

SENATE BILL NO. 130

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

**BY THE SENATE RULES COMMITTEE BY REQUEST OF THE JOINT LEGISLATIVE TASK FORCE
EVALUATING ALASKA'S SEAFOOD INDUSTRY**

Introduced: 3/12/25

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the fisheries product development tax credit; providing for an**
2 **effective date by amending the effective date of sec. 2, ch. 31, SLA 2022; and providing**
3 **for an effective date."**

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

5 *** Section 1.** AS 43.75.037(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 eligible fish during the tax year; or

10 (2) be claimed for property first placed into service after December 31,
11 2029 [2026].

12 *** Sec. 2.** AS 43.75.037(i) is amended to read:

13 (i) The department shall develop and implement procedures by which a
14 taxpayer that is a fisheries business may submit the taxpayer's proposed investment to

1 the department and request a preliminary determination of whether the investment
 2 qualifies for the fisheries product development tax credit under this section. A
 3 preliminary determination by the department that the taxpayer's submission qualifies
 4 for the credit is binding, unless the department determines that the taxpayer has made
 5 a material misrepresentation in the taxpayer's submission. **The department shall**
 6 **make a preliminary determination as to whether a taxpayer's proposed**
 7 **investment qualifies for a credit within 60 days after the department receives a**
 8 **taxpayer's proposed investment submitted under this subsection.**

9 * **Sec. 3.** AS 43.75.037(k)(1) is amended to read:

10 (1) "eligible fish" means, except as otherwise provided in (c) of this
 11 section, **any species of fish or shellfish** [SALMON, HERRING, POLLOCK,
 12 SABLEFISH, OR PACIFIC COD];

13 * **Sec. 4.** AS 43.75.037(k)(4) is amended to read:

14 (4) "qualified investment" means the investment cost to purchase or
 15 convert depreciable tangible personal property with a useful life of three years or more
 16 **that will** [TO] be used predominantly to **increase the quality and value of eligible**
 17 **fish or used predominantly to** perform an ice-making, processing, packaging, or
 18 product-finishing function that is a significant component in producing a value-added
 19 eligible fish product, including canned salmon products in can sizes other than 14.75
 20 ounces or 7.5 ounces; in this paragraph, "property"

21 (A) includes

22 (i) equipment used to fillet, skin, portion, mince, form,
 23 extrude, stuff, inject, mix, marinate, preserve, dry, smoke, brine,
 24 package, freeze, scale, grind, separate meat from bone, or remove pin
 25 bones;

26 (ii) new parts necessary for, or costs associated with,
 27 converting a canned salmon line to produce can sizes other than 14.75
 28 ounces or 7.5 ounces;

29 (iii) conveyors used specifically in the act of producing
 30 a value-added eligible fish product;

31 (iv) ice-making machines, **freezers, and other**

1 **temperature reducing technologies;**

2 (v) new canning equipment for herring products; and

3 (vi) equipment used to transform eligible fish byproduct
4 that is discarded as waste into saleable product;

5 (B) does not include

6 (i) vehicles, forklifts, conveyors not used specifically in
7 **increasing the quality and value of eligible fish or** the act of
8 producing a value-added eligible fish product, cranes, pumps, or other
9 equipment used to transport eligible fish or eligible fish products,
10 knives, gloves, tools, supplies and materials, equipment, other than ice-
11 making machines, that is not processing, packaging, or product-
12 finishing equipment, or other equipment, the use of which is incidental
13 to **increasing the quality and value of eligible fish or** the production,
14 packaging, or finishing of value-added eligible fish products;

15 (ii) the overhaul, retooling, or modification of new or
16 existing property, except for new parts necessary for, or costs
17 associated with, converting a canned salmon line to produce can sizes
18 other than 14.75 ounces or 7.5 ounces; or

19 (iii) property used predominantly to produce an eligible fish product that is not
20 taxed under this chapter;

21 * **Sec. 5.** AS 43.75.037(k) is amended by adding a new paragraph to read:

22 (8) "used predominantly" means used 51 percent or more of the time.

23 * **Sec. 6.** Section 6, ch. 31, SLA 2022, is amended to read:

24 Sec. 6. AS 43.05.230(m); AS 43.75.037, and 43.75.130(h) are repealed
25 January 1, **2030** [2027].

26 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new
27 section to read:

28 RETROACTIVITY. This Act is retroactive to January 1, 2025.

29 * **Sec. 8.** Section 8, ch. 31, SLA 2022, is amended to read:

30 Sec. 8. Section 2 of this Act takes effect January 1, **2030** [2027].

31 * **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).