

Joint Legislative Salmon Industry Task Force

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Sponsor Statement **House Bill 104**

"An Act relating to payment of the fisheries business tax and to security for collection of the fisheries business tax."

Under current law, absent a lienable value of property equal to three times the amount of the estimated tax, a surety bond must be paid equal to twice the estimated amount of the tax. The cost of the bond can be a burden to a company operating on a small margin.

[House Bill 104](#) amends [AS 43](#) by providing an option for fish processing applicants who are not able to meet the requirements currently in statute. Processors may avoid posting a bond for twice the amount of the estimated taxes if the business:

- Remits all tax obligations on a monthly basis by paying the taxes due on or before the 15th day of the month following the month in which the tax liability is incurred; and
- Files a bond in the amount of \$50,000; or
- Provides the Department of Revenue with proof that the applicant is the owner of lienable real property in the state of a value of at least \$100,000.

House Bill 104 will assist processors who do not have large property assets in developing their business plans and in managing their tax payment schedule. The measure would also encourage new processing investment in a time when the seafood industry needs to expand and diversify in the processing sector.