

Original sponsor: Kerttula

Offered: 3/12/79
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 132 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fisheries taxes; and providing for
7 an effective date."

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

9 * Section 1. FINDINGS. The legislature finds that the state has

10 (1) funded and implemented several fisheries-related development
11 programs;

12 (2) funded and implemented fishery loan programs;

13 (3) increased its fishery protection and management program;

14 (4) funded and implemented a limited entry program; and

15 (5) embarked on a program of encouraging the development of a
16 bottom fishing industry.

17 * Sec. 2. PURPOSE. The purposes of this Act are to

18 (1) insure that the state is able to continue its efforts toward
19 overall fisheries-related development programs by raising additional revenue
20 to pay for the programs;

21 (2) make the imposition of the fisheries tax more uniform among
22 fisheries businesses; and

23 (3) provide funding for the development of new fisheries.

24 * Sec. 3. AS 43.75 is amended by adding new sections to read:

25 Sec. 43.75.011. FISHERIES BUSINESS LICENSE. A person engaging or
26 attempting to engage in a fisheries business shall first apply for and
27 obtain a license as provided in AS 43.75.020.

28 Sec. 43.75.015. FISHERIES BUSINESS TAX. (a) A person engaged in
29 a fisheries business is liable for and shall pay a tax equal to six per

1 cent of the value of the fishery resource processed by his fisheries
2 business during the year.

3 (b) A person engaging or attempting to engage in a fisheries
4 business who actually and physically processes the fishery resource is
5 liable for and shall pay to the department the whole tax imposed by this
6 section. In determining this tax liability, the person may not deduct
7 from the value of the fishery resource processed the value of fishery
8 resources canned or processed for other fisheries businesses, but shall
9 include this as part of the value of the fishery resources canned or
10 processed.

11 Sec. 43.75.131. REFUND TO LOCAL GOVERNMENTS. (a) The department
12 shall pay to each borough, to each city of the first class, and to each
13 municipality unified under AS 29.68.240 - 29.68.440, an amount equal to
14 33 1/3 per cent of the amount of tax revenue collected in the municipal-
15 ity from taxes levied in this chapter. In the case of tax revenue
16 collected inside a city within a borough, the revenue to be shared shall
17 be divided equally between the city and the borough.

18 (b) One-half of the revenue shared with a borough or city of the
19 first class shall be used for docks or other fisheries-related develop-
20 ment programs and those expenditures must be certified and reported to
21 the department annually no later than January 30.

22 Sec. 43 75.136. PAYMENTS TO COMMERCIAL FISHING AND AGRICULTURE
23 BANK. The legislature may appropriate 33 1/3 per cent of the amount of
24 tax revenue levied under this chapter to the Commercial Fishing and
25 Agriculture Bank established in AS 44.54.010 until that bank is fully
26 capitalized as determined by the commissioner of commerce and economic
27 development based upon the estimated capital needs of the bank.

28 Sec. 43.75.140. DEFINITIONS. In this chapter

29 (1) "department" means the Department of Revenue;

1 (2) "fisheries business" means a person who engages in pro-
2 cessing fisheries resources for sale by freezing, cooking, salting, or
3 other method and includes but is not limited to canneries, cold stor-
4 ages, freezer ships, and processing plants;

5 (3) "fishery resource" means fin fish, shellfish and fish
6 by-products, including but not limited to salmon, halibut, herring,
7 crab, clam, cod, shrimp, and pollock;

8 (4) "value" means the actual price paid for the fisheries
9 resource by the fisheries business including indirect consideration such
10 as fuel, supplies, or gear, except that "value" means the market value
11 of the fishery resource if procured in company-owned or subsidized boats
12 operated by employees of the fisheries business or under lease or other
13 arrangement.

14 * Sec. 4. AS 43.75.100 is repealed and re-enacted to read:

15 Sec. 43.75.100. TAX IMPOSED ON TAKING OF FISHERY RESOURCE. A
16 person taking, purchasing, or otherwise acquiring a fishery resource
17 covered by this chapter which has not been subject to the tax imposed in
18 AS 43.75.015 who sells the fishery resource to a fisheries business
19 outside the taxing jurisdiction of the state is subject to the tax set
20 out in AS 43.75.015 on the value of the fishery resource sold.

21 * Sec. 5. AS 43.75.030(a) is amended to read:

22 (a) A person subject to the tax shall file a return stating the
23 value of [RAW] fisheries resources [PRODUCTS] processed during the
24 license year, computed as required by [AS 43.75.010 - 43.75.050 OF] this
25 chapter, and such other information as the department prescribes by
26 regulation. The return shall show the license number and shall be
27 signed by the taxpayer or his authorized agent, under penalty of per-
28 jury. If a receiver, trustee, or assign is operating the property or
29 business, he shall file the return for the person. A tax due on the

1 basis of such a return shall be collected in the same manner as if
2 collected from the person of whose business he has custody and control.

