



LAWS OF ALASKA

2006

Source

HCS CSSB 164(RLS)

Chapter No.

AN ACT

Relating to the salmon product development tax credit; providing for an effective date by amending an effective date in sec. 7, ch. 57, SLA 2003; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to the salmon product development tax credit; providing for an effective date by
2 amending an effective date in sec. 7, ch. 57, SLA 2003; and providing for an effective date.

3 _____
4 * **Section 1.** AS 43.75.035(b) is amended to read:

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

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

9 (2) be claimed for property first placed into service after December 31,
10 **2008** [2005].

11 * **Sec. 2.** AS 43.75.035(i)(3) is amended to read:

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

1 predominantly to **perform a processing, packaging, or product finishing function**
2 **that is a significant component in producing** [PRODUCE] 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; **and**

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

11 (B) does not include

12 (i) **vehicles, forklifts, conveyors, cranes, pumps, or**
13 **other equipment used to transport salmon or salmon products,**
14 **knives, gloves, tools, supplies and materials, equipment that is not**
15 **processing, packaging, or product finishing equipment, or other**
16 **equipment the use of which is incidental to the production,**
17 **packaging, or finishing of value-added salmon products; or**

18 (ii) **the overhaul, retooling, or modification of new or**
19 **existing property, except for new parts to convert an existing can**
20 **seamer to pop-top can production;**

21 * **Sec. 3.** AS 43.75.035(i) is amended by adding a new paragraph to read:

22 (6) "value-added salmon product" means the product of a salmon that
23 is processed beyond heading, gutting, or separation in a manner that materially
24 enhances the value of the salmon product, such as shelf-stable, retort pouched,
25 smoked, pickled, or filleted salmon, ikura, leather, or jerky; "value-added salmon
26 product" does not include a salmon or salmon product that

27 (A) has been subjected to only one or more of heading, gutting,
28 freezing, packaging, quality assurance practices, or value retention practices;

29 (B) is salmon skeins or other unprocessed salmon products
30 whether fresh or frozen;

31 (C) is canned, except for salmon products in a pop-top can; or

(D) is produced out of the state.

* **Sec. 4.** Section 7, ch. 57, SLA 2003, is amended to read:

Sec. 7. Section 3 of this Act takes effect on the earlier of the following:

(1) January 1, **2012** [2009]; or

(2) the date of the attorney general's notification to the lieutenant governor and to the revisor of statutes that

(A) a court has entered final judgment that AS 43.75.035 or 43.75.036, added by sec. 1 of this Act, violates the commerce clause contained in art. I, sec. 8, United States Constitution; and

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

* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. Sections 2 and 3 of this Act are retroactive to January 1, 2006.

* **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).