

Original sponsor: Resources Committee

Offered: 6/22/81
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 460 (Finance) am S (efd am H)

3 TWELFTH LEGISLATURE - FIRST SESSION

4 A BILL

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

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

8 * Section 1. AS 43.20.036(b) is amended to read:

9 (b) For purposes of calculating the income tax payable under this
10 chapter, the taxpayer may apply as a credit against his tax liability
11 the [JOB DEVELOPMENT] investment credit allowed as to federal taxes
12 under Internal Revenue Code sec. 38 (26 U.S.C. 38) [50] upon only the
13 first \$20,000,000 [\$500,000] of qualified investment put into use in the
14 state for each taxable year [(26 U.S.C. SEC. 50)]. This limitation does
15 not apply to the amounts invested in equipment which meets the defini-
16 tion of a certified pollution control facility as defined under Internal
17 Revenue Code sec. 169 (26 U.S.C. sec. 169) as in effect on June 19, 1975
18 [THE EFFECTIVE DATE OF THIS ACT] except that the date specified in In-
19 ternal Revenue Code [THAT] section 169(d) as a condition of qualifying a
20 certified pollution control facility for a deduction does not apply.

21 * Sec. 2. AS 43.56.210(6)(A)(iii) is amended to read:

22 (iii) roads, tank farms, tanker terminals, docks and
23 other port facilities, and air strips [AND COMMUNICATION
24 EQUIPMENT AND FACILITIES];

25 * Sec. 3. AS 43.56.210(6)(A) is amended by adding a new subparagraph to
26 read:

27 (vi) communications facilities owned by a person
28 whose principal business in the state is the exploration for,
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1 production of, or pipeline transportation of gas or unrefined
2 oil and whose operation of the communications facilities
3 directly relates to the conduct of that business;

4 * Sec. 4. AS 43.56.210(6)(B) is amended by adding a new subparagraph to
5 read:

6 (v) communications facilities, except communica-
7 tions facilities taxable under (A)(vi) of this paragraph;

8 * Sec. 5. AS 43.75.015(b) is amended to read:

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

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

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

19 * Sec. 6. AS 43.75.015(c) is amended to read:

20 (c) A person engaging or attempting to engage in a fisheries
21 business who first actually and physically processes the fishery re-
22 source, or a person who purchases a fishery resource that is frozen
23 from a person excluded by AS 43.75.017 from liability for the tax, is
24 liable for and shall pay to the department the entire tax imposed by
25 this section. In determining this tax liability, the person may [NOT]
26 deduct from the value of the fishery resources processed the value of
27 fishery resources that are canned or processed for other fisheries
28 businesses. A person taking the deduction authorized by this subsection
29 shall report all information relating to the deduction in accordance

1 with regulations issued by the department [, BUT SHALL INCLUDE THAT
2 VALUE AS PART OF THE VALUE OF THE FISHERY RESOURCES PROCESSED].

3 * Sec. 7. AS 43.75 is amended by adding a new section to read:

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

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

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

11 (3) the fishery resource that is frozen was caught by the
12 vessel; and

13 (4) the fishery resource is sold by the person claiming an
14 exclusion from the tax to a fisheries business licensed under AS 43.75.

15 * Sec. 8. AS 43.75.100(a) is amended to read:

16 (a) A person taking, purchasing, or otherwise acquiring a fishery
17 resource covered by this chapter which has not been subject to the tax
18 imposed in AS 43.75.015 is subject to the tax levied in AS 43.75.015 on
19 the value of the fishery resource [SOLD] if the person

20 (1) transports the fishery resource to a point outside the
21 taxing jurisdiction of the state for subsequent processing or sale [TO
22 A FISHERIES BUSINESS] outside the taxing jurisdiction of the state; [OR]

23 (2) sells the fishery resource [TO A FISHERIES BUSINESS]
24 outside the taxing jurisdiction of the state; or

25 (3) has the fishery resource processed by a fisheries busi-
26 ness inside the state.

27 * Sec. 9. AS 43.75.100(b) is repealed and reenacted to read:

28 (b) The rate of tax that shall be paid by a person whose liability
29 for the tax is established by this section is the rate of tax that

1 would have been due under AS 43.75.015 if the fisheries business that
2 first actually and physically processed the fish had been liable to pay
3 the tax.

4 * Sec. 10. AS 43.75.130 is amended to read:

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

7 (1) to each municipality unified under AS 29.68.240 - 29.68.-
8 440, and to each city located in the unorganized borough, 50 [20]
9 percent of the amount of tax revenue collected in the municipality from
10 taxes levied by AS 43.75;

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

14 (3) to each borough

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

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

21 * Sec. 11. AS 43.75.140(7) is amended to read:

22 (7) "value" means the actual price paid for the fisheries
23 resource by the fisheries business, including indirect consideration
24 such as fuel, supplies, or gear, whether paid at the time of purchase
25 of the fisheries resource or tendered as a deferred or delayed payment,
26 except that "value" means the market value of the fishery resource if
27 the taking of the fishery resource is done [PROCURED] in company-owned
28 or company-subsidized boats operated by employees of the fisheries
29 business or in boats which are operated under lease or other arrange-

1 ment;

2 * Sec. 12. AS 43.75.140 is amended by adding a new paragraph to read:

3 (9) "taking" means pursuing, fishing, capturing, or harvest-
4 ing a fisheries resource in any manner.

