



# UNITED FISHERMEN OF ALASKA

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**Mailing Address:** P.O. Box 20229, Juneau AK 99802-0229

**Phone:** (907) 586-2820

**E-mail:** [ufa@ufa-fish.org](mailto:ufa@ufa-fish.org) **Website:** [www.ufa-fish.org](http://www.ufa-fish.org)

April 7, 2025

Chair Louise Stutes  
House Fisheries Committee  
State Capitol Room 216  
Juneau AK, 99801

Submitted Electronically to: [House.Fisheries@akleg.gov](mailto:House.Fisheries@akleg.gov)

**RE: Support for HB 129- Fisheries Product Development Tax Credit**

Dear Chair Stutes and members of the House Fisheries Committee,

United Fishermen of Alaska (UFA) is the statewide commercial fishing trade association representing 35 commercial fishing organizations participating in fisheries throughout the state and the federal fisheries off Alaska's coast.

UFA supports HB 129 which would augment the existing fisheries product development tax credit. In recent years, the seafood industry has faced significant headwinds which have dramatically impacted processors and harvesters alike. Now, more than ever before, industry needs to find ways to lower operating costs and maximize the value of the fish that are harvested in the state. HB 129 provides an incentive for Alaska seafood processors to invest in new equipment that produces higher quality, value-added products in facilities here in Alaska.

Expanding the types of equipment and species eligible for the fisheries product development tax credit will provide long-term economic benefits to fishermen, processors, coastal communities, and the State of Alaska. We anticipate the greatest benefit of this bill to come from expanding the types of equipment eligible for the credit. The expansion of allowable investments will include any equipment that increases the quality, utilization and value of seafood products, including equipment needed to improve product quality and recovery through improved temperature control. Improvements in these areas will increase Alaska's competitiveness on the global market.

The Alaska Seafood Product Development credit has proven effective in incentivizing new product development and allowing processors to respond to market changes and consumer demand. Previous analysis by McKinley Research Group shows a return on investment to the General Fund of over 200% for the original tax credit relative to salmon. Seafood processors

have used the existing credit to make investments in processing technologies that would otherwise be cost prohibitive for some. Providing seafood processors with an avenue to recover some of their capital investment costs in exchange for investing in new equipment that produces value-added products is a win for all.

Lastly, HB 129 would re-authorize the fisheries product development tax credit through January 2030 and create an effective date of January 1, 2025. It is unlikely that the benefit of the expanded credit would be utilized this year as companies need time to plan for upgrades and investments. This will result in the loss of a year of eligibility under the proposed legislation. UFA urges the committee to consider extending the sunset date to 2035.

Thank you for your consideration of the Legislative Seafood Task Force's recommendation related to the fisheries product development tax credit and the continued support of the Alaska seafood industry.

Sincerely,



Matt Alward  
President



Tracy Welch  
Executive Director

#### MEMBER ORGANIZATIONS

Alaska Bering Sea Crabbers • Alaska Longline Fishermen's Association • Alaska Scallop Association • Alaska Trollers Association  
Alaska Whitefish Trawlers Association • Area M Seiners Association • At-sea Processors Association  
Bristol Bay Regional Seafood Development Association • Bristol Bay Reserve • Cape Barnabas, Inc. • Concerned Area "M" Fishermen  
Cook Inlet Aquaculture Association • Cordova District Fishermen United • Douglas Island Pink and Chum • Freezer Longline Coalition  
Fishing Vessel Owners Assn • Groundfish Forum • Kodiak Crab Alliance Cooperative • Kodiak Regional Aquaculture Association  
Kodiak Seiners Association • North Pacific Fisheries Association • Northern Southeast Regional Aquaculture Association  
Northwest Setnetters Association • Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation  
Purse Seine Vessel Owner Association • Seafood Producers Cooperative • Southeast Alaska Herring Conservation Alliance  
Southeast Alaska Fisherman's Alliance • Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners  
Southern Southeast Regional Aquaculture Association • United Catcher Boats • United Southeast Alaska Gillnetters  
Valdez Fisheries Development Association