



LAWS OF ALASKA

1986

Source

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Chapter No.

79

AN ACT

Relating to the fisheries business tax; 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TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.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: June 5, 1986
Actual Effective Date: Sections 1, 2, and 4 - 8 take effect
July 1, 1986; section 3 takes effect January 1, 1992

AN ACT

Relating to the fisheries business tax; and providing for an effective date.

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

(a) A person engaged in a fisheries business is liable for and shall pay the tax levied by this section on the value of each of the following fisheries resources processed during the year at the rate set out after each:

(1) salmon canned at a shore-based fisheries business [CANNERY] - four and one-half percent;

(2) salmon processed by a shore-based fisheries business, except salmon for which the tax is due under (1) of this subsection, and all other fisheries resources processed by a shore-based fisheries business - three percent;

(3) fisheries resources processed by a floating fisheries business - five percent.

* Sec. 2. AS 43.75 is amended by adding new sections to read:

Sec. 43.75.032. FISHERIES BUSINESS TAX CREDITS. (a) A fisheries business is entitled to a credit of not more than 50 percent of the business tax liability under AS 43.75.015 for capital expenditures made during the tax year that (1) increase product diversity, or production efficiency and capacity, or improve product quality, at a shore-based fisheries business facility in the state, or (2) contribute to the development of a cooperative seafood industrial park in the

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1 state, if an application for the credit is approved by the department
2 in advance of the capital expenditure. A fisheries business may claim
3 a credit under this subsection for a maximum period of three consecu-
4 tive years. An applicant for the credit may elect to begin the three-
5 year period with any tax year from 1987 through 1989. A tax credit
6 under this subsection may not be approved for more than 50 percent of
7 a capital expenditure, plus any increase required under (b) of this
8 section.

9 (b) The amount of a credit under (a) of this section for a
10 capital expenditure involving a shore-based fisheries business facil-
11 ity or cooperative seafood industrial park located or to be located in
12 a municipality shall be increased by the amount by which the municipi-
13 pality's fisheries business tax refund is reduced under AS 43.75.-
14 130(c). The total amount of a credit increase under this subsection
15 during a three-year period may not exceed 25 percent of the amount of
16 the capital expenditure.

17 (c) The portion of a capital expenditure that is eligible for a
18 credit under this section but is not claimed during a single tax year
19 may not be carried back to a prior tax year but is available for the
20 computation as a credit under this section for a subsequent tax year
21 within the three-year period elected under (a) of this section.

22 (d) Within 10 days after submitting an application for a credit
23 under (a) of this section the applicant shall send a copy of the
24 application to the municipality, if any, in which the shore-based
25 fisheries business facility or cooperative seafood industrial park for
26 which the expenditure is to be made is located or is to be located.

27 (e) A fisheries business is entitled to a credit of not more
28 than five percent of the business tax liability under AS 43.75.015 for
29 contributions made during the tax year to the A. W. "Winn" Brindle
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memorial scholarship account (AS 14.43.250). A fisheries business may claim a credit under this subsection for the 1987 tax year and subsequent tax years. A tax credit under this subsection may not be approved for more than 100 percent of a scholarship contribution.

(f) The total tax credits that may be claimed under this section for a tax year for capital expenditures and scholarship contributions combined may not exceed 50 percent of the taxpayer's business tax liability under AS 43.75.015 for that tax year.

(g) The department may not approve a tax credit under this section if

(1) the property for which the capital expenditure was made was the subject of a previous capital expenditure by another taxpayer for whom a corresponding tax credit under this section has been approved;

(2) the property for which the capital expenditure was made was sold or transferred between fisheries businesses having substantial common ownership; or

(3) the fisheries business claiming the credit is in arrears in the payment of a fisheries business tax under AS 43.75.015; for purposes of this paragraph, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

(h) The department shall prepare an application form for a credit under this section.

(i) The department shall approve or disapprove an application for a credit under this section not later than 60 days after receiving the application.

(j) In this section

(1) "cooperative" has the meaning given in AS 10.15.595.

(2) "seafood industrial park" means a seafood processing

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1 center with facilities to land, handle, and process or to ship or
2 transship to any location all marketable species of seafood; a seafood
3 industrial park may contain commercial facilities to support the
4 activities of the park, and the labor force and vessels that operate
5 at or from the park;

6 Sec. 43.75.034. TAX CREDIT REPORT. Not later than the 15th
7 legislative day of each regular legislative session the Department of
8 Revenue, in conjunction with the Department of Commerce and Economic
9 Development, shall submit to the legislature a report on the fisheries
10 business tax credit program under AS 43.75.032. The report shall
11 describe the expenditures for which a credit was approved during the
12 previous tax year and, if possible, the increase in employment and
13 processing capacity by the fisheries businesses for which the credit
14 was approved.

15 * Sec. 3. AS 43.75.032 is repealed and reenacted to read:

16 Sec. 43.75.032. TAX CREDIT FOR SCHOLARSHIP CONTRIBUTIONS. (a)
17 A fisheries business is entitled to a credit of not more than five
18 percent of the business tax liability under AS 47.75.015 for contribu-
19 tions made during the tax year to the A. W. "Winn" Brindle memorial
20 scholarship account (AS 14.43.250). A tax credit under this section
21 may not be approved for more than 100 percent of a scholarship contri-
22 bution.

23 (b) The department may not approve a tax credit under this
24 section if the fisheries business claiming the credit is in arrears in
25 the payment of a fisheries business tax under AS 43.75.015; for pur-
26 poses of this subsection, a taxpayer is not in arrears if the payment
27 is under administrative or judicial appeal.

28 (c) The department shall prepare an application form for a
29 credit under this section.
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(d) The department shall approve or disapprove an application for a credit under this section not later than 60 days after receiving the application.

* Sec. 4. AS 43.75.130 is amended by adding new subsections to read:

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

(c) Within 60 days after a credit is approved under AS 43.75.032 for a capital expenditure involving a shore-based fisheries business facility or cooperative seafood industrial park located or to be located in a municipality, the municipality may adopt an ordinance directing the department to reduce the municipality's refund under this section over a period of not more than three years by an amount not exceeding 25 percent of the capital expenditure.

* Sec. 5. AS 43.75.140 is amended by adding new paragraphs to read:

(9) "capital expenditures" includes the price paid for equipment and the cost of improvements made to depreciable property, but does not include expenditures that are deducted entirely for federal income tax purposes in the year in which they accrued or were paid; in this paragraph, "equipment" and "depreciable property" have the meaning given in regulations adopted by the commissioner of commerce and economic development;

(10) "product diversity" means the processing of nontraditional fish or other seafood species or products;

(11) "product quality" means the handling of fish or other seafood species or products in order to increase product sales or value.

* Sec. 6. The first tax credit report under AS 43.75.034, enacted by

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1 sec. 2 of this Act, is due February 2, 1987, and shall describe the expen-
2 ditures for which a credit was approved during 1986 for the 1987 tax year.

3 * Sec. 7. AS 43.75.130(c) and 43.75.140(9) - (11) are repealed
4 January 1, 1992.

5 * Sec. 8. AS 43.75.034 is repealed February 15, 1992.

6 * Sec. 9. Sections 1, 2, and 4 - 8 of this Act take effect July 1,
7 1986.

8 * Sec. 10. Section 3 of this Act takes effect January 1, 1992.
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