3 * Sec. 6. AS 43.75.030(e) is amended to read:

4 (e) Every person engaging or attempting to engage in a business
5 for which a license is required under [AS 43.75.010 - 43.75.050 OF] this
6 chapter shall keep [SUCH] records, make [SUCH] statements under oath,
7 file [SUCH] returns, and comply with all [SUCH] regulations which [AS]
8 the commissioner of revenue may prescribe.

9 * Sec. 7. AS 43.75.050(f) is amended to read:

10 (f) A person who wilfully fails to obtain a license, pay a tax,
11 make a return, keep or display a record, or supply the information at
12 the time required by law or regulation, in violation of [AS 43.75.010 -
13 43.75.055 OF] this chapter, is, in addition to other penalties provided
14 by law, guilty of a misdemeanor, and upon conviction is punishable by a
15 fine of not more than \$1,000, or by imprisonment for not more than one
16 year, or by both, together with the cost of prosecution.

17 * Sec. 8. AS 43.75.055 is amended to read:

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

1 probable amount of the tax for which the applicant will be liable,
2 conditioned upon payment of the tax in full when due, with interest if
3 not paid before delinquency. However, if the applicant purchases salmon
4 for export from Alaska in the round, the amount of the bond is \$50,000
5 unless the applicant is the owner of lienable real property in the state
6 of a value of at least \$50,000, and the bond must be conditioned upon
7 payment to the fisherman of the full purchase price for the salmon and
8 the payment of the tax in full when due. The department may waive the
9 bond requirement if the applicant posts other security in the form of
10 collateral acceptable to the department or prepays the estimated tax.

11 * Sec. 9. AS 43.75.110 is amended to read:

12 Sec. 43.75.110. DUTY OF TAXPAYER AND PAYMENT OF TAX. A person
13 subject to taxes under AS 43.75.100 - 43.75.120 shall make a return
14 stating the value of [RAW] fisheries resources [PRODUCTS] taken, pur-
15 chased, or otherwise acquired during the license year for sale to
16 fisheries businesses [FREEZER SHIPS, FLOATING COLD STORAGES, OR FLOATING
17 CANNERIES] outside of the taxing jurisdiction of the state computed as
18 required by AS 43.75.100 - 43.75.120, and other information to carry out
19 the provisions of AS 43.75.100 - 43.75.200 as may be prescribed by the
20 department. The return shall contain the license number and shall be
21 signed by the taxpayer or his authorized agent, under penalty of per-
22 jury. If a receiver, trustee, or assign is operating the property or
23 business, he shall make the return for the person. A tax due on the
24 basis of such return shall be collected in the same manner as if
25 collected from the person of whose business he has custody and control.
26 The requirements for time and place of payment of tax, and the obliga-
27 tion to keep records and make the records available to the commissioner
28 of revenue are the same as those prescribed in AS 43.75.011 - 43.75.050
29 [THE BUSINESS LICENSE TAX LAW FOR SALMON CANNERIES].

1 * Sec. 10. AS 43.75.120 is amended to read:
2 Sec. 43.75.120. VIOLATIONS AND PENALTIES. (a) The liability to
3 file returns and pay interest and deficiency assessments, and the sub-
4 jection of property to liens is the same as prescribed in AS 43.75.011 -
5 43.75.050 [THE BUSINESS LICENSE TAX LAW FOR SALMON CANNERIES].
6 (b) A violation of AS 43.75.100 - 43.75.120 or the regulations
7 issued under AS 43.75.100 - 43.75.120 is a misdemeanor subject to punish-
8 ment as prescribed in AS 43.75.011 - 43.75.050 [THE BUSINESS LICENSE TAX
9 LAW FOR SALMON CANNERIES].
10 * Sec. 11. AS 43.75.010, 43.75.060, 43.75.070, 43.75.080, 43.75.090,
11 43.75.095, 43.75.130, and 43.75.135 are repealed.
12 * Sec. 12. TRANSITION. The tax paid for the 1978 calendar year shall be
13 shared in accordance with AS 43.75.130 and 43.75.135, as those sections read
14 before repeal by this Act. The tax paid for the 1979 calendar year and for
15 each succeeding calendar year shall be shared in accordance with AS
16 43.75.131, added by sec. 3 of this Act.
17 * Sec. 13. This Act is retroactive to January 1, 1979.
18 * Sec. 14. This Act takes effect immediately in accordance with AS 01.-
19 10.070(c).
20
21
22
23
24
25
26
27
28
29