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Kane

3.11/10

CS FOR HOUSE BILL NO. 344()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES THOMAS, Peggy Wilson, Austerman

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to the salmon product development tax credit; and providing for an
2 effective date by amending an effective date in sec. 7, ch. 57, SLA 2003, as amended by
3 sec. 4, ch. 3, SLA 2006, and by sec. 4, ch. 8, SLA 2008."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 43.75.035(b) is amended to read:

6 (b) The amount of the tax credit applied against taxes under this section may
7 not

8 (1) exceed 50 percent of the taxpayer's tax liability incurred under this
9 chapter for processing of salmon during the tax year; or

10 (2) be claimed for property first placed into service after December 31,
11 2015 [2011].

12 * **Sec. 2.** AS 43.75.035(j)(3) is amended to read:

13 (3) "qualified investment" means the investment cost in depreciable
14 tangible personal property with a useful life of three years or more to be used

1 predominantly to perform **an ice making**, [A] processing, packaging, or product
2 finishing function that is a significant component in producing value-added salmon
3 products beyond gutting of the salmon; in this paragraph, "property"

4 (A) includes

5 (i) filleting, skinning, portioning, mincing, forming,
6 extruding, stuffing, injecting, mixing, marinating, preserving, drying,
7 smoking, brining, packaging, blast freezing, or pin bone removal
8 equipment;

9 (ii) new parts to convert an existing can seamer to pop-
10 top can production; [AND]

11 (iii) conveyors used specifically in the act of producing
12 a value-added salmon product; **and**

13 **(iv) ice making machines;**

14 (B) does not include

15 (i) vehicles, forklifts, conveyors not used specifically in
16 the act of producing a value-added salmon product, cranes, pumps, or
17 other equipment used to transport salmon or salmon products, knives,
18 gloves, tools, supplies and materials, equipment, **other than ice**
19 **making machines**, that is not processing, packaging, or product
20 finishing equipment, or other equipment the use of which is incidental
21 to the production, packaging, or finishing of value-added salmon
22 products; or

23 (ii) the overhaul, retooling, or modification of new or
24 existing property, except for new parts to convert an existing can
25 seamer to pop-top can production;

26 * **Sec. 3.** Section 7, ch. 57, SLA 2003, as amended by sec. 4, ch. 3, SLA 2006, and by sec. 4,
27 ch. 8, SLA 2008, is amended to read:

28 Sec. 7. Section 3, **ch. 57, SLA 2003**, [OF THIS ACT] takes effect on the
29 earlier of the following:

30 (1) January 1, **2019** [2015]; or

31 (2) the date of the attorney general's notification to the lieutenant

1 governor and to the revisor of statutes that

2 (A) a court has entered final judgment that AS 43.75.035 or
3 43.75.036, added by sec. 1, ch. 57, SLA 2003, violates the commerce clause
4 contained in art. I, sec. 8, United States Constitution; and

5 (B) the time for an appeal of that judgment has expired, or, if
6 an appeal was taken, a final order on the appeal has been entered that
7 AS 43.75.035 or 43.75.036, added by sec. 1, ch. 57, SLA 2003, violates the
8 commerce clause contained in the United States Constitution.