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1 IN THE SENATE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2

HOUSE CS FOR CS FOR SENATE BILL NO. 132

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; and providing for an  
7 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. 43.75.136. APPROPRIATIONS TO COMMERCIAL FISHING AND AGRICUL-  
12 TURE BANK. The legislature may annually appropriate 33 1/3 per cent of  
13 the amount of tax revenue collected under this chapter to the Commercial  
14 Fishing and Agriculture Bank established in AS 44.54.010 until the bank  
15 is fully capitalized as determined by the commissioner of commerce and  
16 economic development based upon the estimated capital needs of the bank.

17 Sec. 43.75.140. DEFINITIONS. In this chapter

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

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

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

26 (4) "value" means the actual price paid for the fisheries  
27 resource by the fisheries business including indirect consideration such  
28 as fuel, supplies, or gear, except that "value" means the market value  
29 of the fishery resource if procured in company-owned or subsidized boats

1 operated by employees of the fisheries business or under lease or other  
2 arrangement.

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 AS 43.75.100 is repealed and re-enacted to read:

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

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

11 (a) A person subject to the tax shall file a return stating the  
12 value of [RAW] fisheries resources [PRODUCTS] processed during the  
13 license year, computed as required by [AS 43.75.010 - 43.75.050 OF] this  
14 chapter, and such other information as the department prescribes by  
15 regulation. The return shall show the license number and shall be  
16 signed by the taxpayer or his authorized agent, under penalty of per-  
17 jury. If a receiver, trustee, or assign is operating the property or  
18 business, he shall file the return for the person. A tax due on the  
19 basis of such a return shall be collected in the same manner as if  
20 collected from the person of whose business he has custody and control.

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

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

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

28 (f) A person who wilfully fails to obtain a license, pay a tax,  
29 make a return, keep or display a record, or supply the information at

1 the time required by law or regulation, in violation of [AS 43.75.010 -  
2 43.75.055 OF] this chapter, is, in addition to other penalties provided  
3 by law, guilty of a misdemeanor, and upon conviction is punishable by a  
4 fine of not more than \$1,000, or by imprisonment for not more than one  
5 year, or by both, together with the cost of prosecution.

6 \* Sec. 8. AS 43.75.055 is amended to read:

7 Sec. 43.75.055. SECURITY FOR COLLECTION OF TAXES. Each applicant  
8 for a license under this chapter shall, in or with his application,  
9 state under oath the amount of each of the products which he expects to  
10 produce during the license year. The applicant shall further state the  
11 extent of lienable real property owned by the applicant in the state  
12 against which the tax may be collected and other information with  
13 respect to description, location and value of the property which the  
14 department prescribes. If the lienable value of the property is not  
15 equal to three times the amount of the tax for which the applicant will  
16 probably be liable under this section, the department may not issue the  
17 license until the applicant files with the department a surety bond  
18 approved by the attorney general in a penal sum equal to twice the  
19 probable amount of the tax for which the applicant will be liable,  
20 conditioned upon payment of the tax in full when due, with interest if  
21 not paid before delinquency. However, if the applicant purchases salmon  
22 for export from Alaska in the round, the amount of the bond is \$50,000  
23 unless the applicant is the owner of lienable real property in the state  
24 of a value of at least \$50,000, and the bond must be conditioned upon  
25 payment to the fisherman of the full purchase price for the salmon and  
26 the payment of the tax in full when due. The department may waive the  
27 bond requirement if the applicant posts other security in the form of  
28 collateral acceptable to the department or prepays the estimated tax.

29 \* Sec. 9. AS 43.75.110 is amended to read:

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

19 \* Sec. 10. AS 43.75.120 is amended to read:

20           Sec. 43.75.120. VIOLATIONS AND PENALTIES. (a) The liability to  
21 file returns and pay interest and deficiency assessments, and the sub-  
22 jection of property to liens is the same as prescribed in AS 43.75.011 -  
23 43.75.050 [THE BUSINESS LICENSE TAX LAW FOR SALMON CANNERIES].

24           (b) A violation of AS 43.75.100 - 43.75.120 or the regulations  
25 issued under AS 43.75.100 - 43.75.120 is a misdemeanor subject to punish-  
26 ment as prescribed in AS 43.75.011 - 43.75.050 [THE BUSINESS LICENSE TAX  
27 LAW FOR SALMON CANNERIES].

28 \* Sec. 11. AS 43.75.130 is amended to read:

29           Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of

1 revenue shall pay to each organized borough, to [AND] each city, and to  
2 each municipality unified under AS 29.68.240 - 29.68.440, 33 1/3 [OF THE  
3 FIRST CLASS 10] per cent of the amount of tax revenue collected in the  
4 municipality [BOROUGH OR CITY] from taxes levied by AS 43.75 [AS 43.75.-  
5 010 - 43.75.090]; however, if tax revenue is collected in a city within  
6 a borough, the department shall pay an amount equal to 16 2/3 per cent  
7 of the amount of revenue collected in the city within the borough to the  
8 city and the same amount to the borough.

9 \* Sec. 12. AS 43.75.010, 43.75.060, 43.75.070, 43.75.080, 43.75.090,  
10 43.75.095, and 43.75.135 are repealed.

11 \* Sec. 13. TRANSITION. The taxes paid for the 1978 calendar year under  
12 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130  
13 and 43.75.135, as those sections read before their respective amendment and  
14 repeal by this Act. The taxes paid for the 1979 calendar year and for each  
15 succeeding calendar year may be shared with municipalities in accordance with  
16 AS 43.75.130, as amended by sec. 11 of this Act.

17 \* Sec. 14. This Act is retroactive to January 1, 1979.

18 \* Sec. 15. This Act takes effect immediately in accordance with AS 01.-  
19 10.070(c).