

**SENATE BILL NO. 164**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

**BY SENATOR STEDMAN**

**Introduced: 4/6/05**

**Referred: Resources, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the salmon product development tax credit; providing for an**  
2 **effective date by amending an effective date in sec. 7, ch. 57, SLA 2003; and providing**  
3 **for an effective date."**

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

5 \* **Section 1.** AS 43.75.035(b) is amended to read:

6 (b) The amount of the tax credit applied against taxes under this section may  
7 not

8 (1) exceed 50 percent of the taxpayer's tax liability incurred under this  
9 chapter for processing of salmon during the tax year; or

10 (2) be claimed for property first placed into service after December 31,  
11 2008 [2005].

12 \* **Sec. 2.** AS 43.75.035(i)(3) is amended to read:

13 (3) "qualified investment" means the investment cost in depreciable  
14 tangible personal property with a useful life of three years or more to be used

1 predominantly **to perform a processing, packaging, or product finishing function**  
 2 **that is a significant component in producing** [TO PRODUCE] value-added salmon  
 3 products beyond gutting of the salmon; in this paragraph, "property"

4 (A) includes filleting, skinning, portioning, mincing, forming,  
 5 extruding, stuffing, injecting, mixing, marinating, preserving, drying, smoking,  
 6 brining, packaging, blast freezing, or pin bone removal equipment;

7 (B) **does not include vehicles, forklifts, conveyors, cranes,**  
 8 **pumps or other equipment used to transport salmon or salmon products,**  
 9 **knives, gloves, tools, supplies and materials, equipment that is not**  
 10 **processing, packaging, or product finishing equipment, or other**  
 11 **equipment the use of which is incidental to the production, packaging, or**  
 12 **finishing of value-added salmon products;**

13 \* **Sec. 3.** AS 43.75.035(i) is amended by adding a new paragraph to read:

14 (6) "value-added salmon product" means the product of a salmon that  
 15 is processed beyond heading, gutting, or separation in a manner that materially  
 16 enhances the value of the salmon product, such as shelf-stable, retort pouched,  
 17 smoked, pickled, or filleted salmon, ikura, leather, or jerky; "value-added salmon  
 18 product" does not include a salmon or salmon product that

19 (A) has been subjected to only one or more of heading, gutting,  
 20 freezing, packaging, quality assurance practices, or value retention practices;

21 (B) is salmon skeins or other unprocessed salmon products  
 22 whether fresh or frozen;

23 (C) is canned; or

24 (D) is produced out of the state.

25 \* **Sec. 4.** Section 7, ch. 57, SLA 2003, is amended to read:

26 Sec. 7. Section 3 of this Act takes effect on the earlier of the following:

27 (1) January 1, **2012** [2009]; or

28 (2) the date of the attorney general's notification to the lieutenant  
 29 governor and to the revisor of statutes that

30 (A) a court has entered final judgment that AS 43.75.035 or  
 31 43.75.036, added by sec. 1 of this Act, violates the commerce clause contained

1 in art. I, sec. 8, United States Constitution; and

2 (B) the time for an appeal of that judgment has expired, or, if  
3 an appeal was taken, a final order on the appeal has been entered that  
4 AS 43.75.035 or 43.75.036, added by sec. 1 of this Act, violates the commerce  
5 clause contained in the United States Constitution.

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