

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES

February 26, 2003
8:34 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Peggy Wilson, Vice Chair
Representative Pete Kott
Representative Cheryl Heinze
Representative Ralph Samuels
Representative Ethan Berkowitz
Representative David Guttenberg

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 90

"An Act relating to a salmon product development tax credit under the Alaska fisheries business tax and the Alaska fisheries resource landing tax; and providing for an effective date."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HB 90

SHORT TITLE: TAX CREDIT FOR SALMON DEVELOPMENT

SPONSOR(S): REPRESENTATIVE(S) STEVENS

Jrn-Date	Jrn-Page		Action
02/10/03	0170	(H)	READ THE FIRST TIME - REFERRALS
02/10/03	0170	(H)	FSH, RES, FIN
02/10/03	0170	(H)	REFERRED TO FISHERIES
02/12/03	0203	(H)	COSPONSOR(S): WOLF
02/26/03		(H)	FSH AT 8:30 AM CAPITOL 124

WITNESS REGISTER

CHERYL SUTTON, Staff
to the Joint Legislative Salmon Industry Task Force
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 90 on behalf of the sponsor, Senator Ben Stevens, who chairs the Joint Legislative Salmon Industry Task Force.

CHUCK HARLAMERT, Juneau Section Chief
Tax Division
Department of Revenue
Juneau, Alaska

POSITION STATEMENT: Discussed the department's concerns and the fiscal note as it related to Version D.

BUCK LAUKITIS, President
North Pacific Fishing Association
Homer, Alaska

POSITION STATEMENT: During discussion of HB 90, testified in support of the incentive process.

CHRIS GARCIA
Cook Inlet Fisherman's Fund
Kenai, Alaska

POSITION STATEMENT: During discussion of HB 90, testified in support of the intent of [Version D].

NORMAN COHEN, Attorney at Law
Bering Sea Fisherman's Association
Juneau, Alaska

POSITION STATEMENT: During hearing on HB 90, testified on behalf of the Bering Sea Fisherman's Association in support of [Version D] and its intent.

ACTION NARRATIVE

TAPE 03-10, SIDE A

Number 0001

CHAIR PAUL SEATON called the House Special Committee on Fisheries meeting to order at 8:34 a.m. Members present at the call to order were Representatives Seaton, Wilson, Heinze, Samuels, Guttenberg, and Berkowitz. Representative Kott arrived while the meeting was in progress.

HB 90-TAX CREDIT FOR SALMON DEVELOPMENT

CHAIR SEATON announced that the only order of business would be HOUSE BILL NO. 90, "An Act relating to a salmon product development tax credit under the Alaska fisheries business tax

and the Alaska fisheries resource landing tax; and providing for an effective date."

Number 0390

CHERYL SUTTON, Staff to the Joint Legislative Salmon Industry Task Force ("Task Force"), Alaska State Legislature, provided a sponsor statement on behalf of Senator Ben Stevens, sponsor, who chairs the Task Force. She informed the committee that there is a proposed committee substitute (CS) that reflects some of the recommended amendments from the Department of Revenue, which were attached to the fiscal note.

Number 0573

CHAIR SEATON asked if there were any objections to adopting the proposed CS, Version 23-LS0525\D, Utermohle, 2/25/03. There being no objection, Version D was before the committee.

MS. SUTTON referred to the sectional analysis and the list of the changes incorporated in Version D, which are both included in the committee packet. She explained that the purpose of HB 90 is to provide a salmon product development tax credit, under the Alaska Fisheries Business Tax, for the purpose of developing value-added salmon products. The belief is that the bill will provide incentive to the processing sector that now exists. The prospect of receiving a tax credit could be an incentive to the many small entities and individuals to enter into the industry. The tax credit is applied toward the property, and there are strict requirements in the bill regarding what can receive the tax credit. The intent of the proposed committee substitute, she explained, was to eliminate, as much as possible, any potential abuses of the tax credit.

MS. SUTTON referred to Section 1 of Version D, which sets forth the salmon product development tax credit. Section 1 delineates how and where this will work, as well as how the tax credit applies and capture the taxes. Furthermore, [Section 1] ensures that anyone in arrears in any assessment or taxes under Title 16.51.120 [Salmon Marketing Tax] or worker's compensation under AS 23.20 or other taxes or assessments under the revenue code may not receive the tax credit. The intent is to ensure that qualified individuals receive the credit.

