



Alaska Cabaret, Hotel, Restaurant, and Retailers Association
1503 W. 31st Avenue, Suite 102
Anchorage, AK 99503
Office (907) 274-8133
www.alaskacharr.com

December 3, 2024

Dear Members of the Anchorage Assembly,

I have served as President & CEO of the Alaska Cabaret, Hotel, Restaurant, and Retailers Association (commonly known as Alaska CHARR) since 2018. Alaska CHARR has over 750 members and represents over 2000 hospitality establishments that employ nearly 36,000 workers across Alaska communities.

I am writing to you today to request your consideration in voting no on resolution AO 2024-105 as written.

Placing an additional tax on our hospitality industry at this time would be of great concern to an industry that is already significantly taxed in Anchorage – alcoholic beverages are already subject to a 5% retail tax; hotel rooms are taxed at 12%. This 3% sales tax would be on top of these existing retail taxes. Double taxation will be detrimental to an industry that continues to face significant ongoing challenges to business operations including supply chain shortages and record-high operating and labor costs.

Additionally, businesses have to eat the added cost of credit card fees for taxes collected on behalf of the Municipality – a new budgetary line item that may seem minor but can effectively eliminate all net income for hospitality businesses that have an historically low profit margin.

We urge you to reject this resolution. This tax would place an untimely, disproportionate burden on an already struggling industry that contributes significantly to the economy and community of the Anchorage Municipality (over a \$3 billion economic impact and over \$300 million in total taxes), supporting both locals and tourists.

Thank you for your consideration.

Respectfully,

Sarah Oates Harlow
President & CEO, Alaska CHARR
soates@alaskacharr.com

Co-signed,
Mike Ward
Chair, Cook Inlet CHARR
cookinletCHARR@gmail.com

