

Offered: 5/15/87  
Referred: Rules

5-0648X

Original sponsor: Zharoff

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 162 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to the fisheries business tax; and  
7 providing for an effective date."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 43.75.017 is amended to read:  
10 Sec. 43.75.017. EXCLUSION FROM FISHERIES BUSINESS TAX. A person  
11 is not liable for the fisheries business tax under AS 43.75.015 when  
12 the fishery resource is frozen or iced aboard a fishing vessel if  
13 (1) the vessel is operated as a commercial fishing vessel  
14 under a valid commercial fishing license;  
15 (2) the fishery resource is not processed beyond heading,  
16 gutting or cleaning, freezing, and glazing;  
17 (3) the fishery resource was caught by the vessel; and  
18 (4) the fishery resource is sold by the person claiming an  
19 exclusion from the tax to a fisheries business licensed under this  
20 chapter.  
21 \* Sec. 2. AS 43.75.130(a) is amended to read:  
22 (a) Except as provided in (d) of this section, the [THE] commis-  
23 sioner of revenue shall pay  
24 (1) to each unified municipality and to each city located  
25 in the unorganized borough, 50 percent of the amount of tax revenue  
26 collected in the municipality from taxes levied under [BY] this chap-  
27 ter;  
28 (2) to each city located within a borough, 25 percent of  
29 the amount of tax revenue collected in the city from taxes levied

1       under [BY] this chapter; and  
2                   (3) to each borough  
3                   (A) 50 percent of the amount of tax revenue collected  
4                   in the area of the borough outside cities from taxes levied under  
5                   [BY] this chapter; and  
6                   (B) 25 percent of the amount of tax revenue collected  
7                   in cities located within the borough from taxes levied under [BY]  
8                   this chapter.

9       \* Sec. 3. AS 43.75.130 is amended by adding new subsections to read:

10           (d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of  
11           this section, the commissioner shall pay

12                   (1) to each city that is located in a borough incorporated  
13                   after the effective date of this Act the following percentages of the  
14                   tax revenue collected in the city from taxes levied under this chap-  
15                   ter:

16                           (A) 45 percent of the taxes collected during the  
17                           calendar year in which the borough is incorporated;

18                           (B) 40 percent of the taxes collected during the first  
19                           calendar year after the calendar year in which the borough is  
20                           incorporated;

21                           (C) 35 percent of the taxes collected during the  
22                           second calendar year after the calendar year in which the borough  
23                           is incorporated; and

24                           (D) 30 percent of the taxes collected during the third  
25                           calendar year after the calendar year in which the borough is  
26                           incorporated; and

27                   (2) to each borough that is incorporated after the effec-  
28                   tive date of this Act the following percentages of the tax revenue  
29                   collected in the cities located within the borough from taxes levied

1 under this chapter:

2 (A) 5 percent of the taxes collected during the calen-  
3 dar year in which the borough is incorporated;

4 (B) 10 percent of the taxes collected during the first  
5 calendar year after the calendar year in which the borough is  
6 incorporated;

7 (C) 15 percent of the taxes collected during the  
8 second calendar year after the calendar year in which the borough  
9 is incorporated; and

10 (D) 20 percent of the taxes collected during the third  
11 calendar year after the calendar year in which the borough is  
12 incorporated.

13 (e) Notwithstanding the provisions of (d) of this section, a  
14 city may adopt an ordinance to transfer a portion of the funds re-  
15 ceived under (d)(1) of this section to the borough in which the city  
16 is located.

17 \* Sec. 4. AS 43.75.140(4) is amended to read:

18 (4) "fisheries business" means a person who engages in  
19 processing fisheries resources for sale by icing, freezing, cooking,  
20 salting, or other method and includes but is not limited to canneries,  
21 cold storages, freezer ships, and processing plants;

22 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).