

(LIMITED RUN FOR ALL ADDITIONAL SPONSORSHIPS)

HOUSE CS FOR CS FOR SENATE BILL NO. 164(RLS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE

Offered: 1/20/06

Referred: Rules

Sponsor(s): SENATOR STEDMAN

REPRESENTATIVES Kohring, Weyhrauch, Croft

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** [PRODUCE] value-added salmon
 3 products beyond gutting of the salmon; in this paragraph, "property"

4 **(A)** includes

5 **(i)** filleting, skinning, portioning, mincing, forming,
 6 extruding, stuffing, injecting, mixing, marinating, preserving, drying,
 7 smoking, brining, packaging, blast freezing, or pin bone removal
 8 equipment; **and**

9 **(ii)** **new parts to convert an existing can seamer to**
 10 **pop-top can production;**

11 **(B)** does not include

12 **(i)** **vehicles, forklifts, conveyors, cranes, pumps or**
 13 **other equipment used to transport salmon or salmon products,**
 14 **knives, gloves, tools, supplies and materials, equipment that is not**
 15 **processing, packaging, or product finishing equipment, or other**
 16 **equipment the use of which is incidental to the production,**
 17 **packaging, or finishing of value-added salmon products; or**

18 **(ii)** **the overhaul, re-tooling, or modification of new**
 19 **or existing property, except for new parts to convert an existing**
 20 **can seamer to pop-top can production;**

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

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

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

29 (B) is salmon skeins or other unprocessed salmon products
 30 whether fresh or frozen;

31 (C) is canned, except for salmon products in a pop-top can; or

1 (D) is produced out of the state.

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

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

4 (1) January 1, 2012 [2009]; or

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

7 (A) a court has entered final judgment that AS 43.75.035 or
8 43.75.036, added by sec. 1 of this Act, violates the commerce clause contained
9 in art. I, sec. 8, United States Constitution; and

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

14 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 **RETROACTIVITY.** Sections 2 and 3 of this Act are retroactive to January 1, 2006.

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