

CS FOR HOUSE BILL NO. 344(FSH)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

Offered: 2/23/10

Referred: Finance

Sponsor(s): REPRESENTATIVES THOMAS, Peggy Wilson, Austerman, Edgmon

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the salmon product development tax credit; and providing for an**
2 **effective date by amending an effective date in sec. 7, ch. 57, SLA 2003, as amended by**
3 **sec. 4, ch. 3, SLA 2006, and by sec. 4, ch. 8, SLA 2008."**

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 2015 [2011].

12 *** Sec. 2.** AS 43.75.035(j)(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 that
 2 is a significant component in producing value-added salmon products beyond gutting
 3 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, **ice making**, or pin bone
 8 removal equipment;

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

11 (iii) conveyors used specifically in the act of producing
 12 a value-added salmon product;

13 (B) does not include

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

21 (ii) the overhaul, retooling, or modification of new or
 22 existing property, except for new parts to convert an existing can
 23 seamer to pop-top can production;

24 * **Sec. 3.** Section 7, ch. 57, SLA 2003, as amended by sec. 4, ch. 3, SLA 2006, and by sec. 4,
 25 ch. 8, SLA 2008, is amended to read:

26 Sec. 7. Section 3, **ch. 57, SLA 2003**, [OF THIS ACT] takes effect on the
 27 earlier of the following:

28 (1) January 1, **2019** [2015]; or

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

31 (A) a court has entered final judgment that AS 43.75.035 or

1 43.75.036, added by sec. 1, ch. 57, SLA 2003, violates the commerce clause
2 contained in art. I, sec. 8, United States Constitution; and

3 (B) the time for an appeal of that judgment has expired, or, if
4 an appeal was taken, a final order on the appeal has been entered that
5 AS 43.75.035 or 43.75.036, added by sec. 1, ch. 57, SLA 2003, violates the
6 commerce clause contained in the United States Constitution.