

# Alaska State Legislature

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## *Representative Louise Stutes Speaker of the House*

### **Sponsor Statement: House Bill 188 - Version A** **Seafood Product Development Tax Credit**

*“An Act relating to a seafood product development tax credit; providing for an effective date by repealing secs. 32 and 35, ch. 61, SLA 2014; and providing for an effective date.”*

House Bill 188 proposes to extend the sunset date for a tax credit applied to seafood processors that bring value-added salmon and herring products to market, and to broaden the tax credit to processors of other seafood products in Alaska - specifically cod and pollock. The health of the seafood industry is critical to our state - generating between \$5 and 6 billion in economic value in Alaska annually - and creates more direct jobs than any other private industry in our state.

Alaska competes in global markets for its wild seafood products and has a steady volume of annual harvest of about 5.7 billion pounds. However, because the volume is not likely to change significantly over time, increasing the value of Alaskan seafood is key to future growth in the sector. HB 188 is thus intended to incentivize increasing seafood value by encouraging innovation in the seafood processing sector, facilitating greater utilization of each fish, and providing incentives to respond to changing market demands.

Passage of this bill would extend the ability for Alaska seafood processors to receive capital cost recovery for installing new equipment and for making significant investments to get more value out of each fish. It will also encourage entirely new products made from what would otherwise be fish waste. The seafood industry has moved in this direction for salmon and has considerable potential to do so in other fisheries. Creating an entirely new, marketable product from byproducts of fish is one of the best ways to add value to Alaska's resources.

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Representative Louise Stutes  
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