

BILLS 1981 - 1982

CSHB 460 - HB 460

1519

1519

1 (a) A person taking, purchasing, or otherwise acquiring a fishery  
2 resource covered by this chapter which has not been subject to the tax  
3 imposed in AS 43.75.015 is subject to the tax levied in AS 43.75.015 on  
4 the value of the fishery resource [SOLD] if the person

5 (1) transports the fishery resource to a point outside the  
6 taxing jurisdiction of the state for subsequent processing or sale [TO  
7 A FISHERIES BUSINESS] outside the taxing jurisdiction of the state; or

8 (2) sells the fishery resource [TO A FISHERIES BUSINESS]  
9 outside the taxing jurisdiction of the state;

10 (3) has the fishery resource processed by a fisheries busi-  
11 ness inside the state.

12 \* Sec. 6. AS 43.75.100(b) is repealed and reenacted to read:

13 (b) The rate of tax that shall be paid by a person whose liability  
14 for the tax is established by this section is the rate of tax that  
15 would have been due under AS 43.75.015 if the fisheries business that  
16 first actually and physically processed the fish had been liable to pay  
17 the tax.

18 \* Sec. 7. AS 43.75.130 is amended to read:

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

21 (1) to each municipality unified under AS 29.68.240 - 29.68.-  
22 440, and to each city located in the unorganized borough, 50 [20]  
23 percent of the amount of tax revenue collected in the municipality from  
24 taxes levied by AS 43.75;

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

28 (3) to each borough

29 (A) 50 [20] percent of the amount of tax revenue

1 collected in the area of the borough outside cities from taxes  
2 levied by AS 43.75; and

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

6 \* Sec. 8. AS 43.75.140(7) is amended to read:

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

16 \* Sec. 9. AS 43.75.140 is amended by adding a new paragraph to read:

17 (9) "taking" means pursuing, fishing, capturing, or harvest-  
18 ing a fisheries resource in any manner.

19 \* Sec. 10. AS 43.76.010(a) is amended to read:

20 (a) A person holding a limited entry permit under AS 16.43 shall  
21 pay a salmon enhancement tax at the rate of three percent of the value  
22 of salmon, as defined in AS 43.75.140(7), that the person removes from  
23 the state or transfers to a buyer in the state. The buyer [SELLS TO A  
24 PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCESSOR] shall collect  
25 the salmon enhancement tax at the time [OF] the salmon is acquired by  
26 the buyer [SALE].

27 \* Sec. 11. AS 43.76.011(a) is amended to read:

28 (a) A person holding a limited entry permit under AS 16.43 shall  
29 pay a salmon enhancement tax at the rate of two percent of the value of

1 salmon, as defined in AS 43.75.140(7), that the person removes from the  
2 state or transfers to a buyer in the state. The buyer [SELLS TO A  
3 PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCESSOR] shall collect  
4 the salmon enhancement tax at the time [OF] the salmon is acquired by  
5 the buyer [SALE].

6 \* Sec. 12. AS 43.76.020(a) is amended to read:

7 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-  
8 76.011 may be terminated by the commissioner of revenue upon majority  
9 vote at an election held under AS 43.76.015 in the region in which the  
10 salmon enhancement tax is levied.

11 \* Sec. 13. AS 43.76.025(a) is amended to read:

12 (a) A buyer [PROCESSOR] who acquires [BUYS] fisheries resources  
13 which are subject to the salmon enhancement tax imposed by AS 43.76.010  
14 or 43.76.011 shall collect the salmon enhancement tax at the time of  
15 purchase, and shall remit the total salmon enhancement tax collected  
16 during each month to the Department of Revenue by the last day of the  
17 next month.

18 \* Sec. 14. AS 43.76.025(b) is amended to read:

19 (b) A buyer [PROCESSOR] who collects the salmon enhancement tax  
20 shall

21 (1) maintain records reflecting the region designated under  
22 AS 16.10.375 in which the fishery resource was caught; and

23 (2) report to the Department of Revenue by March 1 of each  
24 year the total value, as defined in AS 43.75.140(7), of the salmon  
25 caught in each region designated under AS 16.10.375 which the buyer  
26 [PROCESSOR] has acquired [PURCHASED] during the preceding year.

27 \* Sec. 15. AS 43.76 is amended by adding a new section to read:

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

29 (a) The owner of salmon removed from the state is liable for payment

1 of the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 if,  
2 at the time the salmon are removed from the state, the tax payable on  
3 the salmon has not been collected by a buyer.

4 (b) If the owner of salmon is liable for payment of the salmon  
5 enhancement tax under (a) of this section, he shall comply with the  
6 requirement of AS 43.76.025(b) to report his liability for payment of  
7 the tax.

8 \* Sec. 16. AS 43.76 is amended by adding a new section to read:

9 Sec. 43.76.040. DEFINITION. In this chapter, unless the context  
10 otherwise requires, "buyer" means a person who acquires possession of  
11 salmon from the person who caught the salmon regardless of whether  
12 there is an actual sale of the salmon but excluding a transfer to a  
13 person engaged solely in interstate transportation of goods for hire.

14 \* Sec. 17. AS 43.75.136 is repealed.

15 \* Sec. 18. TRANSITIONAL REVENUE SHARING. Notwithstanding AS 43.75.130,  
16 during the fiscal year ending June 30, 1982, the commissioner of revenue  
17 shall pay

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

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

25 (3) to each borough

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

28 (B) 15 percent of the amount of tax revenue collected in  
29 cities inside the borough from taxes levied by AS 43.75.

1 \* Sec. 19. TRANSITION. The taxes paid for the 1980 calendar year under  
2 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130  
3 as that section read before its amendment by sec. 7 of this Act. The taxes  
4 paid for the 1981 calendar year shall be shared with municipalities in  
5 accordance with sec. 18 of this Act. The taxes paid for the 1982 calendar  
6 year and for each succeeding calendar year shall be shared with municipali-  
7 ties in accordance with AS 43.75.130 as amended by sec. 7 of this Act.

8 \* Sec. 20. Section 1 of this Act is retroactive to July 1, 1980, and  
9 applies to expenditures that qualify for the investment credits that are made  
10 on or after that date.

11 \* Sec. 21. Sections 3, 4, 8, and 9 of this Act are retroactive to Janu-  
12 ary 1, 1981, and apply to tax years beginning after December 31, 1980.

13 \* Sec. 22. Section 18 of this Act takes effect July 1, 1981.

14 \* Sec. 23. Section 7 of this Act takes effect July 1, 1982.

15 \* Sec. 24. Sections 1 - 4, 8, 17, 19, and 21 of this Act take effect  
16 immediately in accordance with AS 01.10.070(c).

17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

1 collected in the area of the borough outside cities from taxes  
2 levied by AS 43.75; and

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

6 \* Sec. 8. AS 43.75.140(7) is amended to read:

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

16 \* Sec. 9. AS 43.75.140 is amended by adding a new paragraph to read:

17 (9) "taking" means pursuing, fishing, capturing, or harvest-  
18 ing a fisheries resource in any manner.

19 \* Sec. 10. AS 43.76.010(a) is amended to read:

20 (a) A person holding a limited entry permit under AS 16.43 shall  
21 pay a salmon enhancement tax at the rate of three percent of the value  
22 of salmon, as defined in AS 43.75.140(7), that the person removes from  
23 the state or transfers to a buyer in the state. The buyer [SELLS TO A  
24 PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCESSOR] shall collect  
25 the salmon enhancement tax at the time [OF] the salmon is acquired by  
26 the buyer [SALE].

27 \* Sec. 11. AS 43.76.011(a) is amended to read:

28 (a) A person holding a limited entry permit under AS 16.43 shall  
29 pay a salmon enhancement tax at the rate of two percent of the value of

1 (a) A person taking, purchasing, or otherwise acquiring a fishery  
2 resource covered by this chapter which has not been subject to the tax  
3 imposed in AS 43.75.015 is subject to the tax levied in AS 43.75.015 on  
4 the value of the fishery resource [SOLD] if the person

5 (1) transports the fishery resource to a point outside the  
6 taxing jurisdiction of the state for subsequent processing or sale [TO  
7 A FISHERIES BUSINESS] outside the taxing jurisdiction of the state; or

8 (2) sells the fishery resource [TO A FISHERIES BUSINESS]  
9 outside the taxing jurisdiction of the state;

10 (3) has the fishery resource processed by a fisheries busi-  
11 ness inside the state.

12 \* Sec. 6. AS 43.75.100(b) is repealed and reenacted to read:

13 (b) The rate of tax that shall be paid by a person whose liability  
14 for the tax is established by this section is the rate of tax that  
15 would have been due under AS 43.75.015 if the fisheries business that  
16 first actually and physically processed the fish had been liable to pay  
17 the tax.

18 \* Sec. 7. AS 43.75.130 is amended to read:

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

21 (1) to each municipality unified under AS 29.68.240 - 29.68.-  
22 440, and to each city located in the unorganized borough, 50 [20]  
23 percent of the amount of tax revenue collected in the municipality from  
24 taxes levied by AS 43.75;

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

28 (3) to each borough

29 (A) 50 [20] percent of the amount of tax revenue

1 of the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 if,  
2 at the time the salmon are removed from the state, the tax payable on  
3 the salmon has not been collected by a buyer.

4 (b) If the owner of salmon is liable for payment of the salmon  
5 enhancement tax under (a) of this section, he shall comply with the  
6 requirement of AS 43.76.025(b) to report his liability for payment of  
7 the tax.

