life.

"To take a victory lap over a meaningless change, one that will not incentivize new production, is something I'm not going to allow."

AOGA supports Gov. Parnell's number-one economic priority: Reform Alaska's broken oil tax structure, and secure the long-term health of the state in the process. To reach that goal, we will continue our efforts to inform the public about the need for reform and work cooperatively with legislators to encourage real, meaningful change to ACES.

Thousands of other Alaskans are advocating for oil tax reform, too. Join supporters of the Governor's economic initiative by attending the "Make it Meaningful – Rally for Reform" on Wednesday, March 28 at the Dena'ina Center in Anchorage. Hear from dynamic speakers about why tax reform is critical not only to the State, but also to the families that call Alaska home. [Click here for more information and to register.](#)

Senate Finance hearings on SB 192 began this week, and AOGA testifies tomorrow. As work on the bill continues in Juneau, AOGA will send weekly e-mails with news and updates. We encourage you to [contact your legislators](#) to share your thoughts on this critical issue. We believe that if we work together, we win together. We CAN stop the accelerated decline in Alaska's oil production and secure a healthy economy for decades to come.

**Make it Meaningful  
Rally for Reform**  
Wednesday, March 28, 2012