MS. SUTTON turned attention to the definitions in this section, specifically on page 2, line 20, where the definition of "qualified investment" includes the word "predominately". She

explained that the tax credit goes to the equipment and to ensure that the equipment is used predominately to produce value-added salmon products; the Department of Revenue had recommended this change. Also, on line 22, the word "after" was changed to "beyond". In addition, the word "heading" was eliminated. She said the intent was to ensure that value-added salmon products go beyond basic gutting of fish, and referred to the listing of what can be included. She said "heading" was eliminated because "split sides, head on" is an example of a value-added salmon product that is produced with the head on.

Number 1113

MS. SUTTON referred to Section 2, which holds the municipalities harmless relative to their share of the fisheries business tax. Currently, the bill is structured such that the state will bear the entire burden in terms of the share. She mentioned that this issue would be taken up in the House Finance Committee. She pointed out that the resource landing tax was eliminated from the bill because it is illegal to harvest salmon outside of state waters. There is an incidental harvest that is landed, and there is a small tax that is collected. She said they didn't want to encourage people to illegally catch salmon and then add value to them, so that tax was eliminated from the bill. It was originally included because there was a question as to whether there was a discriminatory issue. It was eliminated simply because it does not apply, she stated.

Number 1274

MS. SUTTON pointed out that the remaining changes to the bill are conforming section numbers and references. She referred to Representative Kott's knowledge of the interstate commerce clause violations and mentioned the benefit to Alaska businesses and not providing the same benefit to non-Alaskan businesses. She explained that the language was in the bill to protect the state in the event that someone is successful in litigation, which is when these clauses would come into effect to protect the state's interests.

REPRESENTATIVE BERKOWITZ asked if there is any indication of a commerce clause problem.

MS. SUTTON replied that there were lingering issues from a similar bill in 1986, and to protect the state's interests, [Legislative Legal and Research Services] thought it was in the state's best interests to include these in the measure. She

said she hasn't been contacted by anyone and doesn't anticipate litigation.

REPRESENTATIVE BERKOWITZ commented that it was perplexing to be subjected to commerce clause problems by adjusting in-state taxes.

MS. SUTTON responded that it was the fairness issue of the interstate commerce clause.

Number 1428

CHAIR SEATON asked if there was a question about products such as pollock or [sablefish/blackcod] being harvested that pertained to not residing in the state; he asked about the origination of the lingering problem or question.

MS. SUTTON said the "lingering issues," as explained by Legislative Legal and Research Services, surround the bill passed in 1986, which largely benefited the ground fisheries and the hugely developed surimi industry. She said, as far as she knows, there was no litigation.

Number 1518

REPRESENTATIVE GUTTENBERG referred to page 2, line 6, and asked why there was a three-year period as opposed to a single year.

MS. SUTTON explained that when a tax credit was offered in 1986, it was offered under the same scenario, with a basic five-year plan, three years during which a tax credit could be applied for and received. This bill is modeled largely after that concept. She related that Senator Ben Stevens believes this should be offered for a longer period of time. She noted that the committee packet includes a report relative to the successes under the previous bill, which was issued under the Cooper Administration. Ms. Sutton explained that the equipment that is purchased has to be placed into service and actually used to produce value-added salmon. The hope is that they will be encouraged to continue in that operation, increase production, and have the tax credit available for a period of time.

Number 1696

REPRESENTATIVE SAMUELS asked how the tax currently works, and what the thoughts are of the local communities.

MS. SUTTON explained that the "raw fish tax" works by being shared, with 50 percent staying with the state general fund and 50 percent going out to municipalities, boroughs, or cities. The communities feel strongly that they should receive their full 50 percent share of that revenue, she related. This has been an issue in the legislature for a number of years. She noted that through testimony received and the workings of the Task Force, coastal communities have strongly expressed that they must be held harmless in terms of that share.

REPRESENTATIVE SAMUELS asked if, with the tax credit, they would now be getting two-thirds or three-quarters of the money.

MS. SUTTON answered that the state will bear the burden of whatever tax credit there is. When the tax is calculated, it will be calculated as if there is no tax credit for the municipalities.

