

COMMITTEE REPORT
HOUSE

4/20/81

FURTHER:

(11)

Date: May 20 1981

Mr. Speaker:

The Committee on FINANCE has had HB 460

"an Act relating to the fisheries and salmon enhancement taxes; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HF 460 (Finance) same title
 new title
- and recommends individual rec
- AND attaches a "Letter of Intent" New Fiscal Note (11/19/80)
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSHB 460 (fin)
 Title relating to the fisheries and salmon enhancement taxes
 Requested by _____ Date May 20, 1981

II. FISCAL DETAIL
 Agency Affected Department of Revenue
 Program Category Affected Shared Taxes
 BRU, Program, or Subprogram(s) Affected Fisheries Tax
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1969.0	5907.0	5907.0	5907.0	
TOTAL		1969.0	5907.0	5907.0	5907.0	

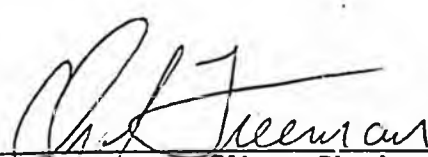
FUNDING (Thousands of Dollars)

GENERAL FUND		1969.0	5907.0	5907.0	5907.0	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE May 20, 1981 PREPARED BY 
 AGENCY _____
 PHONE _____
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Oral Freeman, Vice Chairman
 House Finance Committee

Original sponsor: Resources Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 460 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the fisheries and salmon enhance-
7 ment taxes; and providing for an effective date."

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

9 * Section 1. AS 43.75.015(b) is amended to read:

10 (b) Instead of the taxes levied by (a) of this section, a person
11 who processes [ENGAGED IN A FISHERY BUSINESS WHICH INCLUDES PROCESSING]
12 a developing commercial fish species is liable for and shall pay a tax
13 equal to

14 (1) one percent of the value of the developing commercial
15 fish species processed by a shore-based fisheries business during the
16 year; and

17 (2) three percent of the value of the developing commercial
18 fish species processed by a floating fisheries business during the
19 year.

20 * Sec. 2. AS 43.75.015(c) is amended to read:

21 (c) A person engaging or attempting to engage in a fisheries
22 business who first actually and physically processes the fishery re-
23 source, or a person who purchases a fishery resource which is frozen
24 from a person excluded by AS 43.75.017 from liability for the tax, is
25 liable for and shall pay to the department the entire tax imposed by
26 this section. In determining this tax liability, the person may [NOT]
27 deduct from the value of the fishery resources processed the value of
28 fishery resources that are canned or processed for other fisheries busi-
29 nesses. A person taking the deduction authorized by this subsection

1 shall report all information relating to the deduction in accordance
2 with regulations issued by the department [, BUT SHALL INCLUDE THAT
3 VALUE AS PART OF THE VALUE OF THE FISHERY RESOURCES PROCESSED].

4 * Sec. 3. AS 43.75 is amended by adding a new section to read:

5 Sec. 43.75.017. EXCLUSION FROM FISHERIES BUSINESS TAX. A person
6 is not liable for the fisheries business tax under AS 43.75.015 when
7 the fishery resource is frozen aboard a fishing vessel if

8 (1) the vessel is operated as a commercial fishing vessel
9 under a valid commercial fishing license;

10 (2) the fishery resource is not processed beyond heading,
11 gutting or cleaning, freezing and glazing;

12 (3) the fishery resource which is frozen was caught by the
13 vessel; and

14 (4) the fishery resource is sold by the person who claims an
15 exclusion under this section from a tax levied by AS 43.75.015.

16 * Sec. 4. AS 43.75.130 is amended to read:

17 Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of
18 revenue shall pay

19 (1) to each municipality unified under AS 29.68.240 -
20 29.68.440, and to each city located in the unorganized borough, 50 [20]
21 percent of the amount of tax revenue collected in the municipality from
22 taxes levied by AS 43.75;

23 (2) to each city located within a borough, 15 [10] percent
24 of the amount of tax revenue collected in the city from taxes levied by
25 AS 43.75; and

26 (3) to each borough

27 (A) 50 [20] percent of the amount of tax revenue
28 collected in the area of the borough outside cities from taxes
29 levied by AS 43.75; and

1 (B) 25 [10] percent of the amount of tax revenue
2 collected in cities located within the borough from taxes levied
3 by AS 43.75.