8 \* Sec. 16. AS 43.76 is amended by adding a new section to read:

9 Sec. 43.76.040. DEFINITION. In this chapter, unless the context  
10 otherwise requires, "buyer" means a person who acquires possession of  
11 salmon from the person who caught the salmon regardless of whether  
12 there is an actual sale of the salmon but excluding a transfer to a  
13 person engaged solely in interstate transportation of goods for hire.

14 \* Sec. 17. AS 43.75.136 is repealed.

15 \* Sec. 18. TRANSITIONAL REVENUE SHARING. Notwithstanding AS 43.75.130,  
16 during the fiscal year ending June 30, 1982, the commissioner of revenue  
17 shall pay

18 (1) to each municipality unified under AS 29.68.240 - 29.68.400,  
19 and to each city located in the unorganized borough, 30 percent of the  
20 amount of tax revenue collected in the municipality from taxes levied by  
21 AS 43.75;

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

25 (3) to each borough

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

28 (B) 15 percent of the amount of tax revenue collected in  
29 cities inside the borough from taxes levied by AS 43.75.

1 salmon, as defined in AS 43.75.140(7), that the person removes from the  
2 state or transfers to a buyer in the state. The buyer [SELLS TO A  
3 PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCESSOR] shall collect  
4 the salmon enhancement tax at the time [OF] the salmon is acquired by  
5 the buyer [SALE].

6 \* Sec. 12. AS 43.76.020(a) is amended to read:

7 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-  
8 76.011 may be terminated by the commissioner of revenue upon majority  
9 vote at an election held under AS 43.76.015 in the region in which the  
10 salmon enhancement tax is levied.

11 \* Sec. 13. AS 43.76.025(a) is amended to read:

12 (a) A buyer [PROCESSOR] who acquires [BUYS] fisheries resources  
13 which are subject to the salmon enhancement tax imposed by AS 43.76.010  
14 or 43.76.011 shall collect the salmon enhancement tax at the time of  
15 purchase, and shall remit the total salmon enhancement tax collected  
16 during each month to the Department of Revenue by the last day of the  
17 next month.

18 \* Sec. 14. AS 43.76.025(b) is amended to read:

19 (b) A buyer [PROCESSOR] who collects the salmon enhancement tax  
20 shall

21 (1) maintain records reflecting the region designated under  
22 AS 16.10.375 in which the fishery resource was caught; and

23 (2) report to the Department of Revenue by March 1 of each  
24 year the total value, as defined in AS 43.75.140(7), of the salmon  
25 caught in each region designated under AS 16.10.375 which the buyer  
26 [PROCESSOR] has acquired [PURCHASED] during the preceding year.

27 \* Sec. 15. AS 43.76 is amended by adding a new section to read:

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

29 (a) The owner of salmon removed from the state is liable for payment

1 \* Sec. 19. TRANSITION. The taxes paid for the 1980 calendar year under  
2 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130  
3 as that section read before its amendment by sec. 7 of this Act. The taxes  
4 paid for the 1981 calendar year shall be shared with municipalities in  
5 accordance with sec. 18 of this Act. The taxes paid for the 1982 calendar  
6 year and for each succeeding calendar year shall be shared with municipali-  
7 ties in accordance with AS 43.75.130 as amended by sec. 7 of this Act.

8 \* Sec. 20. Section 1 of this Act is retroactive to July 1, 1980, and  
9 applies to expenditures that qualify for the investment credits that are made  
10 on or after that date.

11 \* Sec. 21. Sections 3, 4, 8, and 9 of this Act are retroactive to Janu-  
12 ary 1, 1981, and apply to tax years beginning after December 31, 1980.

13 \* Sec. 22. Section 18 of this Act takes effect July 1, 1981.

14 \* Sec. 23. Section 7 of this Act takes effect July 1, 1982.

15 \* Sec. 24. Sections 1 - 4, 8, 17, 19, and 21 of this Act take effect  
16 immediately in accordance with AS 01.10.070(c).

17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

COMMITTEE REPORT  
SENATE

FURTHER: None

6/18/81

Date: \_\_\_\_\_

Mr. President:

The Committee on FINANCE has had CSHB 460 (Fin) (efd failed)  
fisheries and salmon enhancement taxes

under consideration and (a majority of the committee) (the committee)  
reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
CHAIRMAN

Original sponsor: Resources Committee

Offered: 6/18/81  
Referred: Finance

1 IN THE HOUSE

BY THE ~~RESOURCES COMMITTEE~~ <sup>Finance Committee</sup>

2 SENATE CS FOR CS FOR HOUSE BILL NO. 460 (<sup>Finance</sup> ~~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 taxes; and providing for an effective date."  
7

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

9 \* Section 1. AS 43.20.036(b) is amended to read:

10 (b) For purposes of calculating the income tax payable under this  
11 chapter, the taxpayer may apply as a credit against his tax liability  
12 the [JOB DEVELOPMENT] investment credit allowed as to federal taxes  
13 under Internal Revenue Code sec. 38 (26 U.S.C. 38) [50] upon only the  
14 first \$20,000,000 [\$500,000] of qualified investment put into use in the  
15 state for each taxable year [(26 U.S.C. SEC. 50)]. This limitation does  
16 not apply to the amounts invested in equipment which meets the defini-  
17 tion of a certified pollution control facility as defined under Internal  
18 Revenue Code sec. 169 (26 U.S.C. sec. 169) as in effect on June 19, 1975  
19 [THE EFFECTIVE DATE OF THIS ACT] except that the date specified in In-  
20 ternal Revenue Code [THAT] section 169(d) as a condition of qualifying a  
21 certified pollution control facility for a deduction does not apply.

22 \* Sec. 2. AS 43.75.015(b) is amended to read:

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

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

Insert #1

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

4 \* Sec. 3. AS 43.75.015(c) is amended to read:

5 (c) A person engaging or attempting to engage in a fisheries  
6 business who first actually and physically processes the fishery re-  
7 source, or a person who purchases a fishery resource that is frozen  
8 from a person excluded by AS 43.75.017 from liability for the tax, is  
9 liable for and shall pay to the department the entire tax imposed by  
10 this section. In determining this tax liability, the person may [NOT]  
11 deduct from the value of the fishery resources processed the value of  
12 fishery resources that are canned or processed for other fisheries  
13 businesses. A person taking the deduction authorized by this subsection  
14 shall report all information relating to the deduction in accordance  
15 with regulations issued by the department [, BUT SHALL INCLUDE THAT  
16 VALUE AS PART OF THE VALUE OF THE FISHERY RESOURCES PROCESSED].

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

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

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

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

25 (3) the fishery resource that is frozen was caught by the  
26 vessel; and

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

29 \* Sec. 5. AS 43.75.100(a) is amended to read:

1 (a) A person taking, purchasing, or otherwise acquiring a fishery  
2 resource covered by this chapter which has not been subject to the tax  
3 imposed in AS 43.75.015 is subject to the tax levied in AS 43.75.015 on  
4 the value of the fishery resource [SOLD] if the person

5 (1) transports the fishery resource to a point outside the  
6 taxing jurisdiction of the state for subsequent processing or sale [TO  
7 A FISHERIES BUSINESS] outside the taxing jurisdiction of the state; or

8 (2) sells the fishery resource [TO A FISHERIES BUSINESS]  
9 outside the taxing jurisdiction of the state;

10 (3) has the fishery resource processed by a fisheries busi-  
11 ness inside the state.

12 \* Sec. 6. AS 43.75.100(b) is repealed and reenacted to read:

13 (b) The rate of tax that shall be paid by a person whose liability  
14 for the tax is established by this section is the rate of tax that  
15 would have been due under AS 43.75.015 if the fisheries business that  
16 first actually and physically processed the fish had been liable to pay  
17 the tax.

18 \* Sec. 7. AS 43.75.130 is amended to read:

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

21 (1) to each municipality unified under AS 29.68.240 - 29.68.-  
22 440, and to each city located in the unorganized borough, 50 [20]  
23 percent of the amount of tax revenue collected in the municipality from  
24 taxes levied by AS 43.75;

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

28 (3) to each borough.

29 (A) 50 [20] percent of the amount of tax revenue

1 collected in the area of the borough outside cities from taxes  
2 levied by AS 43.75; and

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

6 \* Sec. 8. AS 43.75.140(7) is amended to read:

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

16 \* Sec. 9. AS 43.75.140 is amended by adding a new paragraph to read:

17 (9) "taking" means pursuing, fishing, capturing, or harvest-  
18 ing a fisheries resource in any manner.

19 \* Sec. 10. AS 43.76.010(a) is amended to read:

20 (a) A person holding a limited entry permit under AS 16.43 shall  
21 pay a salmon enhancement tax at the rate of three percent of the value  
22 of salmon, as defined in AS 43.75.140(7), that the person removes from  
23 the state or transfers to a buyer in the state. The buyer [SELLS TO A  
24 PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCESSOR] shall collect  
25 the salmon enhancement tax at the time [OF] the salmon is acquired by  
26 the buyer [SALE].

27 \* Sec. 11. AS 43.76.011(a) is amended to read:

28 (a) A person holding a limited entry permit under AS 16.43 shall  
29 pay a salmon enhancement tax at the rate of two percent of the value of

1 salmon, as defined in AS 43.75.140(7), that the person removes from the  
2 state or transfers to a buyer in the state. The buyer [SELLS TO A  
3 PROCESSOR LICENSED UNDER AS 43.75.011. THE PROCESSOR] shall collect  
4 the salmon enhancement tax at the time [OF] the salmon is acquired by  
5 the buyer [SALE].

