

Introduced: 4/2/81
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 460

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 * Section 1. AS 43.75.015(b) is amended to read:

10 (b) Instead of the taxes levied by (a) of this section, a person
11 who processes [ENGAGED IN A FISHERY BUSINESS WHICH INCLUDES PROCESSING]
12 a developing commercial fish species is liable for and shall pay a tax
13 equal to

14 (1) one percent of the value of the developing commercial
15 fish species processed by a shore-based fisheries business during the
16 year; and

17 (2) three percent of the value of the developing commercial
18 fish species processed by a floating fisheries business during the
19 year.

20 * Sec. 2. AS 43.75.015(c) is amended to read:

21 (c) A person engaging or attempting to engage in a fisheries
22 business who first actually and physically processes the fishery re-
23 source, or a person who purchases a fishery resource which is frozen
24 from a person excluded by AS 43.75.017 from liability for the tax, is
25 liable for and shall pay to the department the entire tax imposed by
26 this section. In determining this tax liability, the person may not
27 deduct from the value of the fishery resources processed the value of
28 fishery resources that are canned or processed for other fisheries busi-
29 nesses, but shall include that value as part of the value of the fishery

resources processed.

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

Sec. 43.75.017. EXCLUSION FROM FISHERIES BUSINESS TAX. (a) A person is not processing a fishery resource under AS 43.75.015 when the fishery resource is frozen aboard a fishing vessel if

(1) the vessel is operated as a commercial fishing vessel under a valid commercial fishing license;

(2) the fishery resource is not processed beyond heading, gutting or cleaning, freezing and glazing; and

(3) the fishery resource which is frozen was caught by the vessel.

* Sec. 4. AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay

(1) to each municipality unified under AS 29.68.240 - 29.68.440, and to each city located in the unorganized borough, 50 [20] percent of the amount of tax revenue collected in the municipality from taxes levied by AS 43.75;

(2) to each city located within a borough, 25 [10] percent of the amount of tax revenue collected in the city from taxes levied by AS 43.75; and

(3) to each borough

(A) 50 [20] percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied by AS 43.75; and

(B) 25 [10] percent of the amount of tax revenue collected in cities located within the borough from taxes levied by AS 43.75.

* Sec. 5. AS 43.76.010(a) is amended to read:

1 (a) A person holding a limited entry permit under AS 16.43 shall
2 pay a salmon enhancement tax at the rate of three percent of the value
3 of salmon, as defined in AS 43.75.140(7), that the person removes from
4 the state or sells to a buyer in the state. If the salmon are sold to
5 a buyer, the buyer [PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCES-
6 SOR] shall collect the salmon enhancement tax at the time of the sale.

7 * Sec. 6. AS 43.76.011(a) is amended to read:

8 (a) A person holding a limited entry permit under AS 16.43 shall
9 pay a salmon enhancement tax at the rate of two percent of the value of
10 salmon, as defined in AS 43.75.140(7), that the person removes from the
11 state or sells to a buyer in the state. If the salmon are sold to a
12 buyer, the buyer [PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCESSOR]
13 shall collect the salmon enhancement tax at the time of the sale.

14 * Sec. 7. AS 43.76.020(a) is amended to read:

15 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-
16 76.011 may be terminated by the commissioner of revenue upon majority
17 vote at an election held under AS 43.76.015 in the region in which the
18 salmon enhancement tax is levied.

19 * Sec. 8. AS 43.76.025(a) is amended to read:

20 (a) A buyer [PROCESSOR] who buys fisheries resources which are
21 subject to the salmon enhancement tax imposed by AS 43.76.010 or
22 43.76.011 shall collect the salmon enhancement tax at the time of
23 purchase, and shall remit the total salmon enhancement tax collected
24 during each month to the Department of Revenue by the last day of the
25 next month.

26 * Sec. 9. AS 43.76.025(b) is amended to read:

27 (b) A buyer [PROCESSOR] who collects the salmon enhancement tax
28 shall

29 (1) maintain records reflecting the region designated under

1 AS 16.10.375 in which the fishery resource was caught; and

2 (2) report to the Department of Revenue by March 1 of each
3 year the total value, as defined in AS 43.75.140(7), of the salmon
4 caught in each region designated under AS 16.10.375 which the buyer
5 [PROCESSOR] has purchased during the preceding year.

6 * Sec. 10. AS 43.76 is amended by adding a new section to read:

7 Sec. 43.76.028. LIABILITY FOR TAX ON SALMON SHIPPED FROM STATE.

8 (a) The owner of salmon removed from the state is liable for payment
9 of the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 if,
10 at the time the salmon are removed from the state, the tax payable on
11 the salmon has not been collected by a buyer.

12 (b) If the owner of salmon is liable for payment of the salmon
13 enhancement tax under (a) of this section, he shall comply with the
14 requirement of AS 43.76.025(b) to report his liability for payment of
15 the tax.

16 * Sec. 11. AS 43.75.136 is repealed.

17 * Sec. 12. TRANSITION. The taxes paid for the 1981 calendar year under
18 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130
19 as that section read before its amendment by sec. 4 of this Act. The taxes
20 paid for the 1982 calendar year and for each succeeding calendar year shall
21 be shared with municipalities in accordance with AS 43.75.130 as amended by
22 sec. 4 of this Act.

23 * Sec. 13. Sections 2 and 3 of this Act are retroactive to January 1,
24 1981, and apply to tax years beginning after December 31, 1980.

25 * Sec. 14. Section 4 of this Act takes effect July 1, 1981.

26 * Sec. 15. Sections 1 - 3 and 5 - 13 of this Act take effect immediately
27 in accordance with AS 01.10.070(c).