

SB

317

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to fisheries tax sharing."
Sponsor: Fischer, Kerttula
Requestor: Senate Resources

Agency Affected: Department of Revenue
BRU: Income and Excise Audit Division
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|------------------------|-------|-------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| PERSONAL SERVICES | -0- | -0- | -0- | -0- | -0- | -0- |
| TRAVEL | -0- | -0- | -0- | -0- | -0- | -0- |
| CONTRACTUAL | -0- | -0- | -0- | -0- | -0- | -0- |
| SUPPLIES | -0- | -0- | -0- | -0- | -0- | -0- |
| EQUIPMENT | -0- | -0- | -0- | -0- | -0- | -0- |
| LANDS & STRUCTURES | -0- | -0- | -0- | -0- | -0- | -0- |
| GRANTS, CLAIMS | -0- | -0- | -0- | -0- | -0- | -0- |
| MISCELLANEOUS | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL OPERATING | -0- | -0- | -0- | -0- | -0- | -0- |
| CAPITAL | -0- | -0- | -0- | -0- | -0- | -0- |
| REVENUE | -0- | -0- | -0- | -0- | -0- | -0- |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|
| GENERAL FUND | -0- | -0- | -0- | -0- | -0- | -0- |
| FEDERAL FUNDS | -0- | -0- | -0- | -0- | -0- | -0- |
| OTHER | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

| | | | | | | |
|-----------|-----|-----|-----|-----|-----|-----|
| FULL-TIME | -0- | -0- | -0- | -0- | -0- | -0- |
| PART-TIME | -0- | -0- | -0- | -0- | -0- | -0- |
| TEMPORARY | -0- | -0- | -0- | -0- | -0- | -0- |

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Ketter
Division: Income and Excise Audit

Phone: 465-2320
Date: January 12, 1988

Approved by Commissioner: _____
Agency: _____

Date: 1/14/88

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

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* DELIVER TO: LIOCDAN *
*
* ORIGINAL *
* SENT: 01/15/88 TIME: 13:45 *
* FROM: LIOCDAN *
* SUBJECT: SRES; FISHERIES; PL#1; 1-15-88 *
* PRINT DATE: 01/15/88 TIME: 13:45 *
*

**** ANCHORAGE PARTICIPANT LIST ****

THE FOLLOWING PEOPLE ARE STANDING BY TO PARTICIPATE IN TODAY'S
SENATE RESOURCES: FISHERIES TELECONFERENCE:

TO OBSERVE:

- 1.) RON MCCOY
- 2.) D. HARRISON
- 3.) ART KENNEDY
- 4.) AV GROSS
- 5.) J. MAUGUS
- 6.) JANE MERRY
- 7.) G. LINZ
- 8.) CHIP DENNERLEIN
- 9.) AL KUMP
- 10.) BILL MTNN
- 11.) FRANK PEGUO
- 12.) R. FLUSH
- 13.) JIM BARMICHAEL
- 14.) RICH FIGAR
- 15.) MATT FROLL

EDM DAVID J

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 * DELIVER TO: LTCCDAN *
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 * ORIGINAL *
 * SENT: 01/15/88 TIME: 13:42 *
 * FROM: LTCCFBX *
 * SUBJECT: SRES; FL 51 - SB317&ANWAR; 1-15-8 *
 * PRINT DATE: 01/15/88 TIME: 13:42 *
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*****PARTICIPANTS*****

DATE: _____ JANUARY 15, 1988 _____
 SITE: _____ FAIRBANKS _____
 SPONSOR: _____ SENATE RESOURCES _____
 SUBJECT: _____ SB 317 FISHERIES TAX REFUNDS AND AN ANWR BRIEFING _____
 MODERATOR: _____ FRAN _____

TESTIFY:
 NAME REPRESENTING ADDRESS PHONE #

OBSERVE:
 NAME REPRESENTING ADDRESS PHONE #

1. DEBORAH HONEA -- DOYON
2. ROSEMARIE MAHER -- DOYON
3. MORRIS THOMPSON -- DOYON
- 4.)
- 5.)
- 6.)

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* DELIVER TO: LIODAN
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* ORIGINAL
* SENT: 01/15/88 TIME: 13:45
* FROM: LIOCKO)
* SUBJECT: SRES; PL #1; ANWR; 1-15-88
* PRINT DATE: 01/15/88 TIME: 13:45
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DATE: JANUARY 15, 1988
SPONSOR: SENATE RESOURCES
SUBJECT: SB 317, ANWR
SITE: KODIAK L.J.O.
MODERATOR: MARY JO SIMMONS

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PARTICIPANT LIST

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*****
TO OBSERVE
NAME/REPRESENTING ADDRESS PHONE #
1. DAVE WOODRUFF
2. WAYNE SELBY
3. MATT HOLMES / KMXT RADIO STATION

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der this section not later than 60 days after receiving the application."

Sec. 43.75.034. Tax credit report [Repealed effective February 15, 1992]. Not later than the 15th legislative day of each regular legislative session the Department of Revenue, in conjunction with the Department of Commerce and Economic Development, shall submit to the legislature a report on the fisheries business tax credit program under AS 43.75.032. The report shall describe the expenditures for which a credit was approved during the previous tax year and, if possible, the increase in employment and processing capacity by the fisheries businesses for which the credit was approved. (§ 2 ch 79 SLA 1986; r § 8 ch 79 SLA 1986)

Postponed repeal. — Section 8, ch. 79, SLA 1986 repeals this section, effective February 15, 1992.