6 \* Sec. 12. AS 43.76.020(a) is amended to read:

7 (a) The salmon enhancement tax levied under AS 43.76.010 or 43.-  
8 76.011 may be terminated by the commissioner of revenue upon majority  
9 vote at an election held under AS 43.76.015 in the region in which the  
10 salmon enhancement tax is levied.

11 \* Sec. 13. AS 43.76.025(a) is amended to read:

12 (a) A buyer [PROCESSOR] who acquires [BUYS] fisheries resources  
13 which are subject to the salmon enhancement tax imposed by AS 43.76.010  
14 or 43.76.011 shall collect the salmon enhancement tax at the time of  
15 purchase, and shall remit the total salmon enhancement tax collected  
16 during each month to the Department of Revenue by the last day of the  
17 next month.

18 \* Sec. 14. AS 43.76.025(b) is amended to read:

19 (b) A buyer [PROCESSOR] who collects the salmon enhancement tax  
20 shall

21 (1) maintain records reflecting the region designated under  
22 AS 16.10.375 in which the fishery resource was caught; and

23 (2) report to the Department of Revenue by March 1 of each  
24 year the total value, as defined in AS 43.75.140(7), of the salmon  
25 caught in each region designated under AS 16.10.375 which the buyer  
26 [PROCESSOR] has acquired [PURCHASED] during the preceding year.

27 \* Sec. 15. AS 43.76 is amended by adding a new section to read:

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

29 (a) The owner of salmon removed from the state is liable for payment

1 of the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 if,  
2 at the time the salmon are removed from the state, the tax payable on  
3 the salmon has not been collected by a buyer.

4 (b) If the owner of salmon is liable for payment of the salmon  
5 enhancement tax under (a) of this section, he shall comply with the  
6 requirement of AS 43.76.025(b) to report his liability for payment of  
7 the tax.

8 \* Sec. 16. AS 43.76 is amended by adding a new section to read:

9 Sec. 43.76.040. DEFINITION. In this chapter, unless the context  
10 otherwise requires, "buyer" means a person who acquires possession of  
11 salmon from the person who caught the salmon regardless of whether  
12 there is an actual sale of the salmon but excluding a transfer to a  
13 person engaged solely in interstate transportation of goods for hire.

14 \* Sec. 17. AS 43.75.136 is repealed.

15 \* Sec. 18. TRANSITIONAL REVENUE SHARING. Notwithstanding AS 43.75.130,  
16 during the fiscal year ending June 30, 1982, the commissioner of revenue  
17 shall pay

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

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

25 (3) to each borough

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

28 (B) 15 percent of the amount of tax revenue collected in  
29 cities inside the borough from taxes levied by AS 43.75.

1 \* Sec. 19. TRANSITION. The taxes paid for the 1980 calendar year under  
2 AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130  
3 as that section read before its amendment by sec. 7 of this Act. The taxes  
4 paid for the 1981 calendar year shall be shared with municipalities in  
5 accordance with sec. 18 of this Act. The taxes paid for the 1982 calendar  
6 year and for each succeeding calendar year shall be shared with municipali-  
7 ties in accordance with AS 43.75.130 as amended by sec. 7 of this Act.

8 \* Sec. 20. Section 1 of this Act is retroactive to July 1, <sup>1979</sup>~~1980~~, and  
9 applies to expenditures that qualify for the investment credits that are made  
10 on or after that date.

11 \* Sec. 21. Sections 3, 4, 8, and 9 of this Act are retroactive to Janu-  
12 ary 1, 1981, and apply to tax years beginning after December 31, 1980.

13 \* Sec. 22. Section 18 of this Act takes effect July 1, 1981.

14 \* Sec. 23. Section 7 of this Act takes effect July 1, 1982.

15 \* Sec. 24. Sections 1 - 4, 8, 17, 19, and 21 of this Act take effect  
16 immediately in accordance with AS 01.10.070(c).

Insert #2  
→

17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Introduced: 4/1/81  
Referred: Special Gas Pipeline  
Committee and Finance

1 IN THE HOUSE

BY HAYES, MEEKINS AND  
MONTGOMERY

2 HOUSE BILL NO. 454

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act exempting certain communications facilities  
7 from the oil and gas exploration, production and  
8 pipeline transportation property tax; and providing  
9 for an effective date."

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

11 \* Section 1. AS 43.56.210(6)(A)(iii) is amended to read:

12 (iii) roads, tank farms, tanker terminals, docks and  
13 other port facilities, and air strips [AND COMMUNICATION  
14 EQUIPMENT AND FACILITIES];

15 \* Sec. 2. AS 43.56.210(6)(A) is amended by adding a new subparagraph to  
16 read:

17 (vi) communications facilities owned by a person  
18 whose principal business in the state is the exploration for,  
19 production of, or pipeline transportation of gas or unrefined  
20 oil and whose operation of the communications facilities  
21 directly relates to the conduct of that business;

22 \* Sec. 3. AS 43.56.210(6)(B) is amended by adding a new subparagraph to  
23 read:

24 (v) communications facilities, except communica-  
25 tions facilities taxable under (A)(vi) of this paragraph;

26 \* Sec. 4. This Act is retroactive to January 1, 1974.

27 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
28 070(c).

29

*Insert #1*

*Jan 1, 1981 effective date*

C.S.H.B. 460 (Fix.) (old fld) - Amend. offered by Eliason 6/20/81

6/20 Adopted

Insert #2

Sec. 01.10.030. Constitutionality and severability.

Any law heretofore or hereafter enacted by the Alaska legislature which lacks a severability clause shall be construed as though it contained the clause in the following language, "If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application to other persons or circumstances shall not be effected thereby."

6/20 Adopted

6/21 — 4 1 Rescind Adoption (Failed)

Adopted

Proposed amendment to Senate CS for CS for House Bill No. 460 (Resources)

By: Senator Bennett

Page 7, line 8: Delete "1980"

Replace with "1979"

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. SCS CSHB 460 (Finance)  
 Title An Act relating to taxes  
 Requested by Senate Finance Date 6-21-81

II. FISCAL DETAIL  
 Agency Affected Revenue  
 Program Category Affected General Government  
 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 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						

FUNDING (Thousands of Dollars)

GENERAL FUND	(4,586.0)	(6,500.0)	(12,402.0)	(12,902.0)	(13,330.0)
FEDERAL FUNDS					
OTHER (Specify Fund Source)					

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

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

The above cost is made up of the following elements:

FY	Increase in Shared Fisheries Taxes Payments	Revenue Loss for Investment Tax Credit	Revenue Loss from Property Tax Exemption Communications Facilities
81	--	4,000.0	586.0
82	1969.0	4,000.0	531.0
83	5907.0	6,000.0	495.0
84	5907.0	6,500.0	495.0
85	5907.0	7,000.0	423.0

IV. DATE June 21, 1981 PREPARED BY Milt Barker MB  
 AGENCY Legislative Finance  
 PHONE 465-3795  
 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. SCS CS HB 460 (Finance)  
Title An Act relating to taxes  
Requested by Senate Finance Date 6-21-81

II. FISCAL DETAIL

Agency Affected Revenue  
Program Category Affected General Government  
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.		1969.0	5907.0	5907.0	5907.0	

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND	(4586.0)	(6500.0)	(12402.0)	(12902.0)	(13330.0)	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The ~~total~~ above cost is made up of the following elements:

FY	Increase in Shared Fisheries Taxes Payments	Revenue Loss for Investment Tax Credit	Revenue Loss from Property Tax Exemption for Communications Facilities
81	—	4,000.0	586.0
82	1969.0	4,000.0	531.0
83	5907.0	6,000.0	495.0
84	5907.0	6,500.0	495.0
85	5907.0	7,000.0	423.0

IV. DATE 6-21-81 PREPARED BY Milt Barker

AGENCY Legislative Finance  
PHONE 465-3795

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



# Alaska State Legislature

## House of Representatives

### Committee on Resources

Terry Gardiner, Co-Chairman  
Fred F. Zharoff, Co-Chairman  
465-3715

#### MEMORANDUM

Pouch V  
State Capitol  
Juneau, Alaska 99811

TO: House Finance Committee  
FROM: Rep. Terry Gardiner *TG*  
DATE: 11/May/1981  
RE: Sectional Analysis, CS HB 460

---

House Bill 460 relates to the fisheries salmon enhancement taxes.

Sec. 1. This section makes a change in the provision in the fisheries tax dealing with processing a developing commercial fish species and clarifies who is liable for the tax. Specifically, designating that the person who processes the species shall be liable for the tax.

Sec. 2. Amendment to AS 43.75.015(c). This section along with the next (Section 3) makes an amendment to the raw fish tax regarding the definition of who is a processor for purposes of liability of the raw fish tax. Under the present existing definition, a person who freezes a fish is defined as a processor. This has caused problems with those fishermen who are freezing fish on-board their vessels for the purposes of preserving the quality and are later just selling them to a processor on shore for further processing or delivery.

The amendment provided for under these two sections would exempt a person who freezes a fishery resource on-board a vessel from being declared as being a processor and subject to paying the raw fish tax provided that that person subsequently sells that fish to a licensed fish processor. If the person subsequently sells the resource directly on the retail market, than that person is treated as a fish processor and is liable for payment of the fisheries business tax.

Sec. 4. AS 43.75.130. Refund to local governments. This section increases the amount of the fisheries business tax which is subject to refund to local governments under Sec. 130. The provision for the refund for local governments has been in the statutes prior to statehood, although it was fixed at 20 percent. This increases it from 20 percent to 50 percent.

