



**Sectional Analysis, HB 251**  
**Fisheries Business and Fisheries Landing Tax Bill**  
**January 22, 2016**

- Sec. 1.** Adds a \$25 or 1% tax penalty for failure to file electronically unless an exemption is received by the taxpayer
- Sec. 2.** Requires electronic submission of tax returns, license applications, and other documents submitted to the Department of Revenue. This changes the general tax statutes, AS 43.05, and will apply to all tax types administered by the department. Provides a process to request an exemption if a taxpayer does not have the technological capability to do so.
- Sec. 3.** Increases three different tax rates within the Fisheries Business Tax by one percent. The current rates range from three to five percent.
- Sec. 4.** Increases tax rate within the Fisheries Business Tax for developing fish species processed by a floating processor from 3 to 4 percent. Rate remains at 1 percent for developing fish species processed by a shore-based business.
- Sec. 5.** Increases tax rate within the Fisheries Business Tax for direct marketers from 3 to 4 percent. Rate remains at 1 percent for developing fish species sold by direct marketers.
- Sec. 6.** Conforming language related to the requirement to submit returns or reports electronically. This section deletes the requirement for taxpayers to submit their returns to the department in Juneau.
- Sec. 7.** Establishes that the revenue from the one percent tax increase is deposited in the general fund. The remaining revenue shall be shared with municipalities per the currently existing formula.
- Sec. 8.** Increases tax rate within the Fisheries Landing Tax for fish species other than developing fish species from 3 to 4 percent. Rate remains at 1 percent for developing fish species.
- Sec. 9.** Establishes that the revenue from the one percent tax increase is deposited in the general fund. The remaining revenue shall be shared with municipalities per the currently existing formula.
- Sec.10.** Establishes that the revenue from the one percent tax increase is deposited in the general fund. The remaining revenue shall be shared with boroughs per the currently existing formula.

**Sec. 11.** Transitional language allowing for regulations

**Sec. 12.** Section 11 above takes effect immediately.

**Sec. 13.** Effective date of 7/1/16 for the rest of the bill including the tax rate change.