



April 28, 2026

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

Re: House Bill 350, Qualified Entity Income Tax (version 34-LS1474-G)

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

The Alaska Chamber (the Chamber) writes in opposition to House Bill 350, an act establishing an income tax on certain entities in the state; 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 has a longstanding position to oppose new taxes on businesses until a meaningful state spending cap has been implemented. Therefore, we must express our strong opposition to House Bill 350, which proposes creating a new 9.4% corporate income tax on large pass-through entities, including partnerships, LLCs, and S-corporations with taxable income exceeding \$25 million.

This legislation represents a significant and concerning overhaul of Alaska's tax structure. By extending a corporate-level tax to pass-through businesses, entities that have long operated under a different tax framework, HB 350 fundamentally changes the rules of the game for a wide range of Alaska employers across multiple industries.

In addition to the new tax, HB 350 limits the use of certain federal deductions and credits and allows the state to aggregate income across related entities. These provisions will increase both the tax burden and the complexity of compliance for affected businesses, creating additional administrative costs and uncertainty. While we were encouraged to see the retroactivity effective date removed, the recently added requirement for informational tax filings beginning in 2026 doesn't alleviate the significant regulatory burden this bill would impose.

Jobs create and support communities. In the Chamber's view, the most critical issue the legislature should be focused on is crafting policy to attract investment and to grow and diversify Alaska's economy. HB 350 sends the opposite message. Sudden and substantial changes to the tax code create instability and discourage long-term investment. Capital is mobile, and policies like this risk pushing projects, expansion, and jobs outside of Alaska.

The Alaska Chamber supports a stable, predictable, and competitive tax environment that encourages economic growth. HB 350 moves Alaska away from that goal and risks stifling the very businesses that create jobs and therefore support our communities.



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For these reasons, we respectfully urge you to oppose House Bill 350. Thank you for considering the Alaska Chamber's comments.

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