In terms of fiscal impact on the State, it makes no effect on the amount of money that is collected by the State, although it does increase the amount of revenue to be shared back to the municipalities

from approximately \$4 million per year to approximately \$9 million per year. This refund is obviously subject to annual appropriation by the legislature.

Sec. 5. Amends AS 43.76.020(a). This provision deals with the salmon enhancement tax and is a technical amendment due to an oversight in drafting of some legislation last year. The salmon enhancement tax is imposed based upon a vote of the limited entry permit holders in given region of the State. The provisions of the statute allow for the choice of either imposing a 2 percent assessment or a 3 percent assessment. The statute also provides, upon a given vote the assessment tax may be terminated and this provision (Sec. 020) deals with the termination. The way it is presently written and drafted last year, only those individuals or regions which imposed a 3 percent tax are allowed to terminate it and this amendment amends that Section to allow those regions which have imposed a 2 percent tax to also terminate that.

Sec. 6. AS 43.75.136 is a repealer. This is the provision that provides that up to 20 percent of the raw fish tax may be designated by the legislature for purposes of capitalization of the commercial fish and agriculture bank. Since that time, the bank has been fully capitalized with a stock purchase of \$32 million by the State and this Section is no longer needed.

Sec. 7. Transition. The transition provision provides direction on how the taxes which are collected for the purposes of refund to the local government shall be handled. The taxes paid for the 1980 calendar year are actually due to the State on April 1, 1981. This transition provides that those taxes shall be shared in accordance with the Section before it was amended. Taxes paid for the 1981 calendar year, which are actually collected April 1, 1982, shall be shared according to the provisions of this Section as it is amended.

<u>CITIES</u>	<u>FY 79</u> <u>Actual</u>	<u>FY 80</u> <u>Actual</u>	<u>FY 81</u> <u>Authorized</u>	<u>FY 82</u> <u>Request</u>
Akutan	-0-	106,198	438,547	173,507
Alakanuk	-0-	5	21	8
Aniak	-0-	10	41	17
Anvik	-0-	300	1,239	507
Bethel	-0-	6,449	26,634	10,899
Cordova	98,937	220,782	98,937	373,122
Craig	5,897	23,539	5,897	39,781
Dillingham	61,926	65,710	61,926	111,050
Elim	-0-	580	2,395	980
Emmonak	-0-	5,922	24,458	10,008
Fairbanks	10	20	10	34
Fortuna Ledge	636	3,085	636	5,214
Galena	-0-	719	2,969	1,215
Golovin	-0-	1,164	4,807	1,967
Goodnews Bay	-0-	5	21	8
Haines	3	-0-	-0-	-0-
Iomer	6,098	16,605	6,098	28,062
Ioonah	2,912	4,431	2,912	7,488
Hooper Bay	-0-	4,091	16,896	6,914
Hydaburg	2,043	3,604	2,043	6,091
Kachemak	-0-	3,327	13,741	5,623
Kake	12,652	4,842	12,652	8,183
Kenai	41,708	53,958	41,708	91,189
Ketchikan	20,077	10,145	20,077	17,145
King Cove	132,652	162,195	132,627	274,110
Klawock	21,605	4,211	21,605	7,117
Kodiak	134,603	167,240	134,578	282,636
Kotzebue	-0-	1,803	7,446	3,047
Mountain Village	-0-	8,699	35,927	14,701
Nenana	162	229	157	387

AGENCY REVENUE

PROGRAM COMMUNITY DEVELOPMENT

BRU SHARED TAXES

COMPONENT FISHERIES TAX  
Page 2 of 4

REVISED DATE \_\_\_\_\_

23 18 CONTINUED

**FY82**

00138

<u>CITIES</u>	<u>FY 79</u> <u>Actual</u>	<u>FY 80</u> <u>Actual</u>	<u>FY 81</u> <u>Authorized</u>	<u>FY 82</u> <u>Request</u>
Nome	-0-	305	1,260	515
Pellenn	21,438	60,523	21,438	102,284
Petersburg	107,327	11,520	106,327	19,469
Platinum	-0-	305	1,260	515
Port Alexander	-0-	4,014	16,578	6,784
Port Heiden	-0-	2,245	9,272	3,794
Quinnagak	-0-	5	21	8
Saint Mary's	946	917	810	1,780
Saint Paul	-0-	5	21	8
Sand Point	11,648	21,876	11,648	36,970
Seldovia	1,765	3,686	1,765	6,229
Seward	28,668	46,323	28,669	78,286
Shaktolik	-0-	305	1,260	515
Togiak	-0-	10,472	43,249	17,698
Unalakleet	-0-	2,380	9,829	4,022
Unalaska	229,897	449,272	229,897	759,270
Valdez	-0-	20	83	34
Wrangell	10,278	18,110	10,278	30,606
Yakutat	1,437	2,945	1,437	4,977
<b>Total Cities</b>	<b><u>955,189</u></b>	<b><u>1,515,232</u></b>	<b><u>1,612,107</u></b>	<b><u>2,550,294</u></b>

BOROUGHIS

Municipality of Anchorage	48,201	9,556	48,201	16,150
City and Borough of Juneau	10,901	35,763	10,901	60,439
City and Borough of Sitka	16,252	11,626	16,252	19,648
Bristol Bay Borough	167,722	338,132	167,722	571,443
North Star Borough	10	527	10	891
Haines Borough	27,318	37,575	27,315	63,502

AGENCY \_\_\_\_\_ REVENUE \_\_\_\_\_

PROGRAM COMMUNITY DEVELOPMENT

BRU SHARED TAXES

**23** 18 **CONTINUED**

COMPONENT FISHERIES TAX  
Page 3 of 4

REVISED \_\_\_\_\_  
DATE \_\_\_\_\_

**FY82**

**00139**

<u>BOROUGHS</u>	<u>FY 79</u> <u>Actual</u>	<u>FY 80</u> <u>Actual</u>	<u>FY 81</u> <u>Authorized</u>	<u>FY 82</u> <u>Request</u>
Kenai Peninsula Borough	112,101	134,991	212,101	228,135
Ketchikan Gateway Borough	70,225	26,474	70,225	44,741
Kodiak Island Borough	<u>335,185</u>	<u>226,957</u>	<u>335,185</u>	<u>383,557</u>
Total Boroughs	<u>787,915</u>	<u>821,601</u>	<u>887,912</u>	<u>1,388,506</u>
Total Cities and Boroughs	<u>1,743,240</u>	<u>2,336,697</u>	<u>2,500,019</u>	<u>3,938,800</u>

AGENCY \_\_\_\_\_ REVENUE \_\_\_\_\_ PROGRAM COMMUNITY DEVELOPMENT

BRU SHARED TAXES

COMPONENT FISHERIES TAX

Page 4 of 4

REVISED \_\_\_\_\_  
DATE \_\_\_\_\_

**23** 18 **CONTINUED**

**FY 82**  
**00140**

F180

	Dus. Lic. 3rd Qtr.	Dus. Lic. 4th Qtr.	Amusement & Gaming	Aviation Fuel	Elect. & Tel. Coop. Initial	Elect. & Tel. Coop. Final	Liquor	Raw Fish July-5/15	Raw Fish 5/16-6/30	Munc. Asst. Base Amt.	Munc. Asst. Excess	Totals	
Anchorage, Munc. of	2453959	8510734	171485	2503915	121562-	209112-	215394-	3315-	6211-	491892369	357722-	610786555	
Juneau, City & Borough	1053010	111511	1516 <sup>00</sup>	4209289	19620-	4738-	28650-	18577-	17166-	37235678	4461795-	66100041	
Sitka City & Borough	287336	178713	504 <sup>00</sup>	1206351			17700-	6018-	5578-	13163986	16959-	1755536	
Bristol Bay Borough	6131		144 <sup>00</sup>		13155-	6479-	5400-	175761-	162268-	1398576	3252-	38061707	
North Star Borough	702891	341816	1042 <sup>00</sup>		173289-	85351-		229-	278-	56672132	55277-	29327069	
Haines Borough	0-	27215	28 <sup>00</sup>					19539-	18036-	727497	1071-	4624712	
Kenai Peninsula Borough	1125711	163093	1222 <sup>00</sup>		68501-	33742-		26206-	98785-	34721133	24888-	62512977	
Ketchikan Gateway Borough	22610	310527	432 <sup>00</sup>	2804656				13750-	12724-	360726	8973-	7786651	
Kodiak Island Borough	6777	56077	168 <sup>00</sup>		18232-	8780-		117617-	107340-	2081451	4777-	2197465	
Matanuska Susitna Borough	383216	16871	1140 <sup>00</sup>		113269-	55787-				9081773	35699-	2671258	
North Slope Borough	117322	3862133			11783-	6804-				122092037	7527-	12583492	
Akhtok										42682	234-	67082	
Akiachak										44691	183-	113774	
Akiak	8711	6600								13713	417-	70724	
Akolmiut										31377	1237-	155027	
Akutan									106198-	23770	156-	10659190	
Alakanuk		72660			1474-	726-			5-	227709	1017-	922517	
Aleknagik					502-	131-				45958	428-	183328	
Allakaket										12666	917-	55246	
Ambler	7324				1213-	271-				63153	419-	273677	
Anaktuvok Pass										10500	331-	43906	
Anderson	573		96 <sup>00</sup>		2231-	1101-				125643	907-	570016	
Angoon										232040	1047-	400440	
Aniak			116 <sup>00</sup>							10-	327716	685-	405846
Anvik					1771-	391-				300-	10125	197-	178135
Atmautluak										17907	386-	46507	
Barrow		3795677								2403947	5240-	6763576	
Bethel	101571	1509	1146 <sup>00</sup>							6449-	6601155	7436-	8207328
Drevig Mission										17114	281-	45811	
Buckland	6671									40393	328-	77821	
Chefornak										53471	378-	95541	
Chevak	6389		90 <sup>00</sup>		2377-	1180-				21204	903-	48757	
Chauthbaluk										32705	245-	27105	
Clarks Point										3000	189-	2190	
Cordova	7272		192 <sup>00</sup>		14139-	6764-	10750-	114804-	10978-	4525600	5245-	3287772	
Craig			206 <sup>00</sup>				2100-	12210-	11299-	200496	1133-	2378276	
Deering	1627									46125	227-	77109	
Delta Junction	31511		168 <sup>00</sup>							272712	1722-	3152273	
Dillingham	116396		120 <sup>00</sup>		11656-	11750-	2350-	33381-	32327-	2718324	3196-	1237792	
	164891.18	177516.93	18247.83	107242.11	861,826-	433,138-	324,774-	551,220-	643,014-	7731,201.07	578,015.95	11875544.07	

