

SENATE FINANCE COMMITTEE
February 7, 2022
1:47 p.m.

[1:47:25 PM](#)

CALL TO ORDER

Co-Chair Bishop called the Senate Finance Committee meeting to order at 1:47 p.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Donny Olson
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

Senator Natasha von Imhof
Senator Lyman Hoffman

ALSO PRESENT

Erin Shine, Staff, Senator Click Bishop; Senator Gary Stevens, Sponsor.

SUMMARY

SB 33 SEAFOOD PRODUCT DEVELOPMENT TAX CREDIT

SB 33 was HEARD and HELD in committee for further consideration.

#sb33

SENATE BILL NO. 33

"An Act relating to a seafood product development tax credit; providing for an effective date by repealing secs. 32 and 35, ch. 61, SLA 2014; and providing for an effective date."

[1:48:20 PM](#)

Co-Chair Stedman MOVED to ADOPT the committee substitute for SB 33, Work Draft 32-LS0308\O (Nauman, 2/7/22).

Co-Chair Bishop OBJECTED for discussion.

[1:48:44 PM](#)

ERIN SHINE, STAFF, SENATOR CLICK BISHOP, explained the committee substitute. She read from a prepared statement:

Because the seafood product development tax credit expired January 1, 2021, legislative legal recommended that the bill be redrafted in the form that is before you today for consideration with version O.

Basically, the prior version, version B, repealed a repealer that has now been repealed.

To highlight the drafting issue, if you pulled the 2020 statute books on all our shelves, AS 43.75.035 is repealed and is no longer there.

Version O reestablishes the repealed statutes as new law changing it from AS 43.75.035 to AS 43.75.037

I'd like to note that version B and O look dissimilar in bill draft form, however, they are accomplishing the same thing with a few policy changes. The only difference between the versions are the following policy changes:

Page 3, Lines 21-22

- Version O defines "eligible fish" instead of listing the fish in each subsection
 - o There are conforming changes throughout the bill
- The inclusion of sablefish in the definition of "eligible fish"
- Further defining that the tax credits apply to "pacific cod", not "cod"

Page 5, line 20

- the tax credits are repealed January 1, 2027
- And finally, Page 5, line 26
- the retroactive effective date was changed from January 1, 2021, to be an immediate effective date

[1:51:10 PM](#)

Co-Chair Bishop WITHDREW the OBJECTION. There being NO further OBJECTION, it was so ordered.

Senator Wielechowski MOVED to ADOPT Amendment 1, 32-LS0308\0.1.

Co-Chair Bishop OBJECTED for discussion.

Senator Wielechowski explained Amendment 1. He referred to the document, "Indirect Expenditure Report from the Legislative Finance Division" (copy on file). He cited that there was a recommendation by the Legislative Finance Division (LFD) to modify the confidentiality rules to enable publication of more complete data usage on all tax credits. He noted that LFD reiterated that it was hard to determine how effective the tax credit was or how much it cost the state and had recommended making changes. Page one of the document was in response to Senator Wielechowski contacting the LFD office with questions.

Senator Wielechowski continued that based on LFD's response, he had asked the Legislative Legal Department to draft the amendment. He simplified that the amendment would simply allow the legislature to have points of data including the total number of tax credits that were claimed for each eligible fish, and the number of recipients. He advised that no confidential information would be included.

[1:54:37 PM](#)

SENATOR GARY STEVENS, SPONSOR, commented positively on the amendment.

Co-Chair Bishop WITHDREW the OBJECTION. There being NO further OBJECTION, it was so ordered. Amendment 1 was ADOPTED.

[1:55:01 PM](#)

AT EASE

[1:55:13 PM](#)

RECONVENED

Co-Chair Bishop stated that Amendment 1 would be incorporated into a new CS, which would be considered in committee the following day with an updated fiscal note.

SB 33 was HEARD and HELD in committee for further consideration.

Co-Chair Bishop discussed the agenda for the following day.

#

ADJOURNMENT

1:56:25 PM

The meeting was adjourned at 1:56 p.m.