4 * Sec. 5. AS 43.75.140(7) is amended to read:

5 (7) "value" means the actual price paid for the fisheries
6 resource by the fisheries business, including indirect consideration
7 such as fuel, supplies, or gear, whether paid at the time of purchase
8 of the fisheries resource or tendered as a deferred or delayed payment,
9 except that "value" means the market value of the fishery resource if
10 the taking of the fishery resource is done [PROCURED] in company-owned
11 or company-subsidized boats operated by employees of the fisheries
12 business or in boats which are operated under lease or other arrange-
13 ment;

14 * Sec. 6. AS 43.75.140 is amended by adding a new paragraph to read:

15 (9) "taking" means pursuing, fishing, capturing, or killing
16 a fisheries resource in any manner.

17 * Sec. 7. AS 43.76.020(a) is amended to read:

18 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-
19 76.011 may be terminated by the commissioner of revenue upon majority
20 vote at an election held under AS 43.76.015 in the region in which the
21 salmon enhancement tax is levied.

22 * Sec. 8. AS 43.75.136 is repealed.

23 * Sec. 9. TRANSITIONAL REVENUE SHARING. Notwithstanding AS 43.75.130,
24 during the fiscal year ending June 30, 1982, the commissioner of revenue
25 shall pay

26 (1) to each municipality unified under AS 29.68.240 - 29.68.440,
27 and to each city located in the unorganized borough, 30 percent of the
28 amount of tax revenue collected in the municipality from taxes levied by
29 AS 43.75;

1 (2) to each city located within a borough, 15 percent of the
2 amount of tax revenue collected in the city from taxes levied by AS 43.75;
3 and

4 (3) to each borough

5 (A) 30 percent of the amount of tax revenue collected in the
6 area of the borough outside cities from taxes levied by AS 43.75; and

7 (B) 15 percent of the amount of tax revenue collected in
8 cities within the borough from taxes levied by AS 43.75.

9 * Sec. 10. TRANSITION. The taxes paid for the 1980 calendar year under
10 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130
11 as that section read before its amendment by sec. 4 of this Act. The taxes
12 paid for the 1981 calendar year shall be shared with municipalities in
13 accordance with sec. 9 of this Act. The taxes paid for the 1982 calendar
14 year and for each succeeding calendar year shall be shared with municipali-
15 ties in accordance with AS 43.75.130 as amended by sec. 4 of this Act.

16 * Sec. 11. Sections 2 and 3 of this Act are retroactive to January 1,
17 1981, and apply to tax years beginning after December 31, 1980.

18 * Sec. 12. Section 9 of this Act takes effect July 1, 1981.

19 * Sec. 13. Section 4 of this Act takes effect July 1, 1982.

20 * Sec. 14. Sections 1 - 3, 5 - 8, 10, and 11 of this Act take effect
21 immediately in accordance with AS 01.10.070(c).

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Alaska State Legislature

House of Representatives

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: All Members
House Finance Committee

FROM: Hugh Malone

DATE: May 20, 1981

RE: HB 460

Recommendations for CSHB 460 (Fin)

ISSUE - Fish Tax sharing to local government to help offset community impact resulting from state fisheries development. Current level provides an estimated \$3,938,000 in FY 82 budget. Bill proposes 150% increase for a fiscal note of \$5,907.

RECOMMENDATION: A 50% increase. Fiscal note is reduced to \$1,969,000 for FY 82. (Amendment No. 1.)

#1-a

AMENDMENT #1

Page 2, line 16, change 50 to 30
line 19, change 25 to 15
line 23, change 50 to 30
line 26, change 25 to 15

ISSUE - Fish Tax sharing to local government to help offset community impact resulting from state fisheries development. Current level provides an estimated \$3,938,000 in FY 82 budget. Bill proposes 150% increase for a fiscal note of \$5,907.

RECOMMENDATION: A 50% increase. Fiscal note is reduced to \$1,969,000 for FY 82, and a 150% increase after July 1, 1982. This will provide that raw fish tax will be split 50-50 with municipalities after FY 82. (Amendment No. 1.)

AMENDMENT #1

Page 2, line 13, after "GOVERNMENTS" insert (a)

Page 2, line 16, change 50 to 30
line 19, change 25 to 15
line 23, change 50 to 30
line 26, change 25 to 15

Page 2, between lines 28 and 29 add a new subsection:

(b) After July 1, 1982, the commissioner of revenue shall pay

(1) to each municipality unified under AS 29.68.240 - 29.68.240, and to each city located in the unorganized borough, 50 [20] percent of the amount of tax revenue collected in the municipality from taxes levied by AS 43.75;

(2) to each city located within a borough, 25 [10] percent of the amount of tax revenue collected in the city from taxes levied by AS 43.75; and

(3) to each borough

(A) 50 [20] percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied by AS 43.75; and

(B) 25 [10] percent of the amount of tax revenue collected in cities within the borough from taxes levied by AS 43.75.

ISSUE - Liability and Collection. Custom processors process the fish for a fee under contract, and do not buy, sell, or own the fish processed under a custom processing contract.