	Bus. Lic. 3rd Qrt.	Bus. Lic. 4th Qrt.	Amusement & Gaming	Aviation Fuel	Elect. & Tel. Coop. Initial	Elect. & Tel. Coop. Final	Liquor	Raw Fish July-5/15	Raw Fish 5/16-6/30	Munc. Asst. Base Amt.	Munc. Asst. Excess	Totals
Dionede										9000	211-	39100
Eagle			120 <sup>00</sup>							83378	271-	122778
Eek					858-	423-				28433	593-	215833
Ekwok					913-	479-			580-	7800	214-	2927
Elim					2631-	1297-			5922-	36120	421-	281420
Emmonak					60749-	29821-	68657-	7-	11-	104779414-	58812-	129341702
Fairbanks	1806788	575900	2472 <sup>00</sup>				600-			671417	1227-	857547
Fort Yukon	3250		24 <sup>00</sup>		1219-	630-			3085-	52243	508-	604863
Fortuna Ledge			72 <sup>00</sup>				1100-		719-	674610	1348-	1071595
Galena	3085				2583-	1272-				113279	863-	615029
Gambell					1018-	501-			1164-	44422	208-	223622
Golovin					880-	434-			5-	6495	479-	204795
Goodnews Bay										40429	349-	206729
Grayling			1078 <sup>00</sup>				5100-			2006387	2637-	2872727
Haines	102012				1331-	659-				88378	583-	216278
Holy Cross			600 <sup>00</sup>		13169-	6781-	14200-	219-	16386-	6271420	4200-	11901571
Homer	51577	28069	192 <sup>00</sup>				1600-	4431-	4091-	700584	2110-	
Hoonah					3531-	1739-				216251	1178-	
Hooper Bay	900		48 <sup>00</sup>		718-	368-				0-	5187-	635100
Houston										8053	189-	26953
Hughes					878-	413-				65152	409-	240152
Huslia										190437	735-	
Hydaburg			48 <sup>00</sup>		914-	450-		3001-	3327-	49103	523-	
Kachemak							600-	3-	4821-	215705	1311-	92211
Kake		5106								108473	371-	142573
Kaktovik					1150-	567-				0-	0-	171700
Kaltag										2000	89-	11900
Kassaa					17178-	18461-	18400-	28056-	25902-	1429486	85-	2185374
Kenai	461550	305015	636 <sup>00</sup>	1753933			2500-	5275-	4870-	2897931	16442-	34404676
Ketchikan	1013167	356675	1686 <sup>00</sup>		2571-	1267-				135925	664-	597743
Kiana	14018						1100-	81311-	77854-	184441	1916-	16455341
King Cove					1177-	589-				45979	610-	245279
Kivalina								2190-	2021-	153951	740-	652051
Klawock										3578	718-	15378
Kobuk										16251119	11109-	41202161
Kodiak	462631	54418	408 <sup>00</sup>	483485	68171-	33571-	19400-	86264-	80676-	107606	589-	168506
Kotlik			72 <sup>00</sup>		26529-	13072-	3900-			3394464	4877-	8706266
Kotzebue	83218	702287			862-	426-			1803-	23477	344-	188977
Koyuk												
Totals	10063034	1747025	6486 <sup>00</sup>	2231418	207812	163354	166725	214692	233255	172605018	132228	272336895

	Bus. Lic. 3rd Qrt.	Bus. Lic. 4th Qrt.	Amusement & Gaming	Aviation Fuel	Elect. & Tel. Coop. Initial	Elect. & Tel. Coop. Final	Liquor	Raw Fish July-5/15	Raw Fish Munc. Ass <sup>t</sup> 5/16-6/30 Base Amt.	Munc. Asst. Excess	Totals	
Koyukuk									4450	231-	68350	
Kupreanof									-0-	-0-	-0-	
Kwethluk									141575	851	227275	
Larsen Bay									-0-	-0-	-0-	
Lower Kalskag					1905-	445-			20836	421-	197936	
Manokotak									31920	483-	80220	
McGrath			24 <sup>00</sup>				4500-		324964	737-	861064	
Mekoryuk					1115-	579-			23475	336-	232175	
Mountain Village	773		24 <sup>00</sup>		3818-	1880-		8699-	231313	1047-	177886	
Napakiaik			24 <sup>00</sup>						154680	604-	217480	
Napaskiak									1500	463-	41800	
Nenana		15951		135755	2136-	1351-	2700-	119-	125346	971-	221642	
New Stuyahok					1272-	621-			37928	573-	285128	
Newhalen									21132	203-	41432	
Newtok									9720	227-	37420	
Nightmute									1995	261-	28095	
Nikolai									1500	273-	308	
Nome	80577	32872	336 <sup>00</sup>				10425-	205-	520410	2584-	7084873	
Nondalton	41201				2825-	1391-			42719	436-	127520	
Noorvik			24 <sup>00</sup>						140351	1015-	665151	
North Pole	23371		60 <sup>00</sup>		14597-	7189-	2100-		3131230	1588-	5710977	
Nulqsut									2000	351-	381	
Nulato					2038-	1004-			64921	641-	433221	
Old Harbor					1315-	677-			35308	666-	298148	
Ouzinkie									33133	342-	67333	
Palmer		8221	830 <sup>00</sup>	64610	21312-	13452-	7800-		5403861	3949-	11012401	
Pelican			182 <sup>00</sup>					31472-	29051-	427-	4403741	
Petersburg	338568	95144	326 <sup>00</sup>				9400-	5770-	5530-	6172-	7460428	
Pilot Station					1235-	608-			21635	581-	270635	
Platinum									305-	112-	92251	
Point Ilope									315585	876-	435185	
Port Alexander									4014-	178-	450201	
Port Heiden									2215-	172-	265796	
Port Lions					1207-	595-			33241	441-	258341	
Quinhagak	9304				1322-	651-			5-	865-	362865	
Ruby									16677	425-	119177	
Russian Mission			8 <sup>00</sup>		4426-	2180-		477-	4500	322-	267	
Saint Marys					1312-	646-			61745	241-	912545	
Saint Michael									410723	542-	460923	
	443512	162244	2038 <sup>00</sup>	179445	67515 <sup>00</sup>	33251 <sup>00</sup>	38025 <sup>00</sup>	38197 <sup>00</sup>	50704 <sup>00</sup>	2223971	24383 <sup>00</sup>	19526532

	Bus. Lic. 3rd Qrt.	Bus. Lic. 4th Qrt.	Amusement & Gaming	Aviation Fuel	Elect. & Tel. Coop.	Elect. & Tel. Coop.	Liquor	Raw Fish July-5/15	Raw Fish 5/16-6/30	Munc. Asst. Base Amt.	Munc. Asst. Excess	Totals
Saint Paul	9386						1100-			50138	1091	279721
Sand Point	15366		198 <sup>00</sup>					11376-	10500-	444195	1492-	2816461
Savoonga			162 <sup>00</sup>		2115-	1450-				234074	789-	768674
Saxman										0-	0-	0-
Scammon Bay			40 <sup>00</sup>		957-	411-				55191	418-	246791
Selawik					2651-	1305-				105221	975-	598321
Seldovia			408 <sup>00</sup>		2301-	1131-	3600-	1917-	1761-	515673	1019-	1760473
Seward	61809	97125	1072 <sup>00</sup>				12500-	283-	46010-	4563366	3133-	11010095
Shageluk					823-	405-				16897	430-	182677
Shaktolik					870-	429-			305-	10805	309-	202165
Sheldon Point										11375	276-	28775
Shishmaref	13280		600 <sup>00</sup>		1623-	800-				96956	720-	430536
Shungnak	2470				1498-	738-				123571	382-	387867
Skagway	25463		278 <sup>00</sup>				4675-			2158035	1673-	2848077
Soldotna	139920	1557	312 <sup>00</sup>	166084	9939-	4895-	6500-			10302106	4566-	13261162
Stebbins					929-	458-				31711	576-	230011
Tanana							600-			221931	963-	381237
Teller										17191	498-	66971
Tenakee Springs							1550-			137124	272-	291624
Togiak	13471				2831-	1308-			10172-	301819	915-	1815910
Tooksook Bay	31112	32422			1430-	701-				90325	618-	435019
Tuluksak										15037	498-	64837
Tununak					1045-	515-				17577	577-	235277
Unalakleet	12552				4538-	2235-			2280-	40943	1220-	1460075
Unalaska			120 <sup>00</sup>				3100-	233621-	215651-	117573	18266-	47825373
Upper Kalskag					671-	331-				127183	320-	259753
Valdez	281088	133588	410 <sup>00</sup>		21880-	22553-	13100-	6-	71-	36821652	7820-	47127628
Wainwright										39676	828-	122476
Wales					541-	280-				131	251-	110121
Wasilla	132811	12054	96 <sup>00</sup>		13170-	7777-				5153506	4217-	8176371
White Mountain	86									3000	222-	25284
Whittier					286-	1175-	2100-			163435	524-	785935
Wrangell	23211	517858	312 <sup>00</sup>				9000-	4417-	8193-	3883598	6419-	7388767
Yakutat			532 <sup>00</sup>				1100-	1531-	1114-	1269091	853-	1812077
Unorganized (containing 11)	211											271
TOTAL	21819105	20035266	3076813	13327678	1214865	621778	588667	1062121	1274276	1051171065	80522975	1483971332
	767041	311104	4700 <sup>00</sup>	166084	115687	53051	58125	136	271213	68181127	63603	13376597