Article 3. General Provisions.

Section

130. Refund to local governments

140. Definitions

Sec. 43.75.130. Refund to local governments. (a) Except as provided in (d) of this section, the commissioner of revenue shall pay

(1) to each unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected in the municipality from taxes levied under this chapter;

(2) to each city located within a borough, 25 percent of the amount of tax revenue collected in the city from taxes levied under this chapter; and

(3) to each borough

(A) 50 percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied under this chapter; and

(B) 25 percent of the amount of tax revenue collected in cities located within the borough from taxes levied under this chapter.

(b) For purposes of this section, tax revenue collected under AS 43.75.015 from a person entitled to a credit under AS 43.75.032 shall be calculated as if the person's tax had been collected without applying the credit.

(c) [Repealed effective January 1, 1992] Within 60 days after a credit is approved under AS 43.75.032 for a capital expenditure involving a shore-based fisheries business facility or cooperative seafood industrial park located or to be located in a municipality, the municipality may adopt an ordinance directing the department to reduce the municipality's refund under this section over a period of not more

than three years by an amount not exceeding 25 percent of the capital expenditure.

(d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, the commissioner shall pay

(1) to each city that is located in a borough incorporated after June 16, 1987 the following percentages of the tax revenue collected in the city from taxes levied under this chapter:

(A) 45 percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 40 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 35 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) to each borough that is incorporated after June 16, 1987 the following percentages of the tax revenue collected in the cities located within the borough from taxes levied under this chapter:

(A) 5 percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 10 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 15 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 20 percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated.

(e) Notwithstanding the provisions of (d) of this section, a city may adopt an ordinance to transfer a portion of the funds received under (d)(1) of this section to the borough in which the city is located.

(f) In this section, "tax revenue collected" includes the amount credited against taxes under AS 43.75.018. (§ 6 ch 155 SLA 1962; am § 75 ch 69 SLA 1970; am § 10 ch 218 SLA 1976; am § 11 ch 79 SLA 1979; am § 10 ch 117 SLA 1981; am § 73 ch 74 SLA 1985; am §§ 4, 7 ch 79 SLA 1986; am § 8 ch 58 SLA 1987; am §§ 1, 2 ch 80 SLA 1987)

Postponed repeal. — Section 7, ch. 79, SLA 1986 repeals subsection (c), effective January 1, 1992.

Revisor's notes. — Subsection (f) enacted as (d). Renumbered in 1987.

Effect of amendments. — The 1985 amendment in paragraph (1) substituted "unified Municipality" for "municipality unified under AS 29.68.240 — 29.68.440."

The 1986 amendment added subsections (b) and (c).

The first 1987 amendment added subsection (f).

The second 1987 amendment, effective June 16, 1987, in subsection (a) substituted "Except as provided in (d) of this section, the" for "The" at the beginning of the section and substituted "under", for "by" throughout the subsection and added subsections (d) and (e).

5-1346L
Chenoweth
01/14/88

Original sponsors: Fischer and Kerttula

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 317 (Res)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the refunds of fisheries tax
7 proceeds to municipalities; and providing for an
8 effective date."

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

10 * Section 1. AS 43.75.130(e) is amended to read:

11 (e) Notwithstanding the provisions of (d) of this section, a
12 city may adopt an ordinance to transfer all or a portion of the funds
13 received under (d)(1) of this section to the borough in which the city
14 is located. A borough may adopt an ordinance to transfer all or a
15 portion of the funds received under (a)(3)(B) and (d)(2) of this
16 section to the city in which the tax revenue was collected.

17 *. Sec. 2. This Act takes effect July 1, 1988.

Alaska State Legislature

Senate Resources Committee



Sen. John B. (Jack) Coghill, Chairman
Sen. Paul Fischer, Vice-Chairman
Sen. Lloyd Jones
Sen. Arliss Stankulewski
Sen. Jim Duncan
Sen. Fred Zharoff
Sen. Dick Elason

Box V
Juneau, Alaska 99811
(907) 465-1007

M E M O R A N D U M

TO: Members of the Senate Committee on Resources

FROM: Committee Staff

RE: CSSB 317 (Res), "An Act relating to the refunds of fisheries tax proceeds to municipalities."

This legislation provides for a more equitable distribution of the fisheries business tax.

CSSB 317 (Res) amends AS 43.75.130(e) to allow boroughs to adopt ordinances to transfer all or a portion of received fisheries business tax to the city in which the tax was collected. It also allows a city to transfer all or a portion of the business tax to the borough.

Presently, a city may adopt an ordinance to transfer all of its fisheries business tax, but does not have the option of transferring a portion. A borough will now have the option of transferring all or a portion to a city within the borough. The Department of Revenue now pays 25 percent of the amount of tax revenue collected within a city to the city.

The fisheries business tax is collected from fish processors by the Department of Revenue. Rates are 3-5 percent depending on what fish species is processed and where the processing occurs. Generally, floating processors are taxed at 5 percent and shore-based processors at 3 percent.

For every dollar collected DOR shares 50 cents with municipalities. Cities presently receive 25 cents of each dollar.

Total fisheries business taxes paid to municipalities FY'87:

Boroughs-- \$3,598,441.42
Cities --- \$4,361,558.58