The amendment on custom processing would provide that the owner of the fish pay tax.

RECOMMENDATION: That custom processing business activity be excluded from payment of tax. (Amendment No. 2.)

HIM → ✓

AMENDMENT #2

Page 2, line between 11 and 12, insert new subsection #4:

(4) the fishery resource is sold by the person claiming the exclusion from tax to a fisheries business licensed under AS 43.75.

ISSUE - Exclusions from tax. Present law says processor is responsible for payment of tax.

Bill provides that butchering and freezing on board a fishing vessel would not be processing for purpose or tax, with the intent that the tax would be paid by the processor who buys the fish.

RECOMMENDATION: That the Department of Revenue amendment be adopted that clarifies the exemption would only apply when fish are sold to a person licensed as a processor. (Amendment No. 3.)

AMENDMENT #3

(c) A person engaging or attempting to engage in a fisheries business who first actually and physically processes the fishery resource, or a person who purchases a fishery resource which is frozen from a person excluded by AS 43.75.017 from liability for the tax, is liable for and shall pay to the department the entire tax imposed by this section. In determining this tax liability, the person may [NOT] deduct from the value of the fishery resources processed the value of fishery resources that are canned or processed for other fisheries businesses, but shall [INCLUDE THAT VALUE AS PART OF THE VALUE OF THE FISHERY RESOURCES PROCESSED.] report to the department information relating to any fisheries resource processed for other fisheries business as provided by regulation.

ISSUE - Salmon enhancement tax (aquaculture tax)

The bill as written just clarifies the present law - no issue.

The "U.F.A." amendment would change present base for tax, which is the price paid by the processor (or the value delivered at the processor), to the price paid to the fisherman. Basically, this would eliminate any tax on transportation and storage or other costs or charges by middlemen.

Additional accounting by Department of Revenue may be required to properly segregate these costs.

RECOMMENDATION: Include value amendment in revised form as recommended by House Resource Chairman. (Amendment No. 4.)

Original sponsor: Resources Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

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21 immediately in accordance with AS 01.10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

HB 460

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 460
Title An Act relating to the fisheries and salmon enhancement taxes
Requested by House Resources Committee Date April 13, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management *General Taxes*
BRU, Program, or Subprogram(s) Affected Audit Division *Fisheries Tax*
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) NONE

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			1969.0	5907.0	5907.0	5907.0
TOTAL			1969.0	5907.0	5907.0	5907.0

FUNDING (Thousands of Dollars) NONE

GENERAL FUND			1969.0	5907.0	5907.0	5907.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memo to R.D. Stevenson dated April 13, 1981.

IV. DATE April 13, 1981 PREPARED BY Gary L. Jenkins
AGENCY Audit Division
PHONE 465-2320
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Legislative Assistant

DATE: April 13, 1981

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: HB 460

This bill would make some much needed clarifications to the Fisheries Business Tax Act and the Salmon Enhancement Tax Act, along with a change in the revenue sharing provisions of the Fisheries Business Tax.

With regard to the specific provisions of the bill, I would suggest the legislature give consideration to clarifying a few of the proposed provisions. First, Sec. 3 of the bill establishes an exclusion from the Fisheries Business Tax provided certain conditions are met. For purposes of effective administration, I recommend one additional condition be added, which is:

(4) the fishery resource is sold by the person claiming the exclusion from tax to a fisheries business licensed under AS 43.75.

This provision will insure our ability to reasonably enforce the law because the tax will be reportable by taxpayers with whom we are already dealing and we will not be required to go out and try to find other persons who might buy the fishery resource and who would then be required to pay the tax.

When the need for the provisions of this bill were discussed previously with some members of the House Resources Committee, it was suggested that the Salmon Enhancement Tax law be clarified regarding whether the taxable event was the act of catching salmon in one of the established regions or was the act of selling salmon in the region regardless of where caught. It was our original understanding that the taxable event was the act of catching salmon in a region, however, during the course of discussions with various legislators, it has become clear that there is a divergence of opinion as to which event is the taxable event. I would strongly urge the legislature to clarify that point by amending AS 43.76.010 and AS 43.76.011. The issue is further confused by the fact that sections 5, 6 and 10 of the bill include provisions that are predicated on the catching of salmon as being the taxable event. Those provisions refer to the imposition of the tax on the person catching the salmon when the salmon are removed from the state by that person without the tax being paid. These concepts were originally suggested when we were still thinking the legislature meant the taxable event to be the catching of

the salmon. Those provisions should be deleted if the legislature intends to keep the tax on a sales basis only.

With regard to section 14 of the bill, which is the effective date clause for the changes in the revenue sharing section in the fisheries business tax, I would suggest that consideration be given to changing the effective date to either January 1, 1982 or July 1, 1982. Either date would seem to be more consistent with the provisions of section 12 of the bill.