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811

June 3, 1981

The Honorable Bettye Fahrenkamp  
Chairperson  
Senate Resources Committee  
Room 211 - Capitol Building  
Juneau, Alaska

*CSHB 460 (fin) efd*

Dear Senator Fahrenkamp:

Re: CS for House Bill No. 460 (Finance) (efd failed)

CS for House Bill No. 460 (Finance) (efd failed), an Act relating to the fisheries and salmon enhancement taxes, upon first reading in the Senate on May 27, 1981 was referred to the Senate Resources and Finance Committees.

For the consideration of the Senate Resources Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Ervin B. Jones, Audit Division; Mr. Philip A. 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: The Honorable Don Bennett  
The Honorable M. E. Dankworth  
Co-Chairmen  
Senate Finance Committee

Philip A. Wall, Director  
Administrative Services Division  
Department of Revenue

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Robert W. Elliott  
Research Section  
Department of Revenue

Ervin B. Jones  
Audit Division  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 460 (Finance) (efd failed)  
 Title An Act relating to the fisheries and salmon enhancement taxes  
 Requested by Senate Resources Committee Date 6/2/81

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

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

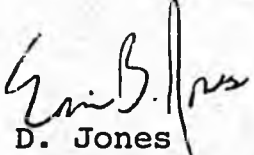
See attached memorandum to R. D. Stevenson dated June 2, 1981.

IV. DATE June 2, 1981 PREPARED BY Ervin B. Jones  
 AGENCY Audit Division  
 PHONE 465-2320  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

# MEMORANDUM

TO: R.D. Stevenson  
Legislative Assistant

DATE: June 2, 1981

FROM:   
Ervin D. Jones  
Acting Director,  
Audit Division

FILE NO:

SUBJECT: CSHB460 (Finance)

We strongly urge the committee to reconsider Section 2, which is designed to relieve custom processors from paying the Fisheries Business Tax. This would create problems for both the administration and for the taxpayers, since the myriad owners of the fishery resources will now fall under the provisions of AS 43.75.100 upon shipment of the resources out of Alaska. The custom processor, who if that is his only activity, will not even be required to license as a fisheries business would still be required to file reports with the department. Gary strongly suggests leaving in the prohibition against deducting the value of the resources that are processed for others.

As suggested in Gary's memo dated April 22, 1981, Sec. 3 needs revision. The fourth condition suggested in that memo was adopted in part but should be further amended to read:

- (4) the fishery resource is sold by the person who claims an exclusion under this section to a fisheries business licensed under AS 43.75.

This change is particularly important if the intent is to pass the tax liability on to the next person who purchases the fishery resource. As Gary pointed out in the referenced memo, this change is necessary to insure our ability to reasonably enforce the law because then the tax would 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. Gary believes this was merely a transcription error, since he verbally read the ammendment into the record at the committee's request.

Finally, it is important that sections 5 and 6 of this Act also be made retroactive to January 1, 1981, and that they apply to tax years beginning after December 31, 1980. Otherwise the resulting "split-year" situation would be cumbersome to administer and would work an extra hardship on the taxpayers that the bill attempts to assist.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 460 (Finance) (efd failed)

Title The Fisheries & Salmon Enhancement Taxes

Requested by Senate Resources Committee Date 5-28-81

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected Shared Taxes - 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.						
<b>TOTAL</b>	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	(1,969.0)	(5,907.0)			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The bill provides for a two-step increase in the sharing of fisheries taxes to boroughs and cities.

There is no additional administrative cost effect upon the General Government Administration and Support BRU.

IV. DATE 6-1-81

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 (Finance) (efd failed)  
 Title An Act Relating to the Fisheries and Salmon Enhancement Taxes  
 Requested by Senate Resources Committee Date June 2, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 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) NONE

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

POSITIONS

	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)

IV. DATE June 2, 1981 PREPARED BY Robert W. Elliott  
 AGENCY Revenue  
 PHONE 465-2309  
 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 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 Gary I. 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 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

(CORRECTED)

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CSHE 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)

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*  
 Robert W. Elliott

IV. DATE 4/22/81 PREPARED BY Revenue  
 AGENCY Revenue  
 PHONE 465-2309

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



# Alaska State Legislature

## House of Representatives

### Committee on Resources

Terry Gardiner, Co-Chairman  
Fred F. Zharoff, Co-Chairman  
465-3715

Pouch V  
State Capitol  
Juneau, Alaska 99811

#### MEMORANDUM

TO: House Finance Committee  
FROM: Rep. Terry Gardiner *TG*  
DATE: 11/May/1981  
RE: Sectional Analysis, CS HB 460

---

House Bill 460 relates to the fisheries salmon enhancement taxes.

Sec. 1. This section makes a change in the provision in the fisheries tax dealing with processing a developing commercial fish species and clarifies who is liable for the tax. Specifically, designating that the person who processes the species shall be liable for the tax.

Sec. 2. Amendment to AS 43.75.015(c). This section along with the next (Section 3) makes an amendment to the raw fish tax regarding the definition of who is a processor for purposes of liability of the raw fish tax. Under the present existing definition, a person who freezes a fish is defined as a processor. This has caused problems with those fishermen who are freezing fish on-board their vessels for the purposes of preserving the quality and are later just selling them to a processor on shore for further processing or delivery.

The amendment provided for under these two sections would exempt a person who freezes a fishery resource on-board a vessel from being declared as being a processor and subject to paying the raw fish tax provided that that person subsequently sells that fish to a licensed fish processor. If the person subsequently sells the resource directly on the retail market, than that person is treated as a fish processor and is liable for payment of the fisheries business tax.

Sec. 4. AS 43.75.130. Refund to local governments. This section increases the amount of the fisheries business tax which is subject to refund to local governments under Sec. 130. The provision for the refund for local governments has been in the statutes prior to statehood, although it was fixed at 20 percent. This increases it from 20 percent to 50 percent.

In terms of fiscal impact on the State, it makes no effect on the amount of money that is collected by the State, although it does increase the amount of revenue to be shared back to the municipalities

from approximately \$4 million per year to approximately \$9 million per year. This refund is obviously subject to annual appropriation by the legislature.

Sec. 5. Amends AS 43.76.020(a). This provision deals with the salmon enhancement tax and is a technical amendment due to an oversight in drafting of some legislation last year. The salmon enhancement tax is imposed based upon a vote of the limited entry permit holders in given region of the State. The provisions of the statute allow for the choice of either imposing a 2 percent assessment or a 3 percent assessment. The statute also provides, upon a given vote the assessment tax may be terminated and this provision (Sec. 020) deals with the termination. The way it is presently written and drafted last year, only those individuals or regions which imposed a 3 percent tax are allowed to terminate it and this amendment amends that Section to allow those regions which have imposed a 2 percent tax to also terminate that.

Sec. 6. AS 43.75.136 is a repealer. This is the provision that provides that up to 20 percent of the raw fish tax may be designated by the legislature for purposes of capitalization of the commercial fish and agriculture bank. Since that time, the bank has been fully capitalized with a stock purchase of \$32 million by the State and this Section is no longer needed.

Sec. 7. Transition. The transition provision provides direction on how the taxes which are collected for the purposes of refund to the local government shall be handled. The taxes paid for the 1980 calendar year are actually due to the State on April 1, 1981. This transition provides that those taxes shall be shared in accordance with the Section before it was amended. Taxes paid for the 1981 calendar year, which are actually collected April 1, 1982, shall be shared according to the provisions of this Section as it is amended.

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  
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 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.						

TOTAL

FUNDING (Thousands of Dollars) NONE

GENERAL FUND	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

FULL TIME	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
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.						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

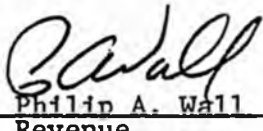
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

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  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)

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

GENERAL FUND						
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 22, 1981.

IV. DATE April 22, 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 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.

