

CS FOR SENATE BILL NO. 311(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/11/94
Referred: Rules

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing a credit against the fishery resource landing tax for certain
2 contributions made by taxpayers not harvesting fisheries resources under a
3 community development quota and for contributions based on fishery resources
4 not harvested under a quota made by taxpayers harvesting fisheries resources
5 under a community development quota, amending the manner of calculating the
6 amount available for revenue sharing by operation of this credit, providing for
7 predetermination of credit applications under that tax, and amending the fishery
8 resource landing tax to eliminate claim of the credit for contributions of capital;
9 and providing for an effective date."

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

11 * Section 1. AS 43.77.040(a) is amended to read:

12 (a) A taxpayer who harvests a fishery resource under the provisions of a

1 community development quota may claim as a credit, against not more than 45.45
2 percent of the tax under this chapter that is due on the value of the fishery resource
3 harvested under the community development quota, the taxpayer's contributions made
4 during the tax year to a nonprofit corporation incorporated under the laws of the state
5 that are used by the recipient for one or more of the following purposes:

6 (1) scholarships for study in the state in the disciplines of fisheries
7 management, fisheries business administration, or another related course or discipline;

8 (2) training in the state for employment in the seafood industry;

9 (3) [MAKING CONTRIBUTIONS OF CAPITAL, IN THE FORM OF
10 LOANS OR GRANTS, TO CONSTRUCT OR IMPROVE

11 (A) TRANSPORTATION FACILITIES IN THE STATE SUCH
12 AS AIRPORTS AND DOCKS THAT ARE USED FOR THE UNLOADING,
13 TRANSFERRING, OR SHIPMENT OF FISHERIES PRODUCTS; OR

14 (B) FACILITIES IN THE STATE AT WHICH FISHERIES
15 PRODUCTS ARE CANNED, FROZEN, OR OTHERWISE PROCESSED FOR
16 INVENTORY, INCLUDING FLOATING FACILITIES THAT ARE
17 DOCUMENTED UNDER THE LAWS OF THE UNITED STATES AS
18 DEFINED IN 46 U.S.C. APP. 801;

19 (4)] awarding grants for research projects relating to Alaska fisheries.

20 * Sec. 2. AS 43.77.040(b) is amended to read:

21 (b) A taxpayer who makes a contribution that qualifies for the credit
22 authorized by (a) or (e) of this section must apply to obtain the credit. The taxpayer
23 shall apply to the department in the manner provided by the department by regulation,
24 and shall provide to the commissioner all information relating to the contribution that
25 may be required by the department. Upon receipt of a complete application, the
26 department, in consultation with the Department of Community and Regional Affairs,
27 shall approve or disapprove the application for the credit within 60 days. A nonprofit
28 corporation may apply to the department and request a written determination
29 that the intended use of contributions by the nonprofit corporation for a
30 specifically designated program satisfies one or more of the requirements of (a)
31 of this section. A written determination issued by the department to the nonprofit

1 corporation constitutes department approval under this section of contributions
2 by taxpayers to the corporation for the specifically designated program for which
3 the department's written determination was issued.

4 * Sec. 3. AS 43.77.040(c) is amended to read:

5 (c) The department shall revoke a prior approval of a tax credit and may not
6 allow a tax credit under this section if (1) the department determines that the
7 contribution does not qualify under (a) or (e) of this section; or (2) the taxpayer
8 claiming the credit is in arrears in the payment of a tax levied in this title. For
9 purposes of this subsection, a taxpayer is not in arrears if the payment is under
10 administrative or judicial appeal.

11 * Sec. 4. AS 43.77.040 is amended by adding a new subsection to read:

12 (c) Each of the following may claim as a credit, against not more than 13.65
13 percent of the tax under this chapter that is due on the value of the fishery resource
14 not harvested under a community development quota, the taxpayer's contributions
15 made during the tax year to a nonprofit corporation incorporated under the laws of the
16 state that are used by the recipient for one or more of the purposes set out in (a) of
17 this section:

18 (1) a taxpayer other than a taxpayer who is eligible for a credit under
19 (a) of this section;

20 (2) a taxpayer who is eligible for a credit under (a) of this section, but
21 the credit under this subsection may be claimed only from contributions that are made
22 from the value of the fishery resource that is not harvested under a community
23 development quota.

24 * Sec. 5. AS 43.77.050(b) is amended to read:

25 (b) After payment of the amount determined under (a) of this section, the
26 balance of the tax collected under this chapter shall be paid into a separate account in
27 the general fund. The annual balance in the account may be appropriated by the
28 legislature for revenue sharing under AS 43.77.060. Before making the payments
29 to municipalities authorized by AS 43.77.060, from amounts payable to
30 municipalities under AS 43.77.060(a) - (c) the commissioner shall deduct

31 (1) the entire [THE] amount of [ALL] tax credits authorized by

1 AS 43.77.040(a) that have been approved by the commissioner under
2 AS 43.77.040(b); and

3 (2) one-half of the amount of tax credits authorized by
4 AS 43.77.040(e) that have been approved by the commissioner under
5 AS 43.77.040(b) [SHALL BE DEDUCTED FROM AMOUNTS PAID TO
6 MUNICIPALITIES UNDER AS 43.77.060(a) - (c)].

7 * Sec. 6. If this Act takes effect after July 1, 1994, this Act is retroactive to July 1, 1994.

8 * Sec. 7. This Act takes effect July 1, 1994, and applies to fishery resource landing taxes
9 paid after June 30, 1994.