



LAWS OF ALASKA

1981

Source

Chapter No.

SCS CSHB 460(Fin) am S (efd am H)

117

AN ACT

Relating to taxes; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: July 30, 1981
Actual Effective Dates: Secs. 1 - 9, and 11 - 23 take effect July 31, 1981. Sec. 10 takes effect July 1, 1982.
Secs. 24 - 25 take effect October 28, 1981.

AN ACT

Relating to taxes; and providing for an effective date.

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

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

* Sec. 2. AS 43.56.210(6)(A)(iii) is amended to read:

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

* Sec. 3. AS 43.56.210(6)(A) is amended by adding a new subparagraph to read:

(vi) communications facilities owned by a person whose principal business in the state is the exploration for,

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1 production of, or pipeline transportation of gas or unrefined
2 oil and whose operation of the communications facilities
3 directly relates to the conduct of that business;

4 * Sec. 4. AS 43.56.210(6)(B) is amended by adding a new subparagraph to
5 read:

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

8 * Sec. 5. AS 43.75.015(b) is amended to read:

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

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

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

19 * Sec. 6. AS 43.75.015(c) is amended to read:

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

with regulations issued by the department [, BUT SHALL INCLUDE THAT VALUE AS PART OF THE VALUE OF THE FISHERY RESOURCES PROCESSED].

* Sec. 7. AS 43.75 is amended by adding a new section to read:

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

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

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

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

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

* Sec. 8. AS 43.75.100(a) is amended to read:

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

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

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

(3) has the fishery resource processed by a fisheries business inside the state.

* Sec. 9. AS 43.75.100(b) is repealed and reenacted to read:

(b) The rate of tax that shall be paid by a person whose liability for the tax is established by this section is the rate of tax that

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would have been due under AS 43.75.015 if the fisheries business that first actually and physically processed the fish had been liable to pay the tax.

* Sec. 10. AS 43.75.130 is amended to read:

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

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

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

(3) to each borough

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

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

* Sec. 11. AS 43.75.140(7) is amended to read:

(7) "value" means the actual price paid for the fisheries resource by 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 done [PROCURED] in company-owned or company-subsidized boats operated by employees of the fisheries business or in boats which are operated under lease or other arrange-

ment;

* Sec. 12. AS 43.75.140 is amended by adding a new paragraph to read:

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

* Sec. 13. AS 43.76.010(a) is amended to read:

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

* Sec. 14. AS 43.76.011(a) is amended to read:

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

* Sec. 15. AS 43.76.020(a) is amended to read:

(a) The salmon enhancement tax levied under AS 43.76.010 or 43.76.011 may be terminated by the commissioner of revenue upon majority vote at an election held under AS 43.76.015 in the region in which the salmon enhancement tax is levied.

* Sec. 16. AS 43.76.025(a) is amended to read:

(a) A buyer [PROCESSOR] who acquires [BUYS] fisheries resources which are subject to the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 shall collect the salmon enhancement tax at the time of

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1 purchase, and shall remit the total salmon enhancement tax collected
2 during each month to the Department of Revenue by the last day of the
3 next month.

4 * Sec. 17. AS 43.76.025(b) is amended to read:

5 (b) A buyer [PROCESSOR] who collects the salmon enhancement tax
6 shall

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

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

13 * Sec. 18. AS 43.76 is amended by adding a new section to read:

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

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

19 (b) If the owner of salmon is liable for payment of the salmon
20 enhancement tax under (a) of this section, he shall comply with the
21 requirement of AS 43.76.025(b) to report his liability for payment of
22 the tax.

23 * Sec. 19. AS 43.76 is amended by adding a new section to read:

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

29 * Sec. 20. AS 43.75.136 is repealed.

* Sec. 21. TRANSITIONAL REVENUE SHARING. Notwithstanding AS 43.75.130, during the fiscal year ending June 30, 1982, the commissioner of revenue shall pay

(1) to each municipality unified under AS 29.68.240 - 29.68.440, and to each city located in the unorganized borough, 30 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, 15 percent of the amount of tax revenue collected in the city from taxes levied by AS 43.75;

and
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(A) 30 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) 15 percent of the amount of tax revenue collected in cities inside the borough from taxes levied by AS 43.75.

* Sec. 22. TRANSITION. The taxes paid for the 1980 calendar year under AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130 as that section read before its amendment by sec. 10 of this Act. The taxes paid for the 1981 calendar year shall be shared with municipalities in accordance with sec. 21 of this Act. The taxes paid for the 1982 calendar year and for each succeeding calendar year shall be shared with municipalities in accordance with AS 43.75.130 as amended by sec. 10 of this Act.

* Sec. 23. SEVERABILITY. If a provision of this Act, or the application of a provision of this Act to any person or circumstance, is held invalid, the remainder of this Act and the application of it to other persons or circumstances is not affected by the invalidation of the section.

* Sec. 24. Section 1 of this Act is retroactive to July 1, 1980, and applies to expenditures that qualify for the investment credits that are made on or after that date.

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1 * Sec. 25. Sections 2 - 4, 6, 7, 11, and 12 of this Act are retroactive
2 to January 1, 1981, and apply to tax years beginning after December 31,
3 1980.

4 * Sec. 26. Section 21 of this Act takes effect July 1, 1981.

5 * Sec. 27. Section 10 of this Act takes effect July 1, 1982.

6 * Sec. 28. Sections 1 - 9, 11 - 20, and 22 - 23 of this Act take effect
7 immediately in accordance with AS 01.10.070(c).

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