5 * Sec. 13. AS 43.76.010(a) is amended to read:

6 (a) A person holding a limited entry permit under AS 16.43 shall
7 pay a salmon enhancement tax at the rate of three percent of the value
8 of salmon, as defined in AS 43.75.140(7), that the person removes from
9 the state or transfers to a buyer in the state. The buyer [SELLS TO A
10 PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCESSOR] shall collect
11 the salmon enhancement tax at the time [OF] the salmon is acquired by
12 the buyer [SALE].

13 * Sec. 14. AS 43.76.011(a) is amended to read:

14 (a) A person holding a limited entry permit under AS 16.43 shall
15 pay a salmon enhancement tax at the rate of two percent of the value of
16 salmon, as defined in AS 43.75.140(7), that the person removes from the
17 state or transfers to a buyer in the state. The buyer [SELLS TO A
18 PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCESSOR] shall collect
19 the salmon enhancement tax at the time [OF] the salmon is acquired by
20 the buyer [SALE].

21 * Sec. 15. AS 43.76.020(a) is amended to read:

22 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-
23 76.011 may be terminated by the commissioner of revenue upon majority
24 vote at an election held under AS 43.76.015 in the region in which the
25 salmon enhancement tax is levied.

26 * Sec. 16. AS 43.76.025(a) is amended to read:

27 (a) A buyer [PROCESSOR] who acquires [BUYS] fisheries resources
28 which are subject to the salmon enhancement tax imposed by AS 43.76.010
29 or 43.76.011 shall collect the salmon enhancement tax at the time of

1 purchase, and shall remit the total salmon enhancement tax collected
2 during each month to the Department of Revenue by the last day of the
3 next month.

4 * Sec. 17. AS 43.76.025(b) is amended to read:

5 (b) A buyer [PROCESSOR] who collects the salmon enhancement tax
6 shall

7 (1) maintain records reflecting the region designated under
8 AS 16.10.375 in which the fishery resource was caught; and

9 (2) report to the Department of Revenue by March 1 of each
10 year the total value, as defined in AS 43.75.140(7), of the salmon
11 caught in each region designated under AS 16.10.375 which the buyer
12 [PROCESSOR] has acquired [PURCHASED] during the preceding year.

13 * Sec. 18. AS 43.76 is amended by adding a new section to read:

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

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

19 (b) If the owner of salmon is liable for payment of the salmon
20 enhancement tax under (a) of this section, he shall comply with the
21 requirement of AS 43.76.025(b) to report his liability for payment of
22 the tax.

23 * Sec. 19. AS 43.76 is amended by adding a new section to read:

24 Sec. 43.76.040. DEFINITION. In this chapter, unless the context
25 otherwise requires, "buyer" means a person who acquires possession of
26 salmon from the person who caught the salmon regardless of whether
27 there is an actual sale of the salmon but excluding a transfer to a
28 person engaged solely in interstate transportation of goods for hire.

29 * Sec. 20. AS 43.75.136 is repealed.

1 * Sec. 21. TRANSITIONAL REVENUE SHARING. Notwithstanding AS 43.75.130,
2 during the fiscal year ending June 30, 1982, the commissioner of revenue
3 shall pay

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

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

11 (3) to each borough

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

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

16 * Sec. 22. TRANSITION. The taxes paid for the 1980 calendar year under
17 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130
18 as that section read before its amendment by sec. 10 of this Act. The taxes
19 paid for the 1981 calendar year shall be shared with municipalities in
20 accordance with sec. 21 of this Act. The taxes paid for the 1982 calendar
21 year and for each succeeding calendar year shall be shared with municipali-
22 ties in accordance with AS 43.75.130 as amended by sec. 10 of this Act.

23 * Sec. 23. SEVERABILITY. If a provision of this Act, or the application
24 of a provision of this Act to any person or circumstance, is held invalid,
25 the remainder of this Act and the application of it to other persons or
26 circumstances is not affected by the invalidation of the section.

27 * Sec. 24. Section 1 of this Act is retroactive to July 1, 1980, and
28 applies to expenditures that qualify for the investment credits that are
29 made on or after that date.

1 * Sec. 25. Sections 2 - 4, 6, 7, 11, and 12 of this Act are retroactive
2 to January 1, 1981, and apply to tax years beginning after December 31,
3 1980.

4 * Sec. 26. Section 21 of this Act takes effect July 1, 1981.

5 * Sec. 27. Section 10 of this Act takes effect July 1, 1982.

6 * Sec. 28. Sections 1 - 9, 11 - 20, and 22 - 23 of this Act take effect
7 immediately in accordance with AS 01.10.070(c).

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