Number 1814

CHAIR SEATON posed a situation in which everyone applied for their maximum [tax credit]. He asked if, in such a situation, the state would receive no salmon raw fish tax while the city and municipalities would still receive their 50 percent share. He related his understanding that if all the processors applied for their maximum, they could apply for 50 percent of the raw fish tax and therefore 50 percent is what the state's (indisc.) and the other 50 percent would still go to the municipalities. He characterized that as a worst-case scenario and a hit on the state's budget. He asked if his understanding was correct.

MS. SUTTON said she did not believe, under any scenario, that the state would have zero tax revenue from the fisheries business tax.

REPRESENTATIVE WILSON related her understanding that the municipalities' share will remain the same.

MS. SUTTON said that is correct and noted that [the municipalities' share] will be held harmless.

REPRESENTATIVE BERKOWITZ noted that he is still trying to understand how this works. He asked whether the processors pay the tax.

MS. SUTTON answered in the affirmative.

REPRESENTATIVE BERKOWITZ asked if the fishermen pay the tax. He also asked if the same fish are being taxed twice.

MS. SUTTON replied that the same fish aren't being taxed twice. Whether or not the fishermen pay the tax, the money comes from somewhere, she said.

REPRESENTATIVE BERKOWITZ related his understanding that the fishermen don't file a tax return, while the processors do.

MS. SUTTON replied yes.

REPRESENTATIVE BERKOWITZ inquired as to the number of processors that file this tax.

MS. SUTTON deferred to the Department of Revenue representative.

Number 1939

CHAIR SEATON highlighted that the Department of Revenue had [expressed the need] to distinguish between the facility being taxed and the taxpayer. He pointed out that the fish processed in an area may not be where the value-added section goes, which he believes is related to whether the tax credit should go to the taxpayer as a general entity or to a specific entity. It appears that the proposed CS has [utilized] the taxpayer and not the facility. He inquired as to the reasoning behind that.

MS. SUTTON remarked that this is a confusing issue. She said that she spent a considerable amount of time with George Utermohle, Legislative Legal and Research Services, with regard to the recommendations attached to the Department of Revenue's fiscal note. [Legislative Legal and Research Services] believes that [the state] is capturing what is necessary and providing the best mechanism, which is incorporated in the proposed CS. However, she noted that the Department of Revenue may still have some concerns because the proposed CS came out early this morning. Ms. Sutton mentioned that this is a policy call.

Number 2135

REPRESENTATIVE SAMUELS asked if the valuation of the equipment is going to be set in regulation. He also asked if there is a definition for "predominantly", which is located on page 2, line 22. He pointed out that an individual could sell equipment to his/her partner or spouse.

MS. SUTTON acknowledged the tendency toward corruption that is inherent in human nature, and explained that the legislation has been tightened as much as possible without making it too onerous. She recalled that the Department of Revenue has a very ardent checklist and process for reviewing these types of purchases. With regard to the language "predominantly", Ms. Sutton said that was the department's choice because the department believes "predominantly" is a strong word with a definition that means more than half, perhaps even considerably more than half.

Number 2283

REPRESENTATIVE BERKOWITZ directed attention to the word "or" on page 1, line 11. He said it wasn't clear to him how to read "tax credit" in this provision. He related his understanding that one can't claim more than 50 percent of the liability. However, it isn't clear whether that restriction is curtailed after December 31 [2005]. He pointed out that "or" is normally construed as conjunctive; however, the language doesn't make sense that way.

CHAIR SEATON suggested Representative Berkowitz's concern would be corrected by replacing "or" with "and".

REPRESENTATIVE BERKOWITZ replied that he didn't believe the intent was for "and" language because inserting "and" seems to create a situation in which an individual can't claim [the tax credit] after December 31 [2005] regardless.

CHAIR SEATON confirmed that Representative Berkowitz's reading with the "and" would be correct. [The intent] was that this [tax credit] would only apply to property placed in service before December 31, 2005, he said.

REPRESENTATIVE BERKOWITZ related his understanding that the [intent] was to look back and [allow the tax credit] for investments that might be made this year or next year.

CHAIR SEATON agreed. He noted that he was unsure about this because the legislation says that [the tax credit] can't be used for property placed in service after 2005, and yet there is a three-year carry-forward period to apply to equipment. He questioned how one could carry forward a tax credit and not be able to use the tax credit because the equipment is going to be placed in service after [December 31, 2005]. Chair Seaton noted

that the proposed CS was received at the last moment and thus wouldn't be forwarded from committee today.

