

## **For Immediate Release**

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### **John Binkley Says Oil Tax Plan Needs to be Fair and Simple**

At a press conference held today Republican candidate for governor John Binkley said he's convinced that Frank Murkowski's oil tax proposal (PPT) and gasline deal are on the wrong track.

Binkley, flanked by Sen. Tom Wagoner, Speaker of the House John Harris and former Anchorage Mayor Tom Fink, said Legislators returning to Juneau for the July 12 special session should once again reject a tax proposal based on percentage of profits (PPT) and only fix what is really broken.

"After talking to Alaskans across the state, one thing is clear to me: they want a fair and simple tax plan. And Murkowski's PPT plan is the wrong approach," Binkley said.

"With Murkowski's proposals the state will likely face years of legal battles. I want a tax plan that creates jobs for oilfield workers, not accountants and lawyers," he said.

"The fundamental problem is with the Economic Limit Factor (ELF) adjustment, not the existing tax structure," he said.

Binkley said by making changes to the existing tax structure we can have a clear and simple plan that takes advantage of established methods to calculate tax. He also said the changes must create more stable and predictable revenues for the state.

Binkley called for:

- Eliminating ELF and staying with a flat tax on oil.
- Increasing oil flowing down the pipeline by focusing on credits for actually drilling wells and granting a limited standard deduction to keep smaller, independent companies in business.
- Including a progressive feature so when oil prices are high the state sees a greater return.
- Adopting a mechanism that would provide assistance to Alaskans such as through local property tax relief when energy costs are high.

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Binkley also said getting a good gas pipeline deal for Alaska is critical and that the state must negotiate from a position of strength.

“We need to recognize that the oil companies are standing up for their shareholders and we need someone to do the same for Alaskans,” he said.

Binkley outlined what he sees as a way forward for the state.

Binkley said that to be success at the bargaining table, we must not give away all our leverage.

“We need to stop the giveaway of Pt. Thomson and enforce producers’ duty to develop that important field,” he said.

Binkley also said if the state can’t reach a fair deal with the producers and fix numerous problems in the current deal, he would put all of the previous proposals to build the line back on the table.

“I am confident that we can negotiate a good deal for Alaska and actually get a gas pipeline built,” he said. “It will take new leadership that earns the trust of the people and the legislature,” Binkley said. “We have to do what’s right for Alaska. We can not make a mistake. Our children’s future, Alaska’s future is on the line.”

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