

ALASKA STATE LEGISLATURE

JOINT LEGISLATIVE TASK FORCE

EVALUATING ALASKA'S SEAFOOD INDUSTRY

Senator Gary Stevens, Chair
Senator Jesse Bjorkman
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Senate Bill 130

Sponsor Statement

Expanding Tax Incentives to Strengthen Alaska's Seafood Industry

SB 130 expands the Fisheries Product Development Tax Credit to further incentivize value-added products, new technologies, and innovative processes that enhance the quality and value of Alaska's seafood.

Currently, the tax credit allows processors to deduct the cost of new equipment used predominantly for value-added production from their Fishery Business Tax liability. This applies to salmon, herring, pollock, sablefish, and Pacific cod. SB 130 broadens the scope by:

- Extending the credit to cover all fish and shellfish species.
- Adding new qualifiers to encourage a wider range of investments in technology and product enhancement.
- Requiring faster eligibility determinations from the Department of Revenue, streamlining the process for businesses.
- Extending the sunset date of the credit by three years, providing long-term stability for the industry.

This legislation directly reflects Recommendations 7(a) and 7(b) from the Joint Legislative Task Force Evaluating Alaska's Seafood Industry, which identified expanding and modernizing the tax credit as a key priority.

At a time when Alaska's seafood industry faces historically poor market conditions and declining product value, SB 130 provides a vital incentive for processors to invest in new technologies and equipment. By enhancing the value of Alaska's seafood products, this bill strengthens the industry's competitiveness and improves the bottom line for both processors and fishermen.

Thank you for your consideration of this important legislation.