



**SENATOR
JOHNNY ELLIS**
Working hard
Solving problems
Getting things
done

Alaska Capitol, Rm 119
Juneau, AK 99801
(907) 465-3704
fax (907) 465-2529
[Sen.Johnny.Ellis@
legis.state.ak.us](mailto:Sen.Johnny.Ellis@legis.state.ak.us)

<http://ellis.aksenate.org>

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Contact Other
Elected Officials:

Senator Mark Begich,
Anchorage Office:

[PHOTOS](#) | [BILLS](#) | [PRESS RELEASES](#) | [f](#) | [t](#) | [YouTube](#)

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MAKING WISE USE OF ALASKA'S RESOURCES

Vocational education counseling, oil tax bill in Senate Finance, snow removal, federal earned income tax credit

Friends and Neighbors,

On Monday, the Senate passed [Senate Bill 170](#). This bill provides career counseling for every student in seventh, ninth, and eleventh grades, allowing students to receive the tools they need to prepare for the future. I believe that by providing guidance for students at this early stage, they will be better equipped to join the workforce in good paying jobs as adults.

Just a quick reminder, you can follow legislation moving through the Senate and keep up-to-date with press releases, social media and photos at the Senate Bipartisan Working Group's [website](#). Here are a couple of things featured this week:

- [Senate passes bill to increase employment for veterans](#)
- [Senate outlines accomplishments so far this session](#)
- Senator Ellis talks about "[Buy American](#)" bill at Senate Bipartisan Working Group [press availability](#)

907-271-5915

EMAIL:

Sen. Mark Begich
Congressman Don Young,

Anchorage Office:
907-271-5978

EMAIL:

Rep. Don Young
Senator Lisa Murkowski,

Anchorage Office:
907-271-3735,

EMAIL:

Sen. Lisa Murkowski
Office of the Governor

Anchorage Office:
269-7450

EMAIL:

Office of the Governor



Senator Ellis and his staff welcomed U.S. Senator Mark Begich to the Alaska Capitol for his annual address to the Legislature. In his address, Senator Begich emphasized health and early education, workforce and responsible resource development, and investments in the Arctic.

Oil Tax Bill Headed to Senate Finance

The [Senate Resources Committee bill](#) that makes adjustments to Alaska's ACES oil tax structure has now advanced to the [Senate Finance Committee](#), and I anticipate that we will begin our review next week. In short, the provisions of the current bill are:

A modest reduction to the progressivity portion of the ACES oil tax, allowing oil companies to keep more of the profits at high prices (about \$250 million per year in overall tax reduction)

A \$10 per barrel tax-free allowance on all new barrels of oil produced by oil companies, which is a "strings attached" incentive for companies to produce NEW oil and make extra profit for doing so

A cap to progressivity of 50%, saving companies big if oil prices go very high

A gross tax floor of 10%, ensuring Alaska will get something for its oil, even at very low prices

Eliminating the dilution of oil revenues by low-price natural gas (also known as called "decoupling")

The development of a Petroleum Information Management System, which will allow the Administration, the Legislature, the Industry, and the Public to have ready access to all of the information we need to make good decisions about oil and gas policy

These measures follow the Senate’s principles to get more oil in the pipeline, more jobs for Alaskans, and sustainable revenues over the long term. They increase the Industry’s share of oil profits and directly incentivize new production—both of which should help to put more oil in the pipeline. I expect that the Senate Finance Committee will consider further adjusting progressivity.

The committee will also give careful consideration to the \$10 allowance—adjusting the variables so that the State receives the greatest possible level of investment for the tax reduction. I also hope that we will consider special incentives for heavy, viscous, and shale oil—something international oil and gas tax expert [Pedro Van Meurs recommended](#) we put in place. There is still a lot of work to do, but I remain confident the Senate will pass a high-quality piece of legislation before the end of session.



Senator Ellis was privileged to tour the Land Trust’s restoration work in Mountain View with Executive Director Jewel Jones.

Snow Removal

In recent weeks I have received correspondence from constituents imploring me to help them solve snow removal issues. I understand the struggle that confronts Anchorage’s street maintenance crews in times of heavy snowfall, but snow clogged streets are unsafe and demand speedy solutions.

I encourage you, if you have problems with snow removal to contact [Street Operations](#), either through their [online feedback form](#) or by calling the dispatch center at 343-8277.



Senator Ellis caught up with Alvin Amason, one of Alaska's finest homegrown and best known artists, at Amason's Anchorage studio. Amason has directed the Native Arts program at University of Alaska Fairbanks and his work has shown internationally. His paintings can be seen at the Anchorage Museum of History and Art, the Alaska Native Heritage Center, and the Ted Stevens International Airport.

Federal Earned Income Tax Credit

If you are a low-income worker, you may be eligible to receive a Federal Earned Income Tax Credit (EITC). This credit reduces your tax burden by providing you with relief based on your income and the number of children in your household. Right now, the IRS estimates that 20 percent of eligible workers do not claim this credit. To find out if you qualify, click [here](#).

As always, please don't hesitate to contact my office with any questions or concerns you may have.

Until Next Week,



Senator Johnny Ellis

P.S. *Are you having problems with state government? The Ombudsman was created by the Legislature to make sure government treats all Alaskans fairly and reasonably. If a problem is found, the Ombudsman will confront the agency and suggest a solution. To reach the Ombudsman, dial toll-free in Alaska 1-800-478-2624 or visit www.state.ak.us/ombud.*

P.P.S. **Art in Your Capitol**
Sidney Laurence's "Going to the Potlatch," an oil on canvas that blends an iconic Alaskan cultural event with bigger-than-life Alaskan scenery. The year this painting was created is unknown.

