

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version: SB 128
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB128-DOR-TAX-04-14-23
Title: COMMERCIAL SALMON FISHERY CLOSURE
Sponsor: OLSON
Requester: Senate Judiciary

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)

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
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	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1004 Gen Fund (UGF)	(311.2)						
1252 DGF Temp (DGF)	(403.0)						
Total	(714.2)	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2024) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable, initial version.

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Date: 04/14/2023 01:00 PM
Date: 04/16/23

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

BILL NO. SB 128

Analysis

Background Information

Under AS 43.75, Alaska levies a fisheries business tax (also known as the “raw fish tax”) on fisheries businesses and people who process fisheries resources in Alaska, or export unprocessed fisheries resources from the state. The Fisheries Business Tax rates are based on the location and type of processing activity and whether a fishery resource is classified as “established” or “developing” by the Alaska Department of Fish and Game (ADF&G).

Under AS 16.5.120, Alaska levies a seafood marketing assessment on seafood processed or first landed in Alaska. The state also levies the assessment on unprocessed fisheries products exported from Alaska. The seafood marketing assessment is 0.5% of the value of seafood products exported from, processed, or first landed in Alaska. The Alaska Legislature may appropriate funds to the Alaska Seafood Marketing Institute (ASMI).

The bill sets a temporary closure of Alaska Peninsula Management Area M to commercial salmon fishing. This closure is for the period June 10, 2023 to June 30, 2023. The salmon caught in this region is subject to the Fisheries Business Tax and the Seafood Marketing Assessment.

The bill has an immediate effective date.

Revenue Impact

The revenue impacts include two fish tax programs administered by the Department of Revenue (Department). The closure of the fishery is expected to have a reduction in both the Fisheries Business Tax and the Seafood Marketing Assessment revenue for fiscal year 2024 only.

The revenue impacts were estimated using the average value of salmon in area M in June for the past two years, per feedback from the ADF&G. A 70% adjustment was applied to account for the partial month closure. The appropriate tax rates were then applied for the Fisheries Business Tax and the Seafood Marketing Assessment.

Estimated Revenue Impacts (\$ thousands)		FY 2024
Fishery Business Tax		\$ (622.40)
Seafood Marketing Assessment		\$ (91.80)

DGF Temp (DGF) is the combination of the reduction in revenue to Shared Taxes (DGF), and the reduction in revenue to the Statutory Designated Program Receipts (Other).

CHANGE IN REVENUES		FY2024
1004	Gen Fund (UGF)	(311.2)
1261	Shared Tax (DGF)	(311.2)
1108	Stat Desig (Other)	(91.8)
TOTAL CHANGE IN REVENUES		(714.2)

Implementation Cost

There were be no impacts from this legislation as far as costs and resources on the Department.