<u>CITIES</u>	<u>FY 79</u> <u>Actual</u>	<u>FY 80</u> <u>Actual</u>	<u>FY 81</u> <u>Authorized</u>	<u>FY 82</u> <u>Request</u>
Akutan	-0-	106,198	438,547	173,507
Alakanuk	-0-	5	21	8
Aniak	-0-	10	41	17
Anvik	-0-	300	1,239	507
Bethel	-0-	6,449	26,634	10,899
Cordova	98,937	220,782	98,937	373,122
Craig	5,897	23,539	5,897	39,781
Dillingham	61,926	65,710	61,926	111,050
Elim	-0-	580	2,395	980
Enmonak	-0-	5,922	24,458	10,008
Fairbanks	10	20	10	34
Fortuna Ledge	636	3,085	636	5,214
Galena	-0-	719	2,969	1,215
Colcvin	-0-	1,164	4,807	1,967
Goodnews Bay	-0-	5	21	8
Haines	3	-0-	-0-	-0-
Iomer	6,098	16,605	6,098	28,062
Hoonah	2,912	4,431	2,912	7,488
Hooper Bay	-0-	4,091	16,896	6,914
Ilydaburg	2,043	3,604	2,043	6,091
Kachemak	-0-	3,327	13,741	5,623
Kake	12,652	4,842	12,652	8,183
Kenai	41,708	53,958	41,708	91,189
Ketchikan	20,077	10,145	20,077	17,145
King Cove	132,652	162,195	132,627	274,110
Klawock	21,605	4,211	21,605	7,117
Kodiak	134,603	167,240	134,578	282,636
Kotzebue	-0-	1,803	7,446	3,047
Mountain Village	-0-	8,699	35,927	14,701
Nenana	162	229	157	387

AGENCY REVENUE

PROGRAM COMMUNITY DEVELOPMENT

BRU SHARED TAXES

COMPONENT FISHERIES TAX  
Page 2 of 4

REVISED  
DATE

**23** 18 **CONTINUED**

**FY82**

**00138**

<u>CITIES</u>	<u>FY 79</u> <u>Actual</u>	<u>FY 80</u> <u>Actual</u>	<u>FY 81</u> <u>Authorized</u>	<u>FY 82</u> <u>Request</u>
Nome	-0-	305	1,260	515
Pelican	21,438	60,523	21,438	102,284
Petersburg	107,327	11,520	106,327	19,469
Platinum	-0-	305	1,260	515
Port Alexander	-0-	4,014	16,578	6,784
Port Heiden	-0-	2,245	9,272	3,794
Quinhagak	-0-	5	21	8
Saint Mary's	946	917	810	1,780
Saint Paul	-0-	5	21	8
Sand Point	11,648	21,876	11,648	36,970
Seldovia	1,765	3,686	1,765	6,229
Seward	28,668	46,323	28,669	78,286
Shaktoolik	-0-	305	1,260	515
Togiak	-0-	10,472	43,249	17,698
Unalakleet	-0-	2,380	9,829	4,022
Unalaska	229,897	449,272	229,897	759,270
Valdez	-0-	20	83	34
Wrangell	10,278	18,110	10,278	30,606
Yakutat	1,437	2,945	1,437	4,977
<b>Total Cities</b>	<b><u>955,189</u></b>	<b><u>1,515,232</u></b>	<b><u>1,612,107</u></b>	<b><u>2,550,294</u></b>

BOROUGHES

Municipality of Anchorage	48,201	9,556	48,201	16,150
City and Borough of Juneau	10,901	35,763	10,901	60,439
City and Borough of Sitka	16,252	11,626	16,252	19,648
Bristol Bay Borough	167,722	338,132	167,722	571,443
North Star Borough	10	527	10	891
Haines Borough	27,318	37,575	27,315	63,502

AGENCY REVENUE PROGRAM COMMUNITY DEVELOPMENT

BRU SHARED TAXES

COMPONENT FISHERIES TAX  
Page 3 of 4

REVISED  
DATE

**23** 18 **CONTINUED**

**FY82**

**00139**

<u>BOROUGH</u>	<u>FY 79</u> <u>Actual</u>	<u>FY 80</u> <u>Actual</u>	<u>FY 81</u> <u>Authorized</u>	<u>FY 82</u> <u>Request</u>
Kenai Peninsula Borough	112,101	134,991	212,101	228,135
Ketchikan Gateway Borough	70,225	26,474	70,225	44,741
Kodiak Island Borough	<u>335,185</u>	<u>226,957</u>	<u>335,185</u>	<u>383,557</u>
Total Boroughs	<u>787,915</u>	<u>821,601</u>	<u>887,912</u>	<u>1,388,506</u>
Total Cities and Boroughs	<u>1,743,240</u>	<u>2,336,697</u>	<u>2,500,019</u>	<u>3,938,800</u>

AGENCY REVENUE

PROGRAM COMMUNITY DEVELOPMENT

BRU SHARED TAXES

**23** 18 **CONTINUED**

COMPONENT FISHERIES TAX  
Page 4 of 4

REVISED  
DATE

**FY82**  
**00140**

FY80

	Bus. Lic. 3rd Qt.	Bus. Lic. 4th Qtr.	Amusement & Gaming	Aviation Fuel	Elect. & Tel. Coop. Initial	Elect. & Tel. Coop. Final	Liquor	Raw Fish July-5/15	Raw Fish 5/16-6/30	Munc. Asst. Base Amt.	Munc. Asst. Excess	Totals
Anchorage, Munc. of	12453454	8510734	991483	2505916	424562-	209112-	245394-	3345-	6211-	491892369	357122-	610986555
Juneau, City & Borough	1053010	11154	1516.00	4209289	19620-	4738-	38650-	18597-	17166-	37235698	4461795-	66400041
Sitka City & Borough	287336	178713	504.00	1206351			17900-	6018-	5578-	13163986	16959-	1955534
Bristol Bay Borough	6131		144.00		13155-	6479-	5400-	175764-	162361-	1398576	3252-	38061701
North Star Borough	702891	344846	1042.00		113289-	85351-		229-	298-	56672132	55877-	89321014
Haines Borough	- 0 -	29215	28.00					19539-	18036-	727497	1071-	4624712
Kenai Peninsula Borough	1125741	163093	1222.00		68507-	83142-		36206-	98785-	34721133	26868-	62542917
Ketchikan Gateway Borough	22610	310529	432.00	2804656				13750-	12724-	320956	8973-	9986451
Kodiak Island Borough	6777	35097	168.00		18232-	8980-		117617-	109360-	2081451	4177-	27974675
Matanuska Susitna Borough	383216	16871	1140.00		113264-	55781-				9081793	35649-	30071580
North Slope Borough	117322	3862733			11783-	6804-				122092037	7527-	128593492
Akkoik										43682	234-	67012
Akiachak										44691	683-	112991
Akiak	8711	660								13713	417-	70724
Akolmiut										31327	1237-	155027
Akutan								106198-		23790	156-	10659190
Alakanuk		72660			1474-	726-		5-		527909	1017-	922569
Ateknagik					502-	431-				45958	438-	183358
Allakaket										12646	417-	55366
Ambler	7324				1213-	591-				62453	419-	293477
Anaktuvok Pass										10500	334-	43900
Anderson	573		96.00		2231-	1101-				135613	907-	510016
Angoon										296010	1044-	400410
Aniak			116.00						10-	321716	685-	405116
Anvik					1776-	391-			300-	10435	197-	118635
Atmautluak										17907	386-	46509
Barrow		3795649								2403947	5240-	6723574
Bethel	101571	1509	1146.00						6449-	601135	7436-	8207338
Brevig Mission										17114	284-	45811
Buckland	6671									40393	328-	79837
Chefornak										55741	398-	95541
Chevak	6339		90.00		2397-	1189-				21201	903-	487573
Chauthbaluk										32905	245-	57405
Clarks Point										3000	189-	2190
Cordova	7272		192.00		14139-	6764-	10750-	114804-	105978-	4525600	5245-	3087777
Craig			206.00				3100-	12210-	11299-	50496	1133-	2378276
Deering	4659									46725	221-	77109
Delta Junction	34511		168.00							2928712	1722-	3152203
Dillingham	116376		120.00		11656-	11750-	2820-	33381-	32329-	2718324	3196-	10237920
<b>TOTALS</b>	<b>164891.18</b>	<b>177516.93</b>	<b>18247.83</b>	<b>107242.11</b>	<b>844,826-</b>	<b>433,138-</b>	<b>304,774-</b>	<b>551,320-</b>	<b>62,014-</b>	<b>7731,201.07</b>	<b>578,015.95</b>	<b>11879344.09</b>

