

HOUSE BILL NO. 251

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/19/16

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring the electronic submission of a tax return or report with the
2 Department of Revenue; relating to fisheries business tax and fishery resource landing
3 tax; relating to refunds to local governments; and providing for an effective date."

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

5 * **Section 1.** AS 43.05.220 is amended to add a new subsection to read:

6 (f) A penalty of \$25 or one percent of the total tax before any payment,
7 whichever is greater, shall be assessed against a taxpayer that fails to electronically
8 submit a return or report under AS 43.05.222, unless the taxpayer has received an
9 exemption under AS 43.05.222 or can show reasonable cause.

10 * **Sec. 2.** AS 43.05 is amended by adding a new section to read:

11 **Sec. 43.05.222. Electronic submission of return or report.** (a) A taxpayer
12 required to submit a return or report for a tax levied under AS 43 or any other tax
13 administered by the department shall submit the return or report electronically in a
14 format prescribed by the department. Unless the taxpayer has received an exemption

under (b) of this section or can show reasonable cause, a return or report not submitted electronically is subject to a civil penalty under AS 43.05.220.

(b) A taxpayer may request an exemption from the requirement that a return or report be submitted electronically. The taxpayer or taxpayer's representative shall contact the department and request the exemption before the return or report is due and shall submit evidence that the taxpayer does not have the capability to submit the return or report electronically. An exemption granted under this subsection is valid for two years after the first tax filing due date after the exemption is granted; after the two year period, the taxpayer may apply for another exemption.

* **Sec. 3.** AS 43.75.015(a) is amended to read:

(a) A person engaged in a fisheries business is liable for and shall pay the tax levied by this section on the value of each of the following fisheries resources processed during the year at the rate set out after each:

(1) salmon canned at a shore-based fisheries business - **five** [FOUR] and one-half percent;

(2) salmon processed by a shore-based fisheries business, except salmon for which the tax is due under (1) of this subsection, and all other fisheries resources processed by a shore-based fisheries business - **four** [THREE] percent;

(3) fisheries resources processed by a floating fisheries business - **six** [FIVE] percent.

* **Sec. 4.** AS 43.75.015(b) is amended to read:

(b) Instead of the taxes levied by (a) of this section, a person who processes a developing commercial fish species is liable for and shall pay a tax equal to

(1) one percent of the value of the developing commercial fish species processed by a shore-based fisheries business during the year; and

(2) **four** [THREE] percent of the value of the developing commercial fish species processed by a floating fisheries business during the year.

* **Sec. 5.** AS 43.75.015(d) is amended to read:

(d) Instead of the taxes levied under (a) or (b) of this section, a person who processes a fishery resource under a direct marketing fisheries business license is liable for and shall pay a tax equal to

(1) one percent of the value of the developing commercial fish species processed during the year; and

(2) **four** [THREE] percent of the value of a commercial fish species not subject to (1) of this subsection.

* **Sec. 6.** AS 43.75.030(b) is amended to read:

(b) The return shall be made on the basis of the calendar year to the department [AT JUNEAU] before April 1 after the close of the calendar year. **The return must be submitted electronically to the department in a format prescribed by the department.**

* **Sec. 7.** AS 43.75.130(a) is amended to read:

(a) **The amount of tax revenue equal to one percent of the value of each fishery taxed under this chapter shall be deposited into the general fund.** Except as provided in (d) of this section, **and not including the revenue equal to one percent of the value of each fishery taxed under this section deposited in the general fund.** the commissioner shall pay

(1) to each unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected in the municipality from taxes levied under this chapter;

(2) to each city located within a borough, 25 percent of the amount of tax revenue collected in the city from taxes levied under this chapter; and

(3) to each borough

(A) 50 percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied under this chapter; and

(B) 25 percent of the amount of tax revenue collected in cities located within the borough from taxes levied under this chapter.

* **Sec. 8.** AS 43.77.010 is amended to read:

Sec. 43.77.010. Landing tax. A person who engages or attempts to engage in a floating fisheries business in the state and who owns a fishery resource that is not subject to AS 43.75 but that is brought into the jurisdiction of, and first landed in, this state is liable for and shall pay a landing tax on the value of the fishery resource. The amount of the landing tax is

(1) for a developing commercial fish species, as defined under AS 43.75.290, one percent of the value of the fishery resource at the place of landing;

(2) for a fish species other than a developing commercial fish species, **four** [THREE] percent of the value of the fishery resource at the place of the landing.

* **Sec. 9.** AS 43.77.060(a) is amended to read:

(a) **The amount of tax revenue equal to one percent of the value of each fishery taxed under this chapter shall be deposited into the general fund.** Subject to appropriation by the legislature and except as provided in (b) of this section, **and not including the revenue equal to one percent of the value of each fishery taxed under this section deposited in the general fund,** the commissioner shall pay to each

(1) unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected from taxes levied under this chapter on the fishery resource landed in the municipality and accounted for under AS 43.77.050(b);

(2) city located within a borough, 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b); and

(3) borough

(A) 50 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the area of the borough outside cities and accounted for under AS 43.77.050(b); and

(B) 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in cities located within the borough and accounted for under AS 43.77.050(b).

* **Sec. 10.** AS 43.77.060(b) is amended to read:

(b) **The amount of tax revenue equal to one percent of the value of each fishery taxed under this chapter shall be deposited into the general fund.** Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and subject to appropriation by the legislature, **and not including the revenue equal to one percent of the value of each fishery taxed under this section deposited in the general fund,** the commissioner shall pay to each

(1) city that is located in a borough incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b):

(A) 45 percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) 40 percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 35 percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) borough that is incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the cities located within the borough and accounted for under AS 43.77.050(b):

(A) five percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) 10 percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 15 percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 20 percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated.

*** Sec. 11.** The uncoded law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations necessary to implement the changes made by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law implemented by the regulation.

*** Sec. 12.** Section 11 of this Act takes effect immediately under AS 01.10.070(c).

1 * **Sec. 13.** Except as provided in sec. 12 of this Act, this Act takes effect July 1, 2016.