

Introduced: 3/7/67  
Referred: Resources  
and Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 169

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the liability of primary packers  
7 for taxes; insuring their collection; and providing  
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 43.75.010(a)(1) is amended to read:

11 (1) Salmon canneries, both shore-based and floating, shall  
12 pay an annual tax equal to three [SIX] per cent of the value of the  
13 raw fish purchased or obtained for canning during the year. For the  
14 purpose of this license, the raw fish value of each kind of salmon is  
15 considered to be a dollar value equal to [50 PER CENT OF] the average  
16 wholesale price obtained for the finished product by Alaska salmon  
17 canneries during the months of August, September, October, November,  
18 and December of the last five years immediately preceding the license  
19 year. Salmon received by salmon canneries and diverted for purposes  
20 other than canning are valued at the average prevailing price on the  
21 fresh fish market for that fish and are subject to an annual license  
22 tax of one per cent of the value.

23 \* Sec. 2. AS 43.75.010 is amended by adding a new subsection to read:

24 (c) The person, firm, or corporation engaging or attempting to  
25 engage in the above lines of business who actually and physically cans  
26 or processes the above fishery resources shall be liable for and shall  
27 pay to the department the whole tax imposed by this section. In deter-  
28 mining this tax liability the person, firm, or corporation shall not  
29 deduct from the value of the raw fishery resources canned or processed

1 the value of any raw fishery resources canned or processed for other  
2 persons, firms, or corporations, but shall include this as a part of  
3 the value of the raw product obtained for canning or processing.

4 \* Sec. 3. AS 43.75.060 is amended by adding a new subsection to read:

5 (5) The person, firm, or corporation engaging or attempting  
6 to engage in the above lines of business who actually and physically  
7 processes the above fishery resources shall be liable for and shall  
8 pay to the department the whole tax imposed by this section. In deter-  
9 mining this tax liability the person, firm, or corporation shall not  
10 deduct from the value of the raw fishery resources processed the value  
11 of any raw fishery resources processed for other persons, firms, or  
12 corporations, but shall include this as a part of the value of the raw  
13 product obtained for processing.

14 \* Sec. 4. AS 43.75 is amended by adding a new section to Art. 1 to read:

15 Sec. 43.75.055. SECURITY FOR COLLECTION OF TAXES. Each applicant  
16 for a license under this chapter shall in or with his application state  
17 under oath the amount of each of the products which he expects to  
18 produce during the license year. The applicant shall further state  
19 the extent of lienable real property owned by the applicant in the  
20 state against which the tax may be collected and other information with  
21 respect to description, location and value of the property which the  
22 department prescribes. If the lienable value of the property is not  
23 equal to three times the amount of the tax for which the applicant will  
24 probably be liable under this section, the department shall not issue  
25 the license until the applicant files with the department a surety bond  
26 approved by the attorney general in a penal sum equal to twice the  
27 probable amount of the tax for which the applicant will be liable,  
28 conditioned upon payment of the tax in full when due, with interest  
29 if not paid before delinquency. The department may waive the bond

1 requirement if the applicant posts other security in the form of col-  
2 lateral acceptable to the department.

3 \* Sec. 5. AS 43.75 is amended by adding a new section to Art. 2 to read:

4 Sec. 43.75.095. SECURITY FOR COLLECTION OF TAXES. Each applicant  
5 for a license under this chapter shall in or with his application state  
6 under oath the amount of each of the products which he expects to pro-  
7 duce during the license year. The applicant shall further state the  
8 extent of lienable real property owned by the applicant in the state  
9 against which the tax may be collected and other information with respect  
10 to description, location and value of the property which the department  
11 prescribes. If the lienable value of the property is not equal to  
12 three times the amount of the tax for which the applicant will probably  
13 be liable under this section, the department shall not issue the license  
14 until the applicant files with the department a surety bond approved by  
15 the attorney general in a penal sum equal to twice the probable amount  
16 of the tax for which the applicant will be liable, conditioned upon  
17 payment of the tax in full when due, with interest if not paid before  
18 delinquency. Provided, however, if the applicant purchases salmon for  
19 export from Alaska in the round, the amount of the bond shall be  
20 \$50,000 unless the applicant is the owner of lienable real property in  
21 the state of a value of at least \$50,000, and the bond shall be con-  
22 ditioned upon payment to the fisherman of the full purchase price for  
23 the salmon and the payment of the tax in full when due. The department  
24 may waive the bond requirement if the applicant posts other security in  
25 the form of collateral acceptable to the department or prepays the  
26 estimated tax.

27 \* Sec. 6. This Act takes effect on the day after its passage and approval  
28 or on the day it becomes law without approval.