

CANFISCO GROUP USA

A Division of the Jim Pattison Group

March 9, 2026

Senate Finance Committee
Co-Chairs Hoffman, Olson, and Stedman
Email: Senate.Finance.Committee@akleg.gov

RE: SB130 Fisheries Product Development Tax Credit

Dear Senate Finance Committee Members,

Canfisco Group comprises several seafood processing companies united by common ownership and purpose. Our group operates 11 seafood processing plants in Bristol Bay, Kenai, Kodiak, Yakutat, Sitka, and Ketchikan, employing 900 full-time staff and 4,000 workers during the peak each summer. Canfisco supports 1,750 small businesses through our purchases of seafood from individual fishermen.

The fisheries product development tax credit allows processors to deduct up to 50% of their Fishery Business Tax liability to offset the cost of new equipment used predominately in producing value-added products. Canfisco supports SB130 in expanding this tax credit to further incentivize value-added products, new technologies, and processes that improve quality while maintaining the 50% cap.

The alterations to the product development tax credit in SB130 come from recommendations made in the Alaska Seafood Task Force's final report under near-term actions. These are a few of many solutions offered to address the loss in value of Alaska's seafood driven by exchange rates and tariffs, global marketplace competition, and rising labor costs. These alterations would incentivize reinvestment and modernization of existing facilities, reduce operating costs, and improve Alaska seafood's global competitiveness. In addition to the amendments in SB130, the Task Force recommended the tax credit include equipment and technologies for quality improvements, process automation, and energy efficiency.

With the passage of SB130, Canfisco hopes to invest in modernizing our plants in Bristol Bay to streamline the freezing, master pack, and preparation for shipping of our salmon products. This equipment reduces physical labor and improves conditions for our workers. These plant upgrades would benefit our fishermen, partner communities, and the State long-term. Raw fish taxes are paid on the ex-vessel value of landings and are directly tied to the end value of a product.

As it can be difficult to determine equipment's eligibility under the current tax credit, we appreciate the inclusion of the language requiring the Department of Revenue to give a preliminary determination of credit eligibility for project planning.

Office: 130 2nd Ave S Edmonds, WA 98020-3512
1359

Mailing: PO Box 1359 Edmonds, WA 98020-



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In an analysis conducted by McKinley Research Group for ASMI in coordination with PSPA, it was found the current tax credit generated an additional \$114.4 million in revenue to the general fund from 2004-2019 due to product form changes and the resulting increase in product value¹.

This bill would re-establish the tax credit through 2030, effective January 1, 2025. We ask that you extend the sunset to 2035, as the Seafood Task Force recommends. Thank you for sponsoring this bill and supporting the recommendations from the Task Force aimed at countering increased costs, global marketplace competition, and aging infrastructure.

Respectfully,



Megan O'Neil
Director of Government Affairs

¹ https://www.akleg.gov/basis/get_documents.asp?session=32&docid=77921

