

Original sponsor: Resources Committee

Offered: 5/21/81
Referred: Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 460 (Finance)

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. A person taking the deduction authorized by this subsection

1 shall report all information relating to the deduction in accordance
2 with regulations issued by the department [, BUT SHALL INCLUDE THAT
3 VALUE AS PART OF THE VALUE OF THE FISHERY RESOURCES PROCESSED].

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

5 Sec. 43.75.017. EXCLUSION FROM FISHERIES BUSINESS TAX. A person
6 is not liable for the fisheries business tax under AS 43.75.015 when
7 the fishery resource is frozen aboard a fishing vessel if

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

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

12 (3) the fishery resource which is frozen was caught by the
13 vessel; and

14 (4) the fishery resource is sold by the person who claims an
15 exclusion under this section from a tax levied by AS 43.75.015.

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

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

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

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

26 (3) to each borough
27 (A) 50 [20] percent of the amount of tax revenue
28 collected in the area of the borough outside cities from taxes
29 levied by AS 43.75; and

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

4 * Sec. 5. AS 43.75.140(7) is amended to read:

5 (7) "value" means the actual price paid for the fisheries
6 resource by the fisheries business, including indirect consideration
7 such as fuel, supplies, or gear, whether paid at the time of purchase
8 of the fisheries resource or tendered as a deferred or delayed payment,
9 except that "value" means the market value of the fishery resource if
10 the taking of the fishery resource is done [PROCURED] in company-owned
11 or company-subsidized boats operated by employees of the fisheries
12 business or in boats which are operated under lease or other arrange-
13 ment;

14 * Sec. 6. AS 43.75.140 is amended by adding a new paragraph to read:

15 (9) "taking" means pursuing, fishing, capturing, or killing
16 a fisheries resource in any manner.

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

18 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-
19 76.011 may be terminated by the commissioner of revenue upon majority
20 vote at an election held under AS 43.76.015 in the region in which the
21 salmon enhancement tax is levied.

22 * Sec. 8. AS 43.75.136 is repealed.

23 * Sec. 9. TRANSITIONAL REVENUE SHARING. Notwithstanding AS 43.75.130,
24 during the fiscal year ending June 30, 1982, the commissioner of revenue
25 shall pay

26 (1) to each municipality unified under AS 29.68.240 - 29.68.440,
27 and to each city located in the unorganized borough, 30 percent of the
28 amount of tax revenue collected in the municipality from taxes levied by
29 AS 43.75;

1 (2) to each city located within a borough, 15 percent of the
2 amount of tax revenue collected in the city from taxes levied by AS 43.75;
3 and

4 (3) to each borough

5 (A) 30 percent of the amount of tax revenue collected in the
6 area of the borough outside cities from taxes levied by AS 43.75; and

7 (B) 15 percent of the amount of tax revenue collected in
8 cities within the borough from taxes levied by AS 43.75.

9 * Sec. 10. TRANSITION. The taxes paid for the 1980 calendar year under
10 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130
11 as that section read before its amendment by sec. 4 of this Act. The taxes
12 paid for the 1981 calendar year shall be shared with municipalities in
13 accordance with sec. 9 of this Act. The taxes paid for the 1982 calendar
14 year and for each succeeding calendar year shall be shared with municipali-
15 ties in accordance with AS 43.75.130 as amended by sec. 4 of this Act.

16 * Sec. 11. Sections 2 and 3 of this Act are retroactive to January 1,
17 1981, and apply to tax years beginning after December 31, 1980.

18 * Sec. 12. Section 9 of this Act takes effect July 1, 1981.

19 * Sec. 13. Section 4 of this Act takes effect July 1, 1982.

20 * Sec. 14. Sections 1 - 3, 5 - 8, 10, and 11 of this Act take effect
21 immediately in accordance with AS 01.10.070(c).

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