

HOUSE BILL NO. 396

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE AUSTERMAN

Introduced: 1/8/96

Referred: House Special Committee on Fisheries, Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the fisheries resource landing tax; and providing for an
2 effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** LEGISLATIVE FINDINGS, INTENT, AND PURPOSE. (a) The legislature
5 finds that

6 (1) the state has various research, management, and enforcement
7 responsibilities in connection with the offshore fisheries;

8 (2) through transfer of processed products, taking on and disembarking crew,
9 taking on fuel and supplies, obtaining vessel and gear repairs, discharging wastes, and seeking
10 protection in sheltered water, the exclusive economic zone catcher-processor fleet has a
11 significant presence in the state; and

12 (3) the state and its municipalities and unincorporated communities are affected
13 by the additional burdens placed by the exclusive economic zone catcher-processor fleet on
14 educational facilities and services, road maintenance, public safety, airport and dock facilities,

1 hospitals and health facilities, and other programs.

2 (b) The fisheries resource landing tax

3 (1) is both designed as and intended to be a compensatory tax that
4 complements the fisheries business tax levied and collected under AS 43.75;

5 (2) is intended

6 (A) to compensate the state for the burdens that the exclusive economic
7 zone catcher-processor fleet places on the state and its municipalities and
8 unincorporated communities; and

9 (B) to require the exclusive economic zone catcher-processor fleet to
10 bear a portion of the costs of services received from the state and its municipalities and
11 unincorporated communities; and

12 (3) attempts to achieve a rough equality of treatment between local and
13 interstate commerce among those engaged in fisheries resource businesses in the state in that
14 the tax imposes a burden, comparable to that borne by in-state processors through payment
15 of the fisheries business tax, for the burdens attributable to the activities of the exclusive
16 economic zone catcher-processor fleet on the state and the benefits that the fleet receives from
17 the state.

18 * **Sec. 2.** AS 43.77.010 is amended to read:

19 Sec. 43.77.010. LANDING TAX. **A person who engages or attempts to**
20 **engage in a floating fisheries business in the state and who owns** [A PERSON
21 OWNING] a fishery resource that is not subject to AS 43.75 but that is brought into
22 the jurisdiction of, and first landed in, this state is liable for and shall pay a landing
23 tax on the value of the fishery resource. The amount of the landing tax is

24 **(1) for a developing commercial fish species, one percent of the**
25 **value of the fishery resource at the place of landing;**

26 **(2) for a fish species other than a developing commercial fish**
27 **species, three** [3.3] percent of the value of the fishery resource at the place of the
28 landing.

29 * **Sec. 3.** AS 43.77 is amended by adding a new section to read:

30 Sec. 43.77.045. FISHERIES RESOURCE LANDING TAX EDUCATION
31 CREDIT. (a) In addition to the credit allowed under AS 43.77.040, for cash

1 contributions accepted for direct instruction, research, and educational support
2 purposes, including library and museum acquisitions and contributions to endowment,
3 by an Alaska university foundation or by a nonprofit, public or private, Alaska two-
4 year or four-year college accredited by a regional accreditation association, a person
5 engaged in a floating fisheries business is allowed as a credit against the tax due under
6 this chapter

7 (1) 50 percent of contributions of not more than \$100,000; and

8 (2) 100 percent of the next \$100,000 of contributions.

9 (b) Each public college and university shall include in its annual operating
10 budget request contributions received and how the contributions were used.

11 (c) A contribution claimed as a credit under this section may not

12 (1) be claimed as a credit under another provision of this title; and

13 (2) when combined with credits taken during the taxpayer's tax year
14 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or
15 AS 43.75.018, exceed \$150,000.

16 * **Sec. 4.** AS 43.77.050(b) is amended to read:

17 (b) **The** [AFTER PAYMENT OF THE AMOUNT DETERMINED UNDER
18 (a) OF THIS SECTION, THE BALANCE OF THE] tax collected under this chapter
19 shall be paid into a separate account in the general fund. The annual balance in the
20 account may be appropriated by the legislature for revenue sharing under
21 AS 43.77.060. The amount of all tax credits approved by the commissioner under
22 AS 43.77.040(b) shall be deducted from amounts paid to municipalities under
23 AS 43.77.060(a) - (c).

24 * **Sec. 5.** AS 43.77.200 is amended by adding a new paragraph to read:

25 (7) "engages or attempts to engage in a floating fishery business in the
26 state" means conducting in the state an activity as part of an integrated mobile business
27 involving the harvesting or taking, processing, transportation, or delivery of a fishery
28 resource, including transfer of fishery resources or processed products, taking on and
29 disembarking crew, taking on fuel or supplies, obtaining vessel or gear repairs,
30 discharging wastes, seeking protection in sheltered waters, and any other related
31 activity that makes a claim on the resources of the state.

1 * **Sec. 6.** AS 43.77.050(a) is repealed.

2 * **Sec. 7.** This Act is retroactive to January 1, 1994, and applies to activities subject to the
3 fisheries resource landing tax levied and collected under AS 43.77 occurring after
4 December 31, 1993.

5 * **Sec. 8.** This Act takes effect immediately under AS 01.10.070(c).