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SB 191  
RELATING TO TAXATION OF FISH PROCESSORS.  
SPONSOR: FERGUSON

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Seafood processors have voted for a tax assessment - in addition to their business tax - to go to the Seafood Marketing Institute. Under current law, the processors can vote on a .1, .2, .3 or .4 additional assessment. SB 191 adds an additional category - .5 - that they can vote on. If the .5 assessment were to be selected, SB 191 allows a .5 business tax credit for the processors.

In theory, the processor will be paying the same total taxes, but a larger share will go to the Seafood Marketing Institute. This will mean a decrease of funds to the general fund.

(For example, if processors were paying a 4.5% business tax with an additional .5 Seafood Marketing assessment, the processor would pay \$5 on every \$100 worth of products. However, with the .5 tax credit, the processor would pay only \$4.50 on every \$100 worth of product - \$4 of this would be as a business tax and 50¢ as a Seafood Marketing assessment.

This bill has been referred to Subcommittee on Fisheries.

APR 14 1983

STATE OF ALASKA  
FISCAL NOTE

Revision Date \_\_\_\_\_, 1983

I. REQUEST  
Bill/Resolution No: SB 191  
Title: Taxation of Fish Processors.  
Sponsor: Ferguson  
Requestor: Senate Resources Committee

II. FISCAL DETAIL  
Agency Affected: Revenue  
Program Category Affected:  
BRU, Program of Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Millions of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	(1.1)	(1.2)	(1.3)	(1.3)	(1.4)

FUNDING: (Millions of Dollars)

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

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis.

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Approved by Commissioner: Joseph & Darlene  
Department: Revenue

Date: 4/12/83

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#### IV. Analysis for SB 191

If seafood processors maintain the current .2% assessment level, there would be no revenue impact. However, if seafood processors elected the .5% assessment proposed in SB 191 and were granted a credit against the Fisheries Business Tax (AS 43.75), the revenue impact would be reflected in the above estimates. These estimated amounts represent the difference between the existing assessment rate/statutes and the proposed assessment rate/statutes.

Value of the seafood products was determined using Department of Fish and Game data for CY 82, with a 6% inflation rate adjustment for subsequent years.

It was assumed the provisions of SB 191 could become operational in FY 84.