Number 2510

REPRESENTATIVE SAMUELS asked whom this legislation is aimed at.

MS. SUTTON answered that it targets anyone who wants to do value-added salmon. She noted the hope to encourage new folks in the business. She explained that the language "on a vessel" is included because it clarifies that the [fisheries business tax] would apply to both shore-based [facilities] and vessels in state waters. The "on a vessel" language was requested by the Department of Revenue in order to provide clarity.

CHAIR SEATON asked if this would apply in a situation in which a processor paying taxes in Alaska places value-added machinery in a plant in Portland, Oregon.

MS. SUTTON clarified that the tax credit is actually on the property. She deferred to the Department of Revenue with regard to how and when the tax credit applies. She offered that the tax credit is on the property first placed into service.

CHAIR SEATON asked if that [property] could be within or outside of Alaska.

MS. SUTTON answered that it [is on property] within Alaska.

Number 2680

REPRESENTATIVE BERKOWITZ pointed out that distinctions are not being made regarding the processing of different species. "For example, if they're getting reds [sockeye salmon] here and pinks [humpback salmon] somewhere else, by far the greater value would come from Alaska," he said. "And yet we'd be shorted." Representative Berkowitz posed the following:

The numerator ... is the weight of raw salmon processed on the vessel by the taxpayer in Alaska. Lets assume that's all reds. And the denominator is the weight of raw salmon processed on the vessel in and out of Alaska; so it's the reds in Alaska plus the pinks that they're getting somewhere else. So, they're getting a tax credit for processing outside pinks based on weight, but, in terms of value, the bulk of value is coming from Alaskan waters.

MS. SUTTON said although she didn't believe the aforementioned assessment to be correct, she would prefer that Mr. Harlamert speak to it.

Number 2745

CHUCK HARLAMERT, Juneau Section Chief, Tax Division, Department of Revenue, began by reviewing the fiscal note and the portions that still apply to Version D. He estimated that the level of investment that the credit would generate is roughly \$9.8 million, which would generate a credit of \$4.9 million over five years. He emphasized that the aforementioned is a very rough estimate that assumes the use of the credit ramps up over the three years of its life, similar to that for the previous credit.

MR. HARLAMERT, in response to Chair Seaton, related that the department projects that in fiscal year 2004, \$5.6 million in raw fish tax from salmon will be collected. The tax credit is expected to ramp up to \$2.8 million in the third year. The assumption used was that there would be a low threshold up front that would double each year until the cap is reached. In further response to Chair Seaton, Mr. Harlamert confirmed that the \$5.6 million is the total raw fish tax, not the state's portion.

CHAIR SEATON related his understanding, then, that the state's portion would be \$2.8 million and the department is estimating that during the ramp up years the estimation is that there will be a full \$2.8 million tax credit. Therefore, the state would receive very little.

MR. HARLAMERT informed the committee that it won't reach the full half, although in theory it could increase to higher than half. Mr. Harlamert confirmed that the \$2.8 million is an estimate of the maximum liability. He said it was more likely that it would be more in the first years and then level out in the third year.

MR. HARLAMERT highlighted that the Department of Revenue had concern with regard to whether the [legislation] is intentionally addressing taxpayers versus the facility. The fisheries business tax applies at the location level and thus every plant is its own taxpayer. However, one taxpayer can own many plants or vessels. He expressed the need for the committee to keep the aforementioned in mind with regard to the

intentions. He asked if the intent is for a taxpayer to be able to offset taxes from one location against credits generated by another. The aforementioned would be desirable if one wants to maximize use of the credit. However, the only consequence may be the generation of effective differences between large taxpayers who can do the aforementioned and small taxpayers who don't have the opportunity to offset tax from one plant against credit generated by another. "It's simply a matter of whether you'd rather keep it narrow or expand the ... amount of the credit that gets used," he said.

CHAIR SEATON asked if Version D allows for each facility to obtain a tax credit on its facility without allowing it to be aggregated across the state.

TAPE 03-10, SIDE B

CHAIR SEATON asked if Wards Cove [Packing Company], which is no longer in existence, would be able to receive a tax credit from all of its operations and apply that in one area.

