

Revenue

Applicable Program

Fisheries Resource Landing Tax

Indirect Expenditure Name

Community Development Quota Credit

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

A non-transferable credit for contributions to an Alaska nonprofit corporation that is dedicated to fisheries industry-related expenditures. The credit is available only for fishery resources harvested under a community development quota (CDQ). The credit is 100% of contribution amount up to a maximum of 45.45% of tax liability on fishery resources harvested under a CDQ.

(2) Type

Credit

(3) Authorizing Statute, Regulation or Other Authority

AS 43.77.040

(4) Year Enacted

1993, last amended 2014

(5) Sunset or Repeal Date

12-31-20

(6) Legislative Intent

The Legislature intended to provide a tax credit to encourage CDQ programs to contribute to nonprofits that provide jobs and training in Western Alaska.

(7) Public Purpose

To provide jobs and training in Western Alaska.

(8) Estimated Revenue Impact

FY 2015 - \$571,581

FY 2016 - \$556,529

FY 2017 - \$738,168

FY 2018 - \$671,866

FY 2019 - \$731,443

(9) Cost to Administer

No additional cost; is administered with current resources.

(10) Number of Beneficiaries / Who Benefits

Between 12 and 22 corporations

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$653,917

(2) Estimate of Annual Monetary Benefit to Recipients

\$38,466

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Legislative Finance Analysis per AS 24.20.235**(3) Legislative Intent Met?**

Yes

(4) Should it be Continued, Modified or Terminated?

Recommend reestablishing the credit, as it sunset on 12/31/2020. Per AS 43.77.050, the credit was taken against the municipal share of the tax, not the state share. Therefore, no revenue was foregone by the state. Instead, this credit redirected revenue from municipalities to CDQ groups. See the 2019 Indirect Expenditures Report for a detailed analysis.