Finally, I would also recommend an additional section be added to the bill for the purpose of defining the term "buyer" as it applies in the proposed revisions to the Salmon Enhancement Tax. Please consider the following:

"Buyer" means any person who acquires possession of salmon from the person who caught the salmon regardless of whether there is an actual sale of the salmon but excluding any transfer to a person engaged solely in interstate transportation of goods for hire.

This broad language is being proposed to insure that deliveries of salmon to a cooperative would be included. This would preclude an argument that a delivery to a cooperative was not an actual sale upon which the tax would not apply.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 460
 Title Relating to the Fisheries and Salmon Enhancement Taxes
 Requested by House Resources Date April 3, 1981

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected Administration and Support, Management Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

HB 460 increases the percentage of tax paid. The Bill will also cause a small increase in Returns which report the tax paid on certain frozen fishery resources and upon salmon removed from the State. The Bill will cause a substantial increase in the amount refunded to Local governments. However, it appears that the additional cost can be handled within the present and requested budgets.

IV. DATE April 7, 1981 PREPARED BY *Barwall* Philip A. Wall
 AGENCY Revenue
 PHONE 465-2313
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 460
 Title Relating to the fisheries and salmon enhancement taxes
 Requested by House Resources Committee Date 4/13/81

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No change in revenues.

IV. DATE 4/13/81 PREPARED BY Robert W. Elliott
 AGENCY Revenue
 Original: Legislative Finance PHONE 465-2309
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Page 1, line 23. After the word "frozen" add ",or other goods
or services"

Page 2, between lines 11 and 12, add a new subsection:

(b) a person is not liable for the fisheries business tax if the fisheries resource he is processing was purchased and is owned by another person.

Page 2, line 29. Add new sections 5 & 6:

* Sec. 5. AS 43.75.140 (7) is amended to read:

"value" means the compensation actually received from a fisheries business or other person purchasing fisheries resources [actual price paid] for a [the] fisheries resource by the person taking the fisheries resource [the fisheries business], including indirect consideration such as fuel, supplies, or gear, whether paid at the time of purchase of the fisheries resource or tendered as a deferred or delayed payment, except that "value" means the market value of the fishery resource if the taking of the fishery resource is undertaken [procures] in company owned or company-subsidized boats operated by employees of the fisheries business or in boats which are operated under lease or other arrangement;

* Sec. 6. AS 43.75.140 is amended by adding a new paragraph to read:

(9) "taking" means in any manner pursuing, fishing, capturing, or killing fisheries resources.

RENUMBER REMAINING SECTIONS ACCORDINGLY.



UNITED FISHERMEN OF ALASKA

Accepted

MAILING ADDRESS & OFFICE
197 SOUTH FRANKLIN ST.
JUNEAU, ALASKA 99801
907 586-2820

Rodger Painter
Executive Director

Proposed amendment to CSHB 460 (Res)

Insert on page two, line 29 and renumber:

*Sec. 5. AS 43.75.140 (7) is amended to read:

"value" means the compensation actually received from a fisheries business or other person purchasing fisheries resources (ACTUAL PRICE PAID) for a (THE) fisheries resource by the person taking the fisheries resource (THE FISHERIES BUSINESS), including indirect consideration such as fuel, supplies, or gear, whether paid at the time of purchase of the fisheries resource or tendered as a deferred or delayed payment, except that "value" means the market value of the fishery resource if the taking of the fishery resource is undertaken (PROCURES) in company owned or company-subsidized boats operated by employees of the fisheries business or in boats which are operated under lease or other arrangement;

*Sec. 6. AS 43.75.140 is amended by adding a new paragraph to read:

(9) "taking" means in any manner pursuing, fishing, capturing, or killing fisheries resources.

needed

AMENDMENT HB 460
by MALONE

PAGE 1 LINE 23
ADD AFTER THE WORD "FROZEN"
OR OTHER GOODS OR SERVICES,

PAGE 2, between LINES 11 & 12, ADD
A NEW SUBSECTION

~~§ 208.95.010~~ (b) a person is not liable for the fisheries
Business tax if ~~the fisheries resource~~ the fisheries
resource he is processing was purchased and is owned by another person.

~~ec 1011~~

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 460 (Resources)
 Title Fisheries & Salmon Enhancement Taxes
 Requested by House Resources Date April 3, 1981

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ General Government _____
 BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	Ø	Ø	Ø	Ø	Ø	Ø

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

CSHB 460 (Resources) increases the percentage of refund to local governments.

There is no additional administrative cost associated with this bill.

