

CS FOR SENATE BILL NO. 130(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 4/15/25

Referred: Finance

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE JOINT LEGISLATIVE TASK FORCE
EVALUATING ALASKA'S SEAFOOD INDUSTRY**

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the fisheries product development tax credit; and providing for an**
2 **effective date."**

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

4 *** Section 1.** AS 43.05.230(m) is amended to read:

5 (m) The number of recipients and the total amount of tax credits claimed for
6 each species [TYPE] of eligible fish under AS 43.75.037 is public information. In this
7 subsection, "eligible fish" has the meaning given in AS 43.75.037(k).

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

9 (i) The department shall develop and implement procedures by which a
10 taxpayer that is a fisheries business may submit the taxpayer's proposed investment to
11 the department and request a preliminary determination of whether the investment
12 qualifies for the fisheries product development tax credit under this section. A
13 preliminary determination by the department that the taxpayer's submission qualifies
14 for the credit is binding, unless the department determines that the taxpayer has made

1 a material misrepresentation in the taxpayer's submission. **The department shall**
 2 **make a preliminary determination as to whether a taxpayer's proposed**
 3 **investment qualifies for a credit within 60 days after the department receives a**
 4 **taxpayer's proposed investment submitted under this subsection.**

5 * **Sec. 3.** AS 43.75.037(j) is amended to read:

6 (j) To claim a credit under this section, a taxpayer shall agree that the
 7 department may make public the number of recipients and the total amount of tax
 8 credits claimed for each **species** [TYPE] of eligible fish. Notwithstanding any contrary
 9 provision in AS 40.25.100 or AS 43.05.230, the number of recipients and the total
 10 amount of tax credits claimed for each **species** [TYPE] of eligible fish is public
 11 information.

12 * **Sec. 4.** AS 43.75.037(k)(1) is amended to read:

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

16 * **Sec. 5.** AS 43.75.037(k)(4) is amended to read:

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

24 (A) includes

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

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

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

3 (iv) ice-making machines, freezers, and other
4 temperature reducing technologies;

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

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

8 (B) does not include

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

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

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

24 * **Sec. 6.** AS 43.75.037(k) is amended by adding a new paragraph to read:

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

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