

# Ballot Measure No. 1

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An Act changing the oil and gas production tax for certain fields, units, and nonunitized reservoirs on the North Slope.

## STATEMENT IN OPPOSITION

On November 3, Alaskans will decide an issue of utmost importance to the future of our state. Ballot Measure 1 would dramatically raise oil taxes by at least 150% and can exceed over 300% depending on the price of oil.

### **Ballot Measure 1 puts Alaska jobs, our economy, and our future at risk.**

According to independent economic analysis, the oil and gas industry is “the single most important economic engine in the state.” The industry supports over 25% of all jobs and wages in Alaska. Each year, over \$4.4 billion is spent by the industry with 1,000 Alaska businesses (McDowell Group, January 2020).

While Ballot Measure 1 may bring in additional state revenue in the short term, I am voting no on Ballot Measure 1 because a massive tax increase will cripple Alaska’s economy. Long-term, less spending in Alaska means less production, which means fewer jobs, a further weakened economy, and reduced PFDs; Alaska’s future is truly at risk if Ballot Measure 1 passes.

### **It is the wrong time to tax any industry in Alaska right now.**

Alaska’s economy is more fragile than ever, and the stakes have never been higher. As a former director of the Oil & Gas Division for Governor Walker, I know firsthand that our current tax system is working, and prior to the Russia-Saudi Arabia oil price war and global pandemic, Alaska was on the verge of substantial increases in activity in both core and new fields.

Increasing taxes will do nothing to bring these projects to reality and will make the state’s economic recovery extremely difficult, if not impossible. I cannot understand how Alaska could be considering a tax increase while other oil producing states and countries are adopting policies to help the industry maintain jobs and grow production during these uncertain economic times.

Regrettably, the Vote Yes campaign has done a deep disservice to voters by basing its campaign on “a litany of outright lies or misleading claims” as part of “a naked attempt to fool voters,” according to the Alaska Journal of Commerce newspaper. Alaskan voters deserve facts not politically-charged campaign rhetoric.

### **If taxes should be raised, ballot measures are not the right tool.**

If state oil taxes should be adjusted, Alaskans deserve to have this discussion in the open where options are analyzed, debated, and the best solution is put forward. Ballot Measure 1 was written by oil industry critics behind closed doors without any public review. Complicated oil tax policy should not be decided via ballot measures.

### **Over 500 businesses, unions, and organizations are Voting No on 1.**

I am proud to Chair the OneALASKA coalition; representing over 500 small businesses, labor unions, Alaska Native Corporations, and community groups, and thousands of citizens that believe Ballot Measure 1 is the wrong solution for Alaska’s future. We know that a massive tax hike on Alaska’s largest economic engine will damage our economy, small businesses and jobs.

**On November 3, please join us in Voting NO on Ballot Measure 1.**

Chantal Walsh – Chair/OneALASKA