IV. DATE April 27, 1981 PREPARED BY Philip A. Wall
 AGENCY Revenue
 Original: Legislative Finance PHONE 465-2313
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 460 (Resources)
 Title Relating to the fisheries and salmon enhancement taxes
 Requested by House Finance Committee Date 4/22/81

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No change in revenues.

Robert W. Elliott

IV. DATE 4/22/81 PREPARED BY Robert W. Elliott
 AGENCY Revenue
 PHONE 465-2309
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5
JUNEAU, ALASKA 99811

April 28, 1981

The Honorable Samuel R. Cotten
Chairman
House Finance Committee
Room 519 - Capitol Building
Juneau, Alaska

Dear Mr. Cotten:

Re: CS for House Bill No. 460 (Resources)

CS for House Bill No. 460 (Resources), an Act relating to the fisheries and salmon enhancement taxes, was referred in the House on April 20, 1981 by the House Resources Committee to the House Finance Committee.

For the consideration of the House Finance Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary L. Jenkins, Director, Audit Division; Mr. Phil Wall, Director, Administrative Services Division and Mr. Robert W. Elliott, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

RDS/rdh

cc: Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Phil Wall, Director
Administrative Services Division
Department of Revenue

Gary L. Jenkins, Director
Audit Division
Department of Revenue

Robert W. Elliott
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSHB 460 (Resources)
 Title An Act relating to the fisheries and salmon enhancement taxes.
 Requested by House Resources Committee Date April 22, 1981

II. FISCAL DETAIL
 Agency Affected Department of Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprogram(s) Affected Audit Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) NONE


	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memo to R.D. Stevenson dated April 22, 1981.

IV. DATE April 22, 1981 PREPARED BY 
 AGENCY Audit Division
 PHONE 465-2320

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Legislative Assistant

DATE: April 22, 1981

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: CSHB 460 (Resources)

The committee substitute for HB 460 is basically the same language as that in the original bill except that several sections have been deleted. Those deleted sections would have solved some serious problems which exist in the present fisheries enhancement tax regarding who is responsible for the collection of the tax.

As recommended in my comments on the initial draft of the bill, I would suggest the legislature give consideration to clarifying a few of the proposed provisions. First, Sec. 3 of the bill establishes an exclusion from the Fisheries Business Tax provided certain conditions are met. For purposes of effective administration, I recommend one additional condition be added to AS 43.75.017(a), which is:

(4) the fishery resource is sold by the person claiming the exclusion from tax to a fisheries business licensed under AS 43.75.

This provision will insure our ability to reasonably enforce the law because the tax will be reportable by taxpayers with whom we are already dealing and we will not be required to go out and try to find other persons who might buy the fishery resource and who would then be required to pay the tax.

When the need for the provisions of this bill were discussed previously with some members of the House Resources Committee, it was suggested that the Salmon Enhancement Tax law be clarified regarding whether the taxable event was the act of catching salmon in one of the established regions or was the act of selling salmon in the region regardless of where caught. It was our original understanding that the taxable event was the act of catching salmon in a region, however, during the course of discussions with various legislators, it has become clear that there is a divergence of opinion as to which event is the taxable event. I would strongly urge the legislature to clarify that point by amending AS 43.76.010 and AS 43.76.011.

Finally, I would also recommend that if this bill is amended to require any buyer to collect the tax, an additional section be added to the bill for the purpose of defining the term "buyer". The following language is suggested for the Legislature's consideration:

"Buyer" means any person who acquires possession of salmon from the person who caught the salmon regardless of whether there is an actual sale of the salmon but excluding any transfer to a person engaged solely in interstate transportation of goods for hire.

This broad language is being proposed to insure that deliveries of salmon to a cooperative would be included. This would preclude an argument that a delivery to a cooperative was not an actual sale upon which the tax would not apply.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 460 (Resources)
 Title Fisheries & Salmon Enhancement Taxes
 Requested by House Resources Date April 3, 1981

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ General Government _____
 BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

CSHB 460 (Resources) increases the percentage of refund to local governments.

There is no additional administrative cost associated with this bill.

IV. DATE April 27, 1981 PREPARED BY Philip A. Wall
 AGENCY Revenue
 PHONE 465-2313
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 460 (Resources)
 Title Relating to the fisheries and salmon enhancement taxes
 Requested by House Finance Committee Date 4/22/81

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No change in revenues.

Robert W. Elliott

IV. DATE 4/22/81 PREPARED BY Robert W. Elliott
 AGENCY Revenue
 PHONE 465-2309
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsor: Resources Committee

Offered: 4/20/81
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 460 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the fisheries and salmon enhance-
7 ment taxes; and providing for an effective date."