MR. HARLAMERT interpreted Version D to mean that Wards Cove is the taxpayer and that its credit and the limitation on that credit would be calculated based upon all of its activities in the state.

CHAIR SEATON posed a scenario in which the committee wanted to change that and asked if that required language such as "taxpayer facility".

MR. HARLAMERT indicated language such as "licensed facility" could be inserted, although that would seriously restrict the use of the credit. Mr. Harlamert said that he thought that the drafters addressed that issue "and decided to retain up front overall the taxpayer view of looking at the taxpayer as the company so that you can offset those liabilities." Mr. Harlamert related that the taxes that can be offset with this credit include taxes on fish that is exported from the state unprocessed. If the intent is to maximize the use of the credit, that would be appropriate. However, the counter-effect is that it seems to be a backdoor way of supporting exporting salmon unprocessed.

MR. HARLAMERT highlighted [the department's] recommendation to specify the order in which credits are taken. He explained that there can be confusion with regard to which credit has priority when there is interaction between different credits as well as

within a single credit. The credit priority affects how much credit is eventually taken. Mr. Harlamert said he presumed that the intent of HB 90 is to maximize the portion of earned credit that is actually used against tax. If that's the goal, he recommended inserting language that says "you use the credits on a first generated, first use basis." Therefore, there won't be a question with regard to whether credit generated in year one gets used if in subsequent years there are continuing limitations. However, if credits are generated every year, that credit may never get used and may die before there is an available tax to use it against. Mr. Harlamert summarized, then, that it's important to specify the flow of credits.

Number 2843

CHAIR SEATON asked if [specifying the flow of credits] would matter because this legislation sunsets any investment after December 2005. He asked if it would be an ongoing credit.

MR. HARLAMERT answered that it would continue to matter because credits can't be generated for an investment after December 31, 2005. However, any credits generated prior to that time can be used in the three years subsequent to the year in which the credit was generated. Therefore, there will be credits that are applied against tax as late as 2008.

Number 2786

MR. HARLAMERT turned to the restriction on generating credits in a year in which one is delinquent on taxes. The [division] generally favors the aforementioned restriction because it seems reasonable to expect that one would be up to date on his/her taxes when that individual receives a credit. He related that the language in the proposed CS is marginally effective because one could, in theory, pay delinquent taxes at the last minute and not provide the money with the return and still receive a credit. In a year when an individual has excess credits or carryover credits that aren't received because the individual was delinquent, those credits would carryover to the next year in which the individual is hopefully current. Therefore, in order to make the delinquency provision more effective, the language could specify that those [carryover] credits would be used in the year [the individual is delinquent] as if those credits had been taken. He noted that the division would prefer that [this provision] take a taxpayer view.

MR. HARLAMERT moved on to the qualifications for the property and noted that the proposed CS includes the word "predominantly". He highlighted the need to decide how one determines predominant. He explained that generally predominant refers to over 50 percent, but the question arose with regard to whether [the 50 percent] was in reference to value or weight. Mr. Harlamert stated that it's not necessarily practical for the division to develop good regulations for this three-year credit because by the time regulations are developed, the credit will be half over. Furthermore, it would be best, he said, to [put in place the regulations] now, especially due to the retroactivity of this credit. Mr. Harlamert pointed out that use of the word "predominantly" helps, although it doesn't necessarily accomplish what's necessary unless there is a definition of "value-added salmon products" or "value-added salmon processing".

Number 2611

CHAIR SEATON asked if the list in the legislation needs to be totally inclusive.

MR. HARLAMERT explained that the list is a list of machines and processes that, in many cases, are common to any processing of any species and value-added [product]. Therefore, there will have to be a judgment call as to whether this machine or investment truly is value-added and thus he said he felt that there should be an indication of legislative intent, that is a definition of "value-added." He expressed his belief that a credit should be closely targeted to the desired result.

MR. HARLAMERT identified the [division's] next recommendation as a recapture or "claw-back" provision. He pointed out that most investment-type credits have claw-back provisions that basically uphold the taxpayer's end of the contract. [The state] is buying 50 percent of the individual's machinery with the expectation that the individual uses the machinery for the purpose [that the state] wants to provide an incentive. Therefore, it isn't unreasonable to ask that the individual continue that purpose for a reasonable time in exchange for [the state's] paying for half of the individual's assets. As the legislation is currently written, an individual could put a machine in place, run one salmon through it, call it value-added, and sell; thus the machine would technically qualify for full credit, even if the individual takes the machine to Seattle, Washington, the next year. Therefore, [the division] suggests that the machine be required to remain in the state and

be used for value-added salmon processing for a specified period of time.

