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Senator Gary Stevens

SECTIONAL ANALYSIS

SENATE BILL 33

(version A)

Seafood Product Development Tax Credit

- Sec. 1: AS 43.75.035(b)(1) and (2), relating to tax credits applied to value-added activity for the processing of salmon and herring products, (1) adds the fisheries of pollock and cod as applicable for the tax credit; and (2) extends the sunset of the applicable tax credits through year 2025.
- Sec. 2: AS 43.75.035(c), conforming amendment, relating to applying a tax credit for investment equipment used to process salmon or herring, to include equipment used for processing pollock and cod.
- Sec. 3: AS 43.75.035(d), conforming amendment, relating to a 3-year carry-forward of unused tax credits for the processing of salmon and herring, adds the same carry-forward of tax credits to be applicable for pollock and cod processing.
- Sec. 4: AS 43.75.035(e), relating to the 50% of liability cap on applicable tax credits, is legal drafting statutory clean-up, deleting a duplicative and redundant clause already contained in Section 1 of the bill.
- Sec. 5: AS 43.75.035(g)(5), conforming amendment, relating to state claw-back of a carry-forward tax credit, in the event an asset used for the processing of salmon or herring to which a carry-forward applies, if the asset is removed from the state, adds pollock and cod in determining qualified investment of processing within the state.
- Sec. 6: AS 43.75.035(j)(3), conforming amendment, relating to the definition of “qualified investment” under this tax credit program, adds investment in assets used for processing pollock and cod products.
- Sec. 7: AS 43.75.035(j)(6), conforming amendment, relating to the definition of “value-added” products under this tax credit program, adds processing of pollock and cod byproducts.
- Sec. 8-11: Are historical sunset dates and repealers of this tax credit program, consolidating all of the various sunset provisions of the program into a single sunset, occurring now in section 8, and set for Jan. 1, 2026.
- Sec. 12: Sets an effective date for the bill of Jan. 1, 2022.