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

9 * Section 1. AS 43.75.015(b) is amended to read:

10 (b) Instead of the taxes levied by (a) of this section, a person
11 who processes [ENGAGED IN A FISHERY BUSINESS WHICH INCLUDES PROCESSING]
12 a developing commercial fish species is liable for and shall pay a tax
13 equal to

14 (1) one percent of the value of the developing commercial
15 fish species processed by a shore-based fisheries business during the
16 year; and

17 (2) three percent of the value of the developing commercial
18 fish species processed by a floating fisheries business during the
19 year.

20 * Sec. 2. AS 43.75.015(c) is amended to read:

21 (c) A person engaging or attempting to engage in a fisheries
22 business who first actually and physically processes the fishery re-
23 source, or a person who purchases a fishery resource which is frozen
24 from a person excluded by AS 43.75.017 from liability for the tax, is
25 liable for and shall pay to the department the entire tax imposed by
26 this section. In determining this tax liability, the person may not
27 deduct from the value of the fishery resources processed the value of
28 fishery resources that are canned or processed for other fisheries busi-
29 nesses, but shall include that value as part of the value of the fishery

1 resources processed.

2 * Sec. 3. AS 43.75 is amended by adding a new section to read:

3 Sec. 43.75.017. EXCLUSION FROM FISHERIES BUSINESS TAX. (a) A
4 person is not processing a fishery resource under AS 43.75.015 when the
5 fishery resource is frozen aboard a fishing vessel if

6 (1) the vessel is operated as a commercial fishing vessel
7 under a valid commercial fishing license;

8 (2) the fishery resource is not processed beyond heading,
9 gutting or cleaning, freezing and glazing; and

10 (3) the fishery resource which is frozen was caught by the
11 vessel.

12 * Sec. 4. AS 43.75.130 is amended to read:

13 Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of
14 revenue shall pay

15 (1) to each municipality unified under AS 29.68.240 -
16 29.68.440, and to each city located in the unorganized borough, 50 [20]
17 percent of the amount of tax revenue collected in the municipality from
18 taxes levied by AS 43.75;

19 (2) to each city located within a borough, 25 [10] percent
20 of the amount of tax revenue collected in the city from taxes levied by
21 AS 43.75; and

22 (3) to each borough

23 (A) 50 [20] percent of the amount of tax revenue
24 collected in the area of the borough outside cities from taxes
25 levied by AS 43.75; and

26 (B) 25 [10] percent of the amount of tax revenue
27 collected in cities located within the borough from taxes levied
28 by AS 43.75.

29 * Sec. 5. AS 43.76.020(a) is amended to read:

1 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-
2 76.011 may be terminated by the commissioner of revenue upon majority
3 vote at an election held under AS 43.76.015 in the region in which the
4 salmon enhancement tax is levied.

5 * Sec. 6. AS 43.75.136 is repealed.

6 * Sec. 7. TRANSITION. The taxes paid for the 1980 calendar year under
7 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130
8 as that section read before its amendment by sec. 4 of this Act. The taxes
9 paid for the 1981 calendar year and for each succeeding calendar year shall
10 be shared with municipalities in accordance with AS 43.75.130 as amended by
11 sec. 4 of this Act.

12 * Sec. 8. Sections 2 and 3 of this Act are retroactive to January 1,
13 1981, and apply to tax years beginning after December 31, 1980.

14 * Sec. 9. Section 4 of this Act takes effect July 1, 1981.

15 * Sec. 10. Sections 1 - 3 and 5 - 8 of this Act take effect immediately
16 in accordance with AS 01.10.070(c).

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AMENDMENT HB 460

by MALONE

PAGE 1 LINE 23

ADD AFTER THE WORD "FROZEN

OR OTHER GOODS OR SERVICES,

PAGE 2, between LINES 11 & 12, ADD
A NEW SUBSECTION

~~§ 223.95.001~~ (b) a person is not liable for the fisheries

Business tax if ~~the fisheries~~ the fisheries

resource he is processing was purchased and is owned by another person.

~~§ 223.95.001~~

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

(CORRECTED)

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSHB 460 (Resources)
 Title Fisheries & Salmon Enhancement Taxes
 Requested by House Resources Date April 3, 1981

II. FISCAL DETAIL
 Agency Affected _____ Revenue _____
 Program Category Affected _____ General Government _____
 BRU, Program, or Subprogram(s) Affected _____ Administration & Support, Management Services _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	Ø	Ø	Ø	Ø	Ø	Ø

FUNDING (Thousands of Dollars)

GENERAL FUND		(5,907.0)			
FEDERAL FUNDS					
OTHER (Specify Fund Source)					


POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

CSHB 460 (Resources) increases the percentage of refund to local governments by 150 percent or 5,907.0. This is in addition to the 3,938.0 requested in the FY 82 budget.

There is no additional administrative cost associated with this bill.

