

HOUSE BILL NO. 524

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE KOPONEN

Introduced: 2/18/92

Referred: Resources, Finance

A BILL**FOR AN ACT ENTITLED**

1 "An Act imposing a tax on transfers of limited entry permits; and providing for an
2 effective date."

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

4 * Section 1. AS 43 is amended by adding a new chapter to read:

5 CHAPTER 72. LIMITED ENTRY PERMIT TRANSFER TAX.

6 Sec. 43.72.010. TRANSFER TAX IMPOSED. (a) There is imposed a limited entry
7 transfer tax upon each transfer of a limited entry permit under AS 16.43.170. Payment of the
8 tax imposed by this section is the obligation of the seller of the permit. The tax is computed
9 according to the following table:

10	If the selling price of the permit is:	The tax is:
11	Less than \$100,000	One percent of the selling price of the
12	\$100,000 or more	permit \$1,000, plus an additional one
13		percent of the selling price for each
14		\$50,000 or fraction of \$50,000 of the

1 ~~selling price that exceeds \$100,000, not~~
2 ~~to exceed five percent of the selling price.~~

3 **Sec. 43.72.020. COLLECTION OF TAX.** (a) ~~The tax shall be paid to and collected by~~
4 ~~the commission. A limited entry permit subject to the tax may not be transferred by the~~
5 ~~commission under AS 16.43 until the tax has been paid. In a case in which the tax is not due~~
6 ~~on a transfer, the permit may not be transferred until suitable notation of the exception has been~~
7 ~~made by the commission.~~

8 (b) ~~The legislature may annually appropriate an amount estimated to be received from~~
9 ~~the tax levied and collected under this chapter during the fiscal year~~

10 (1) ~~for the operating expenses of the division of fisheries rehabilitation,~~
11 ~~enhancement, and development (AS 16.05.092);~~

12 (2) ~~to the Alaska Seafood Marketing Institute (AS 16.51);~~

13 (3) ~~as a grant to an organization established to improve the enforcement of laws~~
14 ~~intended to curtail illegal harvest of anadromous fish in the United States Exclusive Economic~~
15 ~~Zone and the high seas outside the United States Exclusive Economic Zone.~~

16 **Sec. 43.72.030. ADMINISTRATION OF TAX.** (a) ~~The commission shall prescribe~~
17 ~~procedures for collection of the tax.~~

18 (b) ~~The commission shall provide by regulation for cases where the selling price of a~~
19 ~~limited entry permit is not separately stated or is not ascertainable at the time of conveyance, and~~
20 ~~for payment of the tax at a time when the selling price is ascertained, in which case suitable~~
21 ~~security may be required for payment of the tax.~~

22 **Sec. 43.72.040. PROVISIONS INAPPLICABLE.** ~~The tax does not apply to the transfer~~
23 ~~of~~

24 (1) ~~an interim-use permit;~~

25 (2) ~~a limited entry permit to the commission;~~

26 (3) ~~a limited entry permit to the state or the Alaska Commercial Fishing and~~
27 ~~Agriculture Bank as a result of foreclosure of a loan made under AS 16.10.300 - 16.10.370 or~~
28 ~~under AS 44.81.210(a)(20) and 44.81.230 - 44.81.250;~~

29 (4) ~~a limited entry permit by the Department of Commerce and Economic~~
30 ~~Development under AS 16.10.337 or by the Alaska Commercial Fishing and Agriculture Bank~~
31 ~~under AS 44.81.250;~~

- 1 (5) a limited entry permit from one spouse to the other under the terms of a
2 divorce decree or in fulfillment of a property settlement agreement; or
3 (6) a limited entry permit by inheritance.
4 Sec. 43.72.100. DEFINITIONS. In AS 43.72.010 - 43.72.100,
5 (1) "commission" means the Commercial Fisheries Entry Commission;
6 (2) "selling price" means the consideration, including money or anything of value,
7 paid or delivered or contracted to be paid or delivered in return for the transfer of a limited entry
8 permit;
9 (3) "tax" means the limited entry permit transfer tax imposed by AS 43.72.010.
10 * Sec. 2. This Act takes effect January 1, 1993.