	Bus. Lic. 3rd Qrt.	Bus. Lic. 4th Qrt.	Amusement & Gaming	Aviation Fuel	Elect. & Tel. Coop. Initial	Elect. & Tel. Coop. Final	Liquor	Raw Fish July-5/15	Raw Fish 5/16-6/30	Munc. Asst. Base Amt.	Munc. Asst. Excess	Totals
Diomedea										9000	241-	33100
Eagle			120 <sup>00</sup>							83378	274-	122798
Eek					858-	423-				28433	593-	215833
Ekwok										7800	244-	292 <sup>00</sup>
Elim					973-	479-			580-	36120	421-	281420
Emmonak					2634-	1297-			5922-	309176	1052-	1397676
Fairbanks	1806988	575900	2472 <sup>00</sup>		60749-	29221-	62625-	7-	11-	104779414	58812-	129241702
Fort Yukon	3250						600-			671417	1227-	857547
Fortuna Ledge			24 <sup>00</sup>		1279-	630-			3085-	52263	508-	604863
Galena	3085		72 <sup>00</sup>				1100-		719-	694610	1848-	1071595
Gambell					2583-	1222-				143229	863-	615029
Golovin								1164-		64422	228-	203422
Goodnews Bay					1018-	501-			5-	6495	479-	204795
Grayling					880-	434-				40129	349-	206729
Haines	102012		107 <sup>00</sup>				5100-			2006327	2637-	2872927
Holy Cross					1337-	659-				88378	583-	216278
Homer	51577	28069	600 <sup>00</sup>		13169-	6781-	14200-	219-	16386-	620430	4300-	11909571
Hoonah			192 <sup>00</sup>				1600-	1431-	4091-	700584	2110-	
Hooper Bay	900				3531-	1739-				246251	1178-	
Houston			49 <sup>00</sup>		748-	368-				0-	5187-	635100
Hughes										8053	189-	26953
Huslia					898-	443-				65152	409-	240152
Hydaburg								3001-	3327-	190439	735-	
Kachemak			48 <sup>00</sup>		914-	450-				49103	523-	
Kake		5106					620-	3-	4834-	245705	1371-	922111
Kaktovik										108473	371-	145573
Kaltag					1150-	567-				0-	0-	171700
Kassaaan										3000	89-	11900
Kenai	461550	305075	636 <sup>00</sup>	1753933	17178-	18441-	18100-	28056-	25902-	14576486	8536-	27853944
Ketchikan	7613167	356675	1686 <sup>00</sup>				22500-	5275-	4870-	22891934	16492-	34404676
Kiana	19018				2571-	1267-				135525	664-	599743
King Cove							1100-	84341-	77854-	184441	1416-	16455541
Kivalina					1197-	589-				15979	510-	245079
Klawock								2190-	2221-	153951	780-	452051
Kobuk	162631	54418	408 <sup>00</sup>	483485	68171-	53577-	19000-	86504-	80676-	16251419	11109-	41202161
Kodiak										109606	589-	168506
Kotlik	83218	402287	72 <sup>00</sup>		26539-	13072-	3900-		1803-	3394461	4877-	8106264
Kotzebue					865-	426-				25477	344-	188977
Koyuk												
	10063034	1747025	6486 <sup>00</sup>	2237418	209842 <sup>00</sup>	163356 <sup>00</sup>	166725 <sup>00</sup>	214692 <sup>00</sup>	233255 <sup>00</sup>	172605018	132228 <sup>00</sup>	203330895

	Bus. Lic. 3rd Qrt.	Bus. Lic. 4th Qrt.	Amusement & Gaming	Aviation Fuel	Elect. & Tel. Coop. Initial	Elect. & Tel. Coop. Final	Liquor	Raw Fish July-5/15	Raw Fish Munc. 5/16-6/30 Base Amt.	Asst. Munc. Asst. Excess	Totals	
Koyukuk									44450	231-	68350	
Kupreanof									-0-	-0-	-0-	
Kwethluk									141575	857-	227275	
Larsen Bay									-0-	-0-	-0-	
Lower Kalskag					905-	445-			20836	421-	197936	
Manokotak									31920	483-	80220	
McGrath			24 <sup>00</sup>				4500-		33494	737-	86104	
Mekoryuk					1175-	579-			23475	336-	232175	
Mountain Village	993		24 <sup>00</sup>		3818-	1880-		8699-	231313	1049-	177880	
Napakiak			24 <sup>00</sup>						154680	604-	217480	
Napaskiak									1500	463-	47800	
Nenana		15951		135755	2750-	1397-	2800-	119-	110-	125346	971-	2216472
New Stuyahok					1272-	627-			37928	573-	285128	
Newhalen									21132	203-	41432	
Newtok									9720	277-	39420	
Nightmute									1995	261-	28095	
Nikolai									1500	273-	308 <sup>00</sup>	
Nome	80597	32872	336 <sup>00</sup>				10425-		305-	530640	5584-	7084873
Nondalton	91201								42719	436-	127520	
Noorvik			24 <sup>00</sup>		25-	1391-			140351	1015-	665851	
North Pole	23397		60 <sup>00</sup>		14597-	7189-	2100-		3124230	1588-	5710979	
Nuiqsut									3000	351-	381 <sup>00</sup>	
Nulato					2038-	1001-			64921	641-	433221	
Old Harbor					1315-	647-			35308	666-	278148	
Ouzinkie									33133	342-	67333	
Palmer		8227	830 <sup>00</sup>	64610	27312-	13152-	9800-		5403867	3969-	1101264	
Pelican			182 <sup>00</sup>					31472-	29051-	427-	6103744	
Petersburg	338568	95194	526 <sup>00</sup>				9400-	5970-	5530-	4364864	6172-	7460428
Pilot Station					1235-	608-			27635	581-	270035	
Platinum									805-	51551	112-	92251
Point Hope									315585	890-	435185	
Port Alexander									4014-	29301	195-	450201
Port Heiden									2215-	23790	176-	265796
Port Lions					1207-	595-			33344	441-	258344	
Quinhagak	9304				1322-	657-			5-	69261	865-	362865
Ruby									76679	425-	119179	
Russian Mission									4500	322-	361 <sup>00</sup>	
Saint Marys			8 <sup>00</sup>		4126-	2180-		437-	440-	61745	841-	912545
Saint Michael					1312-	646-			410723	544-	660923	
	493512	152244	2038 <sup>00</sup>	199765	41515 <sup>00</sup>	33251 <sup>00</sup>	38025 <sup>00</sup>	38194 <sup>00</sup>	50704 <sup>00</sup>	2223911	34383 <sup>00</sup>	49520632

	Bus. Lic. 3rd Qrt.	Bus. Lic. 4th Qrt.	Amusement & Gaming	Aviation Fuel	Elect. & Tel. Coop.	Elect. & Tel. Coop.	Liquor	Raw Fish July-5/15	Raw Fish 5/16-6/30	Munc. Asst. Base Amt.	Munc. Asst. Excess	Totals	
Saint Paul	9386						1100 -		5 -	50438	1091 -	279721	
Sand Point	15366		198 <sup>00</sup>					11376 -	10300 -	444195	1492 -	2816461	
Savoonga			162 <sup>00</sup>		2715 -	1450 -				234071	789 -	768674	
Saxman										0 -	0 -	0 -	
Scammon Bay			40 <sup>00</sup>		957 -	471 -				55194	448 -	246794	
Selawik					2651 -	1305 -				105221	975 -	598321	
Seldovia			408 <sup>00</sup>		2301 -	1134 -	3600 -	1917 -	1769 -	545673	1019 -	1760473	
Seward	61809	9115	1072 <sup>00</sup>				16500 -	283 -	46040 -	4563366	3433 -	11010095	
Shageluk					823 -	405 -				16897	430 -		
Shaktoolik					870 -	429 -			305 -	10805	309 -	202105	
Sheldon Point										11375	276 -	38775	
Shishmaref	13280		60 <sup>00</sup>		1623 -	800 -				96956	720 -	430526	
Shungnak	2470				1498 -	738 -				123577	382 -	387867	
Skagway	25463		278 <sup>00</sup>				4675 -			2158035	1693 -	2848078	
Soldotna	139920	1557	312 <sup>00</sup>	166084	9939 -	4895 -	6600 -			10302406	4566 -	13261161	
Stebbins					929 -	458 -				31711	596 -	230011	
Tanana							600 -			224937	963 -	381237	
Teller										17191	498 -	66971	
Tenakee Springs							1250 -			139424	272 -	291624	
Togiak	13991				2831 -	1398 -			10472 -	309819	915 -	1885960	
Tooksook Bay	31372	32422			1430 -	701 -				90325	618 -	435017	
Tuluksak										15037	498 -	64837	
Tununak					1045 -	515 -				19577	577 -	233277	
Unalakleet	12852				4538 -	2235 -			2380 -	409943	1220 -	1460075	
Unalaska			120 <sup>00</sup>				3100 -	233621 -	215651 -	747593	18266 -	47825373	
Upper Kalskag					671 -	331 -				47783	320 -	257783	
Valdez	281088	183588	410 <sup>00</sup>		51880 -	25553 -	13100 -	6 -	74 -	36821652	7850 -	47137628	
Wainwright										39676	828 -	122476	
Wales					569 -	280 -				131	251 -	110131	
Wasilla	132811	42054	96 <sup>00</sup>		15790 -	71771 -				5453506	4217 -	8416371	
White Mountain	86									3000	222 -	25286	
Whittier					2386 -	1175 -	8100 -			163435	504 -	785935	
Wrangell	23211	97858	312 <sup>00</sup>				9000 -	9417 -	8693 -	3883598	6419 -	7388767	
Yakutat			532 <sup>00</sup>				1100 -	1531 -	1414 -	1269091	853 -	1812091	
Nunapuk Inc. (unincorporated)	271											271	
TOTAL	27819705	20035506	3076813	13327678	1219865	621798	538669	136	1062421	1274276	1057171005	82822775	1683971332
	761041	376604	4100 <sup>00</sup>	166014	103682 <sup>00</sup>	5305 <sup>00</sup>	58925 <sup>00</sup>	251151 <sup>00</sup>	277213 <sup>00</sup>	68487467	63603 <sup>00</sup>	103765571	

AMENDMENTS TO CSHB 460 (Res)  
ACCEPTED BY HOUSE FINANCE COMMITTEE  
at 5/14/81 Meeting

---

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

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

<sup>processor</sup>  
(b) a person is not liable for the fisheries business tax  
when the processor does not own, sell or buy  
~~if~~ the fisheries resource he is processing ~~was purchased~~  
~~and is owned by another person.~~

UFA 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.

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	
<b>TOTAL</b>		1969.0	5907.0	5907.0	5907.0	

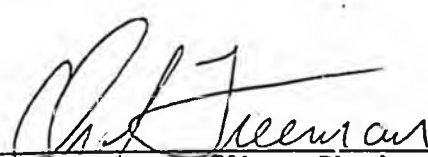
FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		1969.0	5907.0	5907.0	5907.0	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	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)

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).

22  
23  
24  
25  
26  
27  
28  
29



# 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

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, 25 [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).

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

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND			1969.0	5907.0	5907.0	5907.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
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)