IV. DATE May 8, 1981 PREPARED BY  Philip A. Wall
 AGENCY Revenue
 Original: Legislative Finance PHONE 465-2313
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

Original sponsor: Resources Committee

Offered: 4/20/81
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 460 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the fisheries and salmon enhance-
7 ment taxes; and providing for an effective date."

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

9 * Section 1. AS 43.75.015(b) is amended to read:

10 (b) Instead of the taxes levied by (a) of this section, a person
11 who processes [ENGAGED IN A FISHERY BUSINESS WHICH INCLUDES PROCESSING]
12 a developing commercial fish species is liable for and shall pay a tax
13 equal to

14 (1) one percent of the value of the developing commercial
15 fish species processed by a shore-based fisheries business during the
16 year; and

17 (2) three percent of the value of the developing commercial
18 fish species processed by a floating fisheries business during the
19 year.

20 * Sec. 2. AS 43.75.015(c) is amended to read:

21 (c) A person engaging or attempting to engage in a fisheries
22 business who first actually and physically processes the fishery re-
23 source, or a person who purchases a fishery resource which is frozen
24 from a person excluded by AS 43.75.017 from liability for the tax, is
25 liable for and shall pay to the department the entire tax imposed by
26 this section. In determining this tax liability, the person may not
27 deduct from the value of the fishery resources processed the value of
28 fishery resources that are canned or processed for other fisheries busi-
29 nesses, but shall include that value as part of the value of the fishery

resources processed.

* Sec. 3. AS 43.75 is amended by adding a new section to read:

Sec. 43.75.017. EXCLUSION FROM FISHERIES BUSINESS TAX. (a) A person is not processing a fishery resource under AS 43.75.015 when the fishery resource is frozen aboard a fishing vessel if

(1) the vessel is operated as a commercial fishing vessel under a valid commercial fishing license;

(2) the fishery resource is not processed beyond heading, gutting or cleaning, freezing and glazing; and

(3) the fishery resource which is frozen was caught by the vessel.

* Sec. 4. AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay

(1) to each municipality unified under AS 29.68.240 - 29.68.440, and to each city located in the unorganized borough, 50 [20] percent of the amount of tax revenue collected in the municipality from taxes levied by AS 43.75;

(2) to each city located within a borough, 25 [10] percent of the amount of tax revenue collected in the city from taxes levied by AS 43.75; and

(3) to each borough

(A) 50 [20] percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied by AS 43.75; and

(B) 25 [10] percent of the amount of tax revenue collected in cities located within the borough from taxes levied by AS 43.75.

* Sec. 5. AS 43.76.020(a) is amended to read:

1 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-
2 76.011 may be terminated by the commissioner of revenue upon majority
3 vote at an election held under AS 43.76.015 in the region in which the
4 salmon enhancement tax is levied.

5 * Sec. 6. AS 43.75.136 is repealed.

6 * Sec. 7. TRANSITION. The taxes paid for the 1980 calendar year under
7 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130
8 as that section read before its amendment by sec. 4 of this Act. The taxes
9 paid for the 1981 calendar year and for each succeeding calendar year shall
10 be shared with municipalities in accordance with AS 43.75.130 as amended by
11 sec. 4 of this Act.

12 * Sec. 8. Sections 2 and 3 of this Act are retroactive to January 1,
13 1981, and apply to tax years beginning after December 31, 1980.

14 * Sec. 9. Section 4 of this Act takes effect July 1, 1981.

15 * Sec. 10. Sections 1 - 3 and 5 - 8 of this Act take effect immediately
16 in accordance with AS 01.10.070(c).

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Introduced: 4/2/81
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 460

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the fisheries and salmon enhance-
7 ment taxes; and providing for an effective date."

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

9 * Section 1. AS 43.75.015(b) is amended to read:

10 (b) Instead of the taxes levied by (a) of this section, a person
11 who processes [ENGAGED IN A FISHERY BUSINESS WHICH INCLUDES PROCESSING]
12 a developing commercial fish species is liable for and shall pay a tax
13 equal to

14 (1) one percent of the value of the developing commercial
15 fish species processed by a shore-based fisheries business during the
16 year; and

17 (2) three percent of t e value of the developing commercial
18 fish species processed by a floating fisheries business during the
19 year.

20 * Sec. 2. AS 43.75.015(c) is amended to read:

21 (c) A person engaging or attempting to engage in a fisheries
22 business who first actually and physically processes the fishery re-
23 source, or a person who purchases a fishery resource which is frozen
24 from a person excluded by AS 43.75.017 from liability for the tax, is
25 liable for and shall pay to the department the entire tax imposed by
26 this section. In determining this tax liability, the person may not
27 deduct from the value of the fishery resources processed the value of
28 fishery resources that are canned or processed for other fisheries busi-
29 nesses, but shall include that value as part of the value of the fishery

resources processed.

