

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: SB 130
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB130CS(RES)-DOR-TAX-3-9-26
Title: FISHERIES PROD DEVELOPMENT TAX CREDIT
Sponsor: RLS BY REQUEST OF TASK FORCE EVAL
ALASKA SEAFOOD INDUSTRY
Requester: (S)FIN

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2027 Request	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES	FY 2027	FY 2027					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0						

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None	***		***	***	***	***	
Total	***	0.0	***	***	***	***	0.0

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Updated from SLA2025 to SLA2026 fiscal note template. The analysis has been updated with the assumption that the effective date will be amended during the legislative process to January 1, 2026, which would still be retroactive, but one year later than in current bill.

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Division: Tax Division	Date: 03/09/2026
Approved By: Janelle Earls, Acting Commissioner	Date: 03/09/26
Agency: Department of Revenue	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. CSSB 130(RES)

Analysis

Background

Under current statute, the Fisheries Product Development Tax Credit is for qualified expenditures for new property used to produce value-added products from salmon, herring, pollock, sablefish, and Pacific cod (“eligible fish”). The credit is 50 percent of qualified expenditures up to 50 percent of the fisheries business tax liability incurred from the processing of eligible fish during the tax period. Additionally, an unused credit can be carried forward three years. To be eligible for the credit, the property must be placed into service on or after July 8, 2022, have a useful life of three years or more, and meet category and use requirements. The credit is scheduled to be repealed on January 1, 2027. This bill makes the following changes to the Fisheries Product Development Tax Credit:

(1) Extends the sunset date from January 1, 2027, to January 1, 2030.

(2) Requires the department to make a preliminary determination within 60 days of receiving information from a taxpayer as to whether a taxpayer’s proposed investment qualifies for the fisheries product development tax credit under AS 43.75.

(3) Expands the fisheries product development tax credit:

a. from only applying to qualified investments for salmon, herring, pollock, sablefish, and Pacific cod to qualified investments for “any species of fish or shellfish;”

b. to include an investment that “increases the quality and value of eligible fish;”

c. to include freezers and other temperature reducing technologies in the list of equipment that would qualify as an investment for the credit.

NOTE: The below revenue impact assumes the retroactivity clause will be amended during the legislative process to January, 1 2026, delaying implementation by one year. Therefore, the first year of revenue impact is projected to occur in FY2027.

Revenue Impact

The revenue impact of the changes in this bill is indeterminate. It is unclear how taxpayers will use the credit once it is expanded to additional species and new categories of equipment, and it is uncertain how current industry downturns will affect future investment levels.

To illustrate a range of possible outcomes, three scenarios—high, low, and average—are presented below. These scenarios were developed by scaling the existing Fisheries Product Development Tax Credit forecast to reflect expansion to all species and newly eligible equipment beginning January 1, 2026 (assumed to affect FY2027 collections), and by incorporating the proposed three-year extension of the credit. The analysis also assumes the credit will continue to be applied for three years after the sunset date due to the existing carryforward provision, at 75, 50, and 25 percent of pre-sunset values.

3 Year Average Credit Utilization Rate Scenario

CHANGE IN REVENUES		FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
1004	Gen Fund (UGF)	(1,920.0)	(1,000.0)	(1,970.0)	(2,940.0)	(3,910.0)	(3,570.0)
TOTAL CHANGE IN REVENUES		(1,920.0)	(1,000.0)	(1,970.0)	(2,940.0)	(3,910.0)	(3,570.0)

High Rate Adoption Scenario

CHANGE IN REVENUES		FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
1004	Gen Fund (UGF)	(2,030.0)	(1,060.0)	(2,030.0)	(2,990.0)	(3,970.0)	(3,620.0)
TOTAL CHANGE IN REVENUES		(2,030.0)	(1,060.0)	(2,030.0)	(2,990.0)	(3,970.0)	(3,620.0)

Low Rate Credit Scenario

CHANGE IN REVENUES		FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
1004	Gen Fund (UGF)	(1,720.0)	(900.0)	(1,860.0)	(2,830.0)	(3,790.0)	(3,490.0)
TOTAL CHANGE IN REVENUES		(1,720.0)	(900.0)	(1,860.0)	(2,830.0)	(3,790.0)	(3,490.0)

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Implementation Cost

This bill would require the department to make changes to update its Tax Revenue Management System (TRMS) and Revenue Online (ROL) which allows a taxpayer to file, pay, view their status, and communicate with the division online. Resources required to implement the changes would include staff time to update tax forms, TRMS, ROL, and other miscellaneous costs. These costs would be absorbed by the Tax Division using existing resources.