

# FISCAL NOTE

**STATE OF ALASKA**  
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: CSHB 344(FIN)  
 (H) Publish Date: 4/6/10

Identifier (file name): CSHB344(FIN)-REV-TAX-04-02-10  
 Title: Salmon Product Development Tax Credit  
 Sponsor: Representative Thomas  
 Requester: House Finance Committee  
 Dept. Affected: Revenue  
 RDU: Taxation and Treasury  
 Component: Tax Division  
 Component Number: 2476

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(2,400.0)</b>	<b>(2,400.0)</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2010) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

See Attached.

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 Division: Tax Division  
 Approved by: Ginger Blaisdell, Director  
Administrative Services Division

Phone: (907) 465-3695  
 Date/Time: 04-02-10; 8:36am  
 Date: 04-02-10; 8:46am

**FISCAL NOTE #2**

**STATE OF ALASKA  
2010 LEGISLATIVE SESSION**

**BILL NO. CSHB 344(FIN)**

**ANALYSIS CONTINUATION**

**Bill Language:**

This bill extends the existing Salmon Product Development (SPD) tax credit for investment in processing equipment used to produce value-added salmon products by four years through 2015. This bill also adds ice making machines to the list of qualified investments eligible for an SPD tax credit.. The SPD tax credit provisions under AS 43.75.035 authorize taxpayers to claim a credit against their fisheries business tax liability for 50% of qualified investment in new value-added salmon processing equipment and ice making machines. Credits may be applied up to 50% of the Fisheries Business Tax liability on salmon processed in Alaska in the year generated and the three subsequent years.

**Revenues:**

Although it is difficult to determine the number of taxpayers who would take advantage of this tax credit, the DOR would expect reduced Fisheries Business Tax collections in the years added. The department would expect the Fisheries Business Tax to decrease by \$2.4 million for each additional year the credit is extended.

**Expenditures:**

The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed, since the DOR is already performing these duties.