

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 344
 () Publish Date: _____

Identifier (file name): HB344-REV-TAX-02-17-10

Title <u>Salmon Product Development Tax Credit</u>	Dept. Affected: <u>Revenue</u>
Sponsor <u>Representative Thomas</u>	RDU <u>Taxation and Treasury</u>
Requester <u>(H) Fisheries Special Committee</u>	Component <u>Tax Division</u>
	Component Number <u>2476</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	(2,400.0)	(2,400.0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: *(Attach a separate page if necessary)*

See Attached.

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Administrative Services Division

Phone (907) 465-3695
 Date/Time 2-17-10; 11:09am
 Date 2-17-10; 4:08pm

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BILL NO. HB 344

ANALYSIS CONTINUATION

Bill Language:

This bill extends the existing Salmon Product Development tax credit for investment in processing equipment used to produce value-added salmon products by four years through 2015. The Salmon Product Development tax credit allows taxpayers to take a credit against their Fisheries Business Tax liability for 50% of qualified investment in new value-added salmon processing equipment. Credits may be applied up to 50% of the Fisheries Business Tax liability on salmon processed in Alaska in the year generated and the three subsequent years.

Revenues:

Although it is difficult to determine the number of taxpayers who would take advantage of this tax credit, the DOR would expect reduced Fisheries Business Tax collections in the years added. The department would expect the Fisheries Business Tax to decrease by \$2.4 million for each additional year the credit is extended.

Expenditures:

The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed, since the DOR is already performing these duties.