

Introduced: 1/14/85
Referred: Resources and
Finance

1 IN THE SENATE

BY ZHAROFF

2

SENATE BILL NO. 11

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the fisheries business tax."

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

8 * Section 1. AS 43.75.015(a) is amended to read:

9 (a) A person engaged in a fisheries business is liable for and
10 shall pay the tax levied by this section on the value of each of the
11 following fisheries resources processed during the year at the rate
12 set out after each:

13 (1) salmon canned at a shore-based fisheries business
14 [CANNERY] - four and one-half percent;

15 (2) salmon processed by a shore-based fisheries business,
16 except salmon for which the tax is due under (1) of this subsection,
17 and all other fisheries resources processed by a shore-based fisheries
18 business - three percent;

19 (3) fisheries resources processed by a floating fisheries
20 business - five percent.

21 * Sec. 2. AS 43.75 is amended by adding new sections to read:

22 Sec. 43.75.018. FISHERIES BUSINESS TAX CREDIT. (a) A fisheries
23 business is entitled to a credit of not more than 50 percent of the
24 business tax liability under AS 43.75.015 for capital expenditures
25 related to a shore-based fisheries business facility in the state made
26 during the tax year if an application for the credit is approved by
27 the department.

28 (b) A fisheries business may claim a credit under (a) of this
29 section for a maximum period of five consecutive years. An applicant

1 for the credit may elect to begin the five-year period with any tax
2 year from 1985 through 1989.

3 (c) The portion of a capital expenditure that exceeds the amount
4 eligible for a credit under (a) of this section during a single tax
5 year may not be carried back to a prior taxable year, but may be
6 claimed as a credit under (a) of this section for a subsequent tax
7 year within the five-year period elected under (b) of this section.
8 In no event may tax credits be approved for more than 100 percent of a
9 capital expenditure.

10 (d) The department may not approve a tax credit under (a) of
11 this section if the property for which the capital expenditure was
12 made was the subject of a previous capital expenditure by another
13 taxpayer for whom a corresponding tax credit under (a) of this section
14 has been approved.

15 (e) The department shall adopt regulations providing for the
16 application for a credit under (a) of this section and for the review
17 and approval or disapproval of an application.

18 (f) The department shall approve or disapprove an application
19 for a credit under this section not later than 60 days after receiving
20 the application.

21 Sec. 43.75.019. TAX CREDIT REPORT. Not later than the 60th
22 legislative day of each regular legislative session the Department of
23 Revenue, in conjunction with the Department of Commerce and Economic
24 Development, shall submit to the legislature a report on the fisheries
25 business tax credit program under AS 43.75.018. The report shall
26 describe the expenditures for which a credit was claimed during the
27 previous tax year and, if possible, the increase in employment and
28 processing capacity by the fisheries businesses for whom the credit
29 was approved. Reporting under this section shall begin with the first

1 regular session of the Fifteenth Alaska Legislature.

2 * Sec. 3. AS 43.75.130 is amended by adding a new subsection to read:

3 (b) For purposes of this section, tax revenue collected under
4 AS 43.75.015 from a person entitled to a credit under AS 43.75.018
5 shall be calculated as if the person's tax had been collected without
6 applying the credit.

7 * Sec. 4. AS 43.75.140 is amended by adding a new paragraph to read:

8 (9) "capital expenditures" includes the price paid for
9 equipment and the costs of improvements made to depreciable property,
10 but does not include expenditures that are deducted entirely for
11 federal income tax purposes in the year in which they accrued or were
12 paid.

13 * Sec. 5. AS 43.75.018, 43.75.019, 43.75.130(b), and 43.75.140(9) are
14 repealed June 30, 1994.