

CS FOR SENATE BILL NO. 130(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE TASK FORCE EVAL ALASKA
SEAFOOD INDUSTRY

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the fisheries product development tax credit; providing for an
2 effective date by amending the effective date of sec. 2, ch. 31, SLA 2022; and providing
3 for an effective date."

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

5 * **Section 1.** AS 43.05.230(m) is amended to read:

6 (m) The number of recipients and the total amount of tax credits claimed for
7 each species [TYPE] of eligible fish under AS 43.75.037 is public information. In this
8 subsection, "eligible fish" has the meaning given in AS 43.75.037(k).

9 * **Sec. 2.** AS 43.75.037(b) is amended to read:

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

12 (1) exceed 50 percent of the taxpayer's tax liability incurred under this
13 chapter for processing of eligible fish during the tax year; or

14 (2) be claimed for property first placed into service after December 31,

1 **2036** [2026].

2 * **Sec. 3.** AS 43.75.037(i) is amended to read:

3 (i) The department shall develop and implement procedures by which a
4 taxpayer that is a fisheries business may submit the taxpayer's proposed investment to
5 the department and request a preliminary determination of whether the investment
6 qualifies for the fisheries product development tax credit under this section. A
7 preliminary determination by the department that the taxpayer's submission qualifies
8 for the credit is binding, unless the department determines that the taxpayer has made
9 a material misrepresentation in the taxpayer's submission. **The department shall**
10 **make a preliminary determination as to whether a taxpayer's proposed**
11 **investment qualifies for a credit within 60 days after the department receives a**
12 **taxpayer's proposed investment submitted under this subsection.**

13 * **Sec. 4.** AS 43.75.037(j) is amended to read:

14 (j) To claim a credit under this section, a taxpayer shall agree that the
15 department may make public the number of recipients and the total amount of tax
16 credits claimed for each **species** [TYPE] of eligible fish. Notwithstanding any contrary
17 provision in AS 40.25.100 or AS 43.05.230, the number of recipients and the total
18 amount of tax credits claimed for each **species** [TYPE] of eligible fish is public
19 information.

20 * **Sec. 5.** AS 43.75.037(k)(1) is amended to read:

21 (1) "eligible fish" means, except as otherwise provided in (c) of this
22 section, **any species of fish or shellfish** [SALMON, HERRING, POLLOCK,
23 SABLEFISH, OR PACIFIC COD];

24 * **Sec. 6.** AS 43.75.037(k)(4) is amended to read:

25 (4) "qualified investment" means the investment cost to purchase or
26 convert depreciable tangible personal property with a useful life of three years or more
27 to be used predominantly to perform an ice-making, processing, packaging, or
28 product-finishing function that is a significant component in producing a value-added
29 eligible fish product, including canned salmon products in can sizes other than 14.75
30 ounces or 7.5 ounces; in this paragraph, "property"

31 (A) includes

1 (i) equipment used to fillet, skin, portion, mince, form,
2 extrude, stuff, inject, mix, marinate, preserve, dry, smoke, brine,
3 package, freeze, scale, grind, separate meat from bone, or remove pin
4 bones;

5 (ii) new parts necessary for, or costs associated with,
6 converting a canned salmon line to produce can sizes other than 14.75
7 ounces or 7.5 ounces;

8 (iii) conveyors used specifically in the act of producing
9 a value-added eligible fish product;

10 (iv) ice-making machines **and other temperature**
11 **reducing technologies**;

12 (v) new canning equipment for herring products; and

13 (vi) equipment used to transform eligible fish byproduct
14 that is discarded as waste into saleable product;

15 (B) does not include

16 (i) vehicles, forklifts, conveyors not used specifically in
17 the act of producing a value-added eligible fish product, cranes, pumps,
18 or other equipment used to transport eligible fish or eligible fish
19 products, knives, gloves, tools, supplies and materials, equipment, other
20 than ice-making machines, that is not processing, packaging, or
21 product-finishing equipment, or other equipment, the use of which is
22 incidental to the production, packaging, or finishing of value-added
23 eligible fish products;

24 (ii) the overhaul, retooling, or modification of new or
25 existing property, except for new parts necessary for, or costs
26 associated with, converting a canned salmon line to produce can sizes
27 other than 14.75 ounces or 7.5 ounces; or

28 (iii) property used predominantly to produce an eligible
29 fish product that is not taxed under this chapter;

30 * **Sec. 7.** AS 43.75.037(k) is amended by adding a new paragraph to read:

31 (8) "used predominantly" means used 51 percent or more of the time.

1 * **Sec. 8.** Section 6, ch. 31, SLA 2022, is amended to read:

2 Sec. 6. AS 43.05.230(m); AS 43.75.037, and 43.75.130(h) are repealed
3 January 1, 2037 [2027].

4 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new
5 section to read:

6 RETROACTIVITY. This Act is retroactive to January 1, 2026.

7 * **Sec. 10.** Section 8, ch. 31, SLA 2022, is amended to read:

8 Sec. 8. Section 2 of this Act takes effect January 1, 2037 [2027].

9 * **Sec. 11.** This Act takes effect immediately under AS 01.10.070(c).