



May 1, 2026

Senator Cathy Giessel, Chair
Senate Resources Committee

Re: Senate Bill 280, Oil & Gas Property Tax; Muni Tax (version 34-GS2038\G)

Dear Chair Giessel, and members of Senate Resources Committee,

The Alaska Chamber (the Chamber) writes in opposition of Committee Substitute for Senate Bill 280, an act relating to oil and gas; relating to the regulation of liquefied natural gas import facilities by the Regulatory Commission of Alaska; relating to the Alaska Gasline Development Corporation; establishing an income tax on certain entities producing or transporting oil or gas in the state; relating to the taxation of certain natural gas pipeline property and related facilities; relating to the calculation of the value of oil-and-gas-related property for purposes of the local contribution for public school funding; relating to limitations on municipal oil and gas property taxes; relating to an alternative volumetric throughput tax on certain natural gas pipelines and related facilities and a pipeline community impact fee; 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.

The Chamber remains a strong supporter of the Alaska LNG Project and recognizes its generational importance to Alaska's energy security and economic future. We have significant concerns that the revised version of this bill moves the state in the wrong direction.

The Alaska LNG Project represents one of the most important opportunities before Alaska, providing long-term, reliable energy for Alaskans, strengthening our economy, and reducing the likelihood that our state will need to import natural gas in the long term. The Chamber strongly supports efforts to advance this project. However, the revised SB 280 introduces substantial new costs, taxes, and regulatory requirements that risk undermining its viability.

The addition of an \$800 million upfront impact fee and significantly increased ongoing taxes dramatically change the economic framework of the project. At a time when global LNG projects compete fiercely for investment, layering on new costs and uncertainty sends a troubling signal to investors and developers. The project already faces tight margins and complex financing challenges, adding additional financial burdens at this stage could delay or potentially halt progress altogether.

Equally concerning is the expansion of regulatory oversight and legislative involvement in project-level decisions. Introducing new approval requirements, disclosure mandates, and governance changes injects uncertainty into a process that depends on long-term stability and predictability. Large-scale infrastructure investments like Alaska LNG require confidence that the rules will remain consistent over time.



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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." SB 280 is in direct conflict with these positions as it seeks to impose a targeted tax, that specifically targets not just S corporations, but on **certain oil and gas pass-through entities**. This change threatens direct and indirect jobs in the oil and gas industry 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. These consequences would undermine the recent advances made in Alaska's energy sector and call into question the stability of investing in our state.

The stakes are high. If this project fails due to misalignment between the state and developers, Alaska faces the very real possibility of relying on imported natural gas for the foreseeable future, resulting in higher energy costs for families and businesses and the loss of a transformative economic opportunity.

We urge the Legislature to refocus on policies that enable the Alaska LNG Project to move forward successfully. This means maintaining a competitive, stable fiscal framework and avoiding measures that could unintentionally derail progress. Alaska has a rare opportunity to secure a long-term energy solution and significant economic benefits for its people. We urge you to work collaboratively with project developers to ensure that opportunity is realized.

For these reasons, the Alaska Chamber respectfully opposes the current version of SB 280 (34-GS2038\G) and encourages continued dialogue to reach a solution that supports both project viability and long-term benefits for all Alaskans.

Sincerely,

A handwritten signature in black ink that reads "Kati Capozzi". The signature is written in a cursive, flowing style.

Kati Capozzi
President and CEO