CHAIR SEATON asked if the equipment remaining in the state would pose an interstate commerce problem.

MR. HARLAMERT replied yes and no. There are legal theorists that believe any state tax credit, on its face, has a constitutional problem because it violates the basic prohibition against treating in-state activity differently from out-of-state activity. As a practical matter, no one has ever complained. Therefore, it's a good idea to have the protective language in Section 4 of the legislation.

CHAIR SEATON requested that Mr. Harlamert rewrite his written comments based on the proposed CS.

Number 2315

BUCK LAUKITIS, President, North Pacific Fishing Association, testified in support of the incentive concept. He explained that most of the members of the association have concerns with regard to who will pay the portion of the tax incentive. However, he acknowledged that he understood, from today's discussion, that the state would bear the entire burden for the tax credit. The only way the North Pacific Fishing Association would support HB 90 is if the aforementioned is the case. He pointed out that in many coastal areas the primary source of revenue for municipalities and boroughs is the ex-vessel fish price and the landing tax. Although some boroughs have property taxes that may partially offset some of the lost revenue, many boroughs do not and are almost entirely dependent upon the raw fish taxes for revenue. With regard to who actually pays the raw fish tax, Mr. Laukitis related his belief that the fisherman pays the tax, while the processors merely collect the tax and file with the state.

MR. LAUKITIS asked whether value-added processing eventually results in higher ex-vessel prices, or is this merely a function of higher wholesale prices [and] secondary sales. He also asked if the [higher ex-vessel prices] would only be accrued to the processor, not to the fisherman. Mr. Laukitis related that [the North Pacific Fishing Association] would like to believe that adding incentives would result in higher ex-vessel [prices] because that helps the communities and ultimately fishermen. He asked whether processors buying value-added equipment with capital would take all the money in the end or whether it would

be shared at the ex-vessel level. Mr. Laukitis concluded by reiterating that the association supports the incentive concept, although the association has some questions because it didn't have the opportunity to review the proposed CS.

Number 2081

CHRIS GARCIA, Cook Inlet Fisherman's Fund, related his belief that the Cook Inlet Fisherman's Fund is in favor of the intent of the legislation. He said that he hoped that the intent of this legislation isn't merely to increase the profit for existing large processors, but also to encourage smaller, new operations to come into existence in order to increase the value of salmon throughout the state. Mr. Garcia directed attention to page 2, line 18, of Version D, which defines "new property". He recalled that there was some concern with that, which he shared. He suggested that the language could be changed to read "used by another person under this tax credit". He explained that a small operation that wants to get started in smoking fish may need to buy used equipment in order to be financially involved. Therefore, if an individual is allowed to [purchase] equipment in the state that has never been used under this tax credit, it might benefit everyone involved to allow that. Mr. Garcia expressed the need to review the final draft of this legislation in order to [formulate an opinion] because although he agreed with the intent, he wasn't sure of all the fine points.

CHAIR SEATON agreed to review the definition of "new property" and "qualified investment" and mentioned that there is concern with swapping equipment [and how that would fall under the definition of "new property"].

Number 1877

NORMAN COHEN, Attorney at Law, Bering Sea Fisherman's Association, testified in support of this legislation because value-added processing is extremely important for the future of Western Alaska fisheries. Equipment to produce value-added products costs a lot of money. Therefore, for marginal fishers in Western Alaska, help in obtaining the equipment to do value-added [processing] and compete in the marketplace would be of great assistance. He concluded by noting support of the intent of the legislation and hoped that the issues mentioned could be worked out.

CHAIR SEATON asked if the Bering Sea Fisherman's Association has any opinion on the taxpaying entity. He asked if the association wants the tax credits to be applied on a facility basis.

MR. COHEN said the Bering Sea Fisherman's Association hasn't discussed that at all.

CHAIR SEATON requested that all [interested parties] provide input with regard to whether the desire is to maximize the tax credit or provide it for individual plants. After determining that no one else wished to testify, Chair Seaton announced that HB 90 would be held over.

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 9:45 a.m.