

Alaska State Legislature

Session Address:
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House District 32



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Representative Louise Stutes Speaker of the House

Sectional Analysis: House Bill 188 - Version "A" **Seafood Product Development Tax Credit**

"An Act relating to a seafood product development tax credit; providing for an effective date by repealing secs. 32 and 35, ch. 61, SLA 2014; and providing for an effective date."

- Sec. 1: Amends AS 43.75.035(b)(1) and (2), relating to tax credits applied to value-added activity for the processing of salmon and herring products, with conforming language (1) adding the fisheries of pollock and cod as applicable for the tax credit; and (2) extends the sunset of the applicable tax credits through year 2025.
- Sec. 2: Amends AS 43.75.035(c), relating to applying a tax credit for investment equipment used to process salmon or herring, with conforming language to include equipment used for processing pollock and cod.
- Sec. 3: Amends AS 43.75.035(d), relating to a 3-year carry-forward of unused tax credits for the processing of salmon and herring, with conforming language requiring the same carry-forward of tax credits to be applicable for pollock and cod processing.
- Sec. 4: Amends AS 43.75.035(e), relating to the 50% of liability cap on applicable tax credits, by deleting a duplicative and redundant clause already contained in Section 1 of the bill.
- Sec. 5: Amends AS 43.75.035(g)(5), relating to the State's ability to recapture carry-forward tax credits applied to assets utilized for the processing of salmon and herring in the event that the equipment is sold or removed from the state, with conforming language that includes herring and cod.

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- Sec. 6: Amends AS 43.75.035(j)(3), relating to the definition of “qualified investment” under this tax credit program, with conforming language adding investment in assets used for processing pollock and cod products.
- Sec. 7: Amends AS 43.75.035(j)(6), relating to the definition of “value-added” products under this tax credit program, with conforming language adding processing of pollock and cod byproducts.
- Secs. 8-11: Are historical sunset dates and repealers of this tax credit program, consolidating all of the various sunset provisions of the program into a single sunset, occurring now in section 8, and set for Jan. 1, 2026.
- Sec. 12: Sets a retroactive effective date for the bill of Jan. 1, 2021.