December 15, 2015

BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to fisheries business tax and fishery resource landing tax; relating to**
2 **refunds to local governments; and providing for an effective date."**

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

4 * **Section 1.** AS 43.05 is amended by adding a new section to read:
5 **Sec. 43.05.025. Electronic submission.** A return, license application, or other
6 document submitted to the department under this title shall be filed electronically
7 unless the person submitting the document does not have the technological capability
8 to do so. The department shall consider the electronic filing as equivalent to paper
9 filing for purposes of compliance with other requirements of this title. An electronic
10 filing authorized under this section is equivalent to a paper filing for the purposes of
11 civil or criminal penalties for violations of this title or AS 11.
12 * **Sec. 2.** AS 43.75.015(a) is amended to read:
13 (a) A person engaged in a fisheries business is liable for and shall pay the tax
14 levied by this section on the value of each of the following fisheries resources

New Text Underlined [DELETED TEXT BRACKETED]

processed during the year at the rate set out after each:

(1) salmon canned at a shore-based fisheries business - **five** [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 - **four** [THREE] percent;

(3) fisheries resources processed by a floating fisheries business - **six** [FIVE] percent.

* **Sec. 3.** AS 43.75.015(b) is amended to read:

(b) Instead of the taxes levied by (a) of this section, a person who processes a developing commercial fish species is liable for and shall pay a tax equal to

(1) **two** [ONE] percent of the value of the developing commercial fish species processed by a shore-based fisheries business during the year; and

(2) **four** [THREE] percent of the value of the developing commercial fish species processed by a floating fisheries business during the year.

* **Sec. 4.** AS 43.75.015(d) is amended to read:

(d) Instead of the taxes levied under (a) or (b) of this section, a person who processes a fishery resource under a direct marketing fisheries business license is liable for and shall pay a tax equal to

(1) **two** [ONE] percent of the value of the developing commercial fish species processed during the year; and

(2) **four** [THREE] percent of the value of a commercial fish species not subject to (1) of this subsection.

* **Sec. 5.** AS 43.75.030(b) is amended to read:

(b) The return shall be made on the basis of the calendar year to the department [AT JUNEAU] before April 1 after the close of the calendar year. **The return must be submitted electronically to the department in a format prescribed by the department.**

* **Sec. 6.** AS 43.75.130(a) is amended to read:

(a) **The amount of tax revenue equal to one percent of the value of each fishery taxed under this chapter shall be deposited into the general fund.** Except

as provided in (d) of this section, **and not including the revenue equal to one percent of the value of each fishery taxed under this section deposited in the general fund,** the commissioner shall pay

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

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

(3) to each borough

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

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

* **Sec. 7.** AS 43.75.130(d) is amended to read:

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

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

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

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

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

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

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

(A) 5 percent of the taxes collected during the calendar year in

which the borough is incorporated;

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

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

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

* **Sec. 8.** AS 43.77.010 is amended to read:

Sec. 43.77.010. Landing tax. A person who engages or attempts to engage in a floating fisheries business in the state and who owns a fishery resource that is not subject to AS 43.75 but that is brought into the jurisdiction of, and first landed in, this state is liable for and shall pay a landing tax on the value of the fishery resource. The amount of the landing tax is

(1) for a developing commercial fish species, as defined under AS 43.75.290, **two** [ONE] percent of the value of the fishery resource at the place of landing;

(2) for a fish species other than a developing commercial fish species, **four** [THREE] percent of the value of the fishery resource at the place of the landing.

* **Sec. 9.** AS 43.77.020(a) is amended to read:

(a) A person subject to the tax under this chapter shall file a return stating the value of fishery resources landed in the state that are subject to the tax, the point of landing of the fishery resource, and other information the department requires by regulation. **The return must be submitted electronically to the department in a format prescribed by the department.**

* **Sec. 10.** AS 43.77.060(a) is amended to read:

(a) **The amount of tax revenue equal to one percent of the value of each fishery taxed under this chapter shall be deposited into the general fund.** Subject to appropriation by the legislature and except as provided in (b) of this section, **and not including the revenue equal to one percent of the value of each fishery taxed under this section deposited in the general fund,** the commissioner shall pay to each

(1) unified municipality and to each city located in the unorganized

borough, 50 percent of the amount of tax revenue collected from taxes levied under this chapter on the fishery resource landed in the municipality and accounted for under AS 43.77.050(b);

(2) city located within a borough, 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b); and

(3) borough

(A) 50 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the area of the borough outside cities and accounted for under AS 43.77.050(b); and

(B) 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in cities located within the borough and accounted for under AS 43.77.050(b).

* **Sec. 11.** AS 43.77.060(b) is amended to read:

(b) **<u>The amount of tax revenue equal to one percent of the value of each fishery taxed under this chapter shall be deposited into the general fund.</u>** Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and subject to appropriation by the legislature, **<u>and not including the revenue equal to one percent of the value of each fishery taxed under this section deposited in the general fund,</u>** the commissioner shall pay to each

(1) city that is located in a borough incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b):

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

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

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

(D) 30 percent of the tax revenue collected during the third

calendar year after the calendar year in which the borough is incorporated; and

(2) borough that is incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the cities located within the borough and accounted for under AS 43.77.050(b):

(A) five percent of the tax revenue collected during the calendar year in which the borough is incorporated;

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

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

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

* **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITIONAL PROVISION: REGULATIONS. The Department of Revenue may adopt regulations necessary to implement the changes made by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law implemented by the regulation.

* **Sec. 13.** Section 12 of this Act takes effect immediately under AS 01.10.070(c).

* **Sec. 14.** Except as provided in sec. 13 of this Act, this Act takes effect July 1, 2016.