* Sec. 3. AS 43.75 is amended by adding a new section to read:

Sec. 43.75.017. EXCLUSION FROM FISHERIES BUSINESS TAX. (a) A person is not processing a fishery resource under AS 43.75.015 when the fishery resource is frozen aboard a fishing vessel if

(1) the vessel is operated as a commercial fishing vessel under a valid commercial fishing license;

(2) the fishery resource is not processed beyond heading, gutting or cleaning, freezing and glazing; and

(3) the fishery resource which is frozen was caught by the vessel.

* Sec. 4. AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay

(1) to each municipality unified under AS 29.68.240 - 29.68.440, and to each city located in the unorganized borough, 50 [20] percent of the amount of tax revenue collected in the municipality from taxes levied by AS 43.75;

(2) to each city located within a borough, 25 [10] percent of the amount of tax revenue collected in the city from taxes levied by AS 43.75; and

(3) to each borough

(A) 50 [20] percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied by AS 43.75; and

(B) 25 [10] percent of the amount of tax revenue collected in cities located within the borough from taxes levied by AS 43.75.

* Sec. 5. AS 43.76.010(a) is amended to read:

1 (a) A person holding a limited entry permit under AS 16.43 shall
2 pay a salmon enhancement tax at the rate of three percent of the value
3 of salmon, as defined in AS 43.75.140(7), that the person removes from
4 the state or sells to a buyer in the state. If the salmon are sold to
5 a buyer, the buyer [PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCES-
6 SOR] shall collect the salmon enhancement tax at the time of the sale.

7 * Sec. 6. AS 43.76.011(a) is amended to read:

8 (a) A person holding a limited entry permit under AS 16.43 shall
9 pay a salmon enhancement tax at the rate of two percent of the value of
10 salmon, as defined in AS 43.75.140(7), that the person removes from the
11 state or sells to a buyer in the state. If the salmon are sold to a
12 buyer, the buyer [PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCESSOR]
13 shall collect the salmon enhancement tax at the time of the sale.

14 * Sec. 7. AS 43.76.020(a) is amended to read:

15 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-
16 76.011 may be terminated by the commissioner of revenue upon majority
17 vote at an election held under AS 43.76.015 in the region in which the
18 salmon enhancement tax is levied.

19 * Sec. 8. AS 43.76.025(a) is amended to read:

20 (a) A buyer [PROCESSOR] who buys fisheries resources which are
21 subject to the salmon enhancement tax imposed by AS 43.76.010 or
22 43.76.011 shall collect the salmon enhancement tax at the time of
23 purchase, and shall remit the total salmon enhancement tax collected
24 during each month to the Department of Revenue by the last day of the
25 next month.

26 * Sec. 9. AS 43.76.025(b) is amended to read:

27 (b) A buyer [PROCESSOR] who collects the salmon enhancement tax
28 shall

29 (1) maintain records reflecting the region designated under

1 AS 16.10.375 in which the fishery resource was caught; and

2 (2) report to the Department of Revenue by March 1 of each
3 year the total value, as defined in AS 43.75.140(7), of the salmon
4 caught in each region designated under AS 16.10.375 which the buyer
5 [PROCESSOR] has purchased during the preceding year.

6 * Sec. 10. AS 43.76 is amended by adding a new section to read:

7 Sec. 43.76.028. LIABILITY FOR TAX ON SALMON SHIPPED FROM STATE.

8 (a) The owner of salmon removed from the state is liable for payment
9 of the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 if,
10 at the time the salmon are removed from the state, the tax payable on
11 the salmon has not been collected by a buyer.

12 (b) If the owner of salmon is liable for payment of the salmon
13 enhancement tax under (a) of this section, he shall comply with the
14 requirement of AS 43.76.025(b) to report his liability for payment of
15 the tax.

16 * Sec. 11. AS 43.75.136 is repealed.

17 * Sec. 12. TRANSITION. The taxes paid for the 1981 calendar year under
18 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130
19 as that section read before its amendment by sec. 4 of this Act. The taxes
20 paid for the 1982 calendar year and for each succeeding calendar year shall
21 be shared with municipalities in accordance with AS 43.75.130 as amended by
22 sec. 4 of this Act.

23 * Sec. 13. Sections 2 and 3 of this Act are retroactive to January 1,
24 1981, and apply to tax years beginning after December 31, 1980.

25 * Sec. 14. Section 4 of this Act takes effect July 1, 1981.

26 * Sec. 15. Sections 1 - 3 and 5 - 13 of this Act take effect immediately
27 in accordance with AS 01.10.070(c).