

ALASKA STATE LEGISLATURE



House Fisheries Committee

House Bill 129: Sponsor Statement

Version N

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

HB 129 expands the Fisheries Product Development Tax Credit to continue to incentivize value-added products, as well as other new technologies and processes that add to the quality and value of Alaska's fish.

The Fisheries Product Development Tax Credit currently allows a processor to deduct from its Fishery Business Tax liability the cost of purchasing new equipment used predominately in the production of value-added products from salmon, herring, pollock, sablefish, and Pacific cod.

Pursuant recommendations 7(a) and 7(b) of the Joint Legislative Task Force on Evaluating Alaska's Seafood Industry, this legislation expands the use of the credit to all species of fish and shellfish, adds new qualifiers for the credit, and requires a quicker determination of credit eligibility from the Department of Revenue. The bill also extends the sunset date of the tax credit by three years.

During a time of historically poor market conditions and low value for Alaska's seafood, HB 129 will continue to incentivize processors to invest in technologies and equipment that add to the value of our seafood products, which in turn will provide a better bottom line for Alaska's fishermen.

If you have any questions, please contact Fisheries Committee staff, Matt Gruening at 465-3271 or matt.gruening@akleg.gov.