

Introduced: 1/9/89
Referred: Community and Regional
Affairs, Resources and
Finance

6-0416A

1 IN THE SENATE

BY ZHAROFF, STURGULEWSKI
AND KERTTULA

2

SENATE BILL NO. 74

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act amending and extending the fisheries business
7 tax credit; relating to fisheries business tax
8 refunds to municipalities; and providing for an
9 effective date."

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

11 * Section 1. AS 43.75.032(a) is amended to read:

12 (a) A fisheries business is entitled to a credit of not more
13 than 50 percent of the business tax liability under AS 43.75.015 for
14 capital expenditures made during the tax year that (1) increase prod-
15 uct diversity, or production efficiency and capacity, or improve
16 product quality, at a shore-based fisheries business facility in the
17 state, or (2) contribute to the development of a cooperative seafood
18 industrial park in the state, if an application for the credit is
19 approved by the department in advance of the capital expenditure. A
20 fisheries business may claim a credit under this subsection for a
21 maximum period of five [THREE] consecutive years. An applicant for
22 the credit may elect to begin the five-year [THREE-YEAR] period with
23 any tax year from 1987 through 1991 [1989]. A tax credit under this
24 subsection may not be approved for more than 50 percent of a capital
25 expenditure, plus any increase required under (b) of this section.

26 * Sec. 2. AS 43.75.032(b) is amended to read:

27 (b) The amount of a credit under (a) of this section for a
28 capital expenditure involving a shore-based fisheries business facil-
29 ity or cooperative seafood industrial park located or to be located in

1 a municipality shall be increased by the amount by which the munic-
2 ipality's fisheries business tax refund is reduced under AS 43.75.-
3 130(c). The total amount of a credit increase under this subsection
4 during a five-year [THREE-YEAR] period may not exceed 25 percent of
5 the amount of the capital expenditure.

6 * Sec. 3. AS 43.75.032(c) is amended to read:

7 (c) The portion of a capital expenditure that is eligible for a
8 credit under this section but is claimed during a single tax year may
9 not be carried back to a prior tax year but is available for the
10 computation as a credit under this section for a subsequent tax year
11 within the five-year [THREE-YEAR] period elected under (a) of this
12 section.

13 * Sec. 4. AS 43.75.032(f) is amended to read:

14 (f) The total tax credits that may be claimed under this section
15 for a tax year for capital expenditures and scholarship contributions
16 combined may not exceed

17 (1) 75 percent of the taxpayer's business tax liability
18 under AS 43.75.015 for the tax year if a municipality adopts an ordi-
19 nance under AS 43.75.130(c) reducing the municipality's tax refund for
20 that tax year; or

21 (2) 50 percent of the taxpayer's business tax liability
22 under AS 43.75.015 for the [THAT] tax year if a municipality has not
23 adopted an ordinance under AS 43.75.130(c) reducing the municipality's
24 tax refund for that tax year.

25 * Sec. 5. AS 43.75.130(c) is amended to read:

26 (c) Within 60 days after a credit is approved under AS 43.75.032
27 for a capital expenditure involving a shore-based fisheries business
28 facility or cooperative seafood industrial park located or to be
29 located in a municipality, the municipality may adopt an ordinance

1 direct the department to reduce the municipality's refund under this
2 section over a period of not more than five [THREE] years by an amount
3 not exceeding 25 percent of the capital expenditure.

4 * Sec. 6. Section 7, ch. 79, SLA 1986, is repealed and reenacted to
5 read:

6 Sec. 7. AS 43.75.130(c), 43.75.140(1), 43.75.140(7), and 43.75.-
7 140(8) are repealed January 1, 1996.

8 * Sec. 7. Section 8, ch. 79, SLA 1986, is amended to read:

9 Sec. 8. AS 43.75.034 is repealed February 15, 1996 [1992].

10 * Sec. 8. Section 10, ch. 79, SLA 1986, is amended to read:

11 Sec. 10. Section 3 of this Act takes effect January 1, 1996
12 [1992].

13 * Sec. 9. APPLICABILITY TO EXISTING CREDITS. (a) The provisions of
14 this Act apply to extend from three years to five years a tax credit
15 claimed by a fisheries business under AS 43.75.032 and 43.75.130 for a tax
16 year beginning after December 31, 1986, and before the effective date of
17 this Act.

18 (b) Notwithstanding the time limitation for adoption of an ordinance
19 imposed by AS 43.75.130(c), a municipality that, on or before the effective
20 date of this Act, has adopted an ordinance directing the Department of
21 Revenue to reduce the municipality's fisheries tax refund under AS 43.75.-
22 130(c) for a period of not more than three years may amend the ordinance
23 and direct the Department of Revenue to reduce that refund for a period of
24 not more than five years.

25 * Sec. 10. Sections 1 - 5 of this Act are retroactive to January 1,
26 1987.

27 * Sec. 11. This Act takes effect immediately under AS 01.10.070(c).