

AMENDMENT #1

OFFERED IN THE HOUSE
TO: HB 129

BY REPRESENTATIVE VANCE
REPRESENTATIVE McCABE

- 1 Page 1, following line 11:
2 Insert new bill sections to read:
3 ** **Sec. 2.** AS 43.75.037(c) is amended to read:
4 (c) If the property for which a tax credit is claimed is installed on a vessel, the
5 amount of qualified investment under (a) of this section is determined by multiplying
6 the investment cost of the qualified investment property by a fraction, the numerator
7 of which is the weight of raw macroalgae and raw eligible fish processed on the
8 vessel by the taxpayer in the state in the tax year in which the property is first placed
9 into service, and the denominator of which is the weight of raw macroalgae and raw
10 eligible fish processed on the vessel by the taxpayer in and outside of the state in the
11 tax year in which the property is first placed into service. In this subsection, "eligible
12 fish" does not include pollock, sablefish, or Pacific cod.
13 * **Sec. 3.** AS 43.75.037(g) is amended to read:
14 (g) If, during a tax year, property for which a credit was claimed under this
15 section is disposed of by the taxpayer, ceases to be qualified investment property, or is
16 removed from service in the state, the tax due under this chapter is increased by the
17 recapture percentage of the aggregate decrease in the credit allowed under this section
18 for all prior tax years that would have resulted solely from reducing to zero the credit
19 allowed for the qualified investment property under this section. The amount of tax
20 credit attributable to the qualified investment that is carried forward from prior tax
21 years is terminated as of the first day of the tax year in which the qualified investment
22 property is disposed of by the taxpayer, ceases to be qualified investment property, or
23 is removed from service in the state. For purposes of this subsection,

(1) the recapture percentage during the year in which the property is first placed into service or during the first year following the year in which the property is first placed into service is 100 percent;

(2) the recapture percentage during the second year following the year in which the property is first placed into service is 75 percent;

(3) the recapture percentage during the third year following the year in which the property is first placed into service is 50 percent;

(4) the recapture percentage during the fourth or later year following the year in which the property is first placed into service is zero percent;

(5) qualified investment property used on a vessel is considered to have been removed from the state on the first day of a tax year in which the proportion of raw macroalgae and raw eligible fish processed in the state on the vessel is less than 50 percent of total weight of raw macroalgae and raw eligible fish processed on the vessel in and outside of the state."

Renumber the following bill sections accordingly.

Page 2, line 16:

Following "to":

Insert "harvest or process macroalgae."

Following "of":

Insert "macroalgae or"

Page 2, line 17:

Delete "or used predominantly to"

Insert ", or"

Page 3, line 2:

Delete "and"

Insert "[AND]"

1

2 Page 3, line 4, following "product;":

3 Insert "and

4 (vii) equipment used to harvest or process

5 macroalgae;"

6

7 Page 3, line 7, following "of":

8 Insert "macroalgae or"

9

10 Page 3, line 13, following "of":

11 Insert "macroalgae or"