

SUPPLEMENTAL NOTICE OF PROPOSED CHANGES IN THE
REGULATIONS OF THE DEPARTMENT OF REVENUE

The Department of Revenue proposes to repeal and adopt regulations in Title 15 of the Alaska Administrative Code, dealing with fisheries business tax and licensing, including the following:

1. 15 AAC 75.005 will be added to reflect requirements on fishermen claiming tax exclusion and for displaying the fisheries business license.
2. 15 AAC 75.010 is being amended to further define report filing requirements and the information required on fisheries business tax returns or reports.
3. 15 AAC 75.015 will be added to address procedures for taking credits against the fisheries business tax.
4. 15 AAC 75.030 will be amended to further define who is liable for fisheries business tax.
5. 15 AAC 75.035 will be amended to further define filing requirements for fisheries business tax returns.
6. 15 AAC 75.040 will be amended to clarify reporting requirements when contracting with a custom processor.
7. 15 AAC 75.050 will be repealed. The requirements for providing custom processing activity to the department will be incorporated in 15 AAC 75.010 and 15 AAC 75.035.
8. 15 AAC 75.060 that listed expenditures eligible for the repealed fisheries business tax credit (repealed 1/1/92) will be repealed.
9. 15 AAC 75.070 that addressed application for the repealed fisheries business tax credit (repealed 1/1/92) will be repealed.
10. 15 AAC 75.075 will be added to further define property eligible for the salmon product development tax credit, to clarify when a person is in arrears and procedures for requesting credit pre-approval.
11. 15 AAC 75.076 will be added to address the recapture of the salmon product development tax credit.
12. 15 AAC 75.080 addressing the placed in service rule for the repealed fisheries business tax credit (repealed 1/1/92) will be repealed.
13. 15 AAC 75.085 that address the exception to the placed-in-service rule for the repealed fisheries business tax (repealed 1/1/92) will be repealed.
14. 15 AAC 75.090 that places a limitation on the repealed fisheries business tax credit (repealed 1/1/92) will be repealed.
15. 15 AAC 75.200 will be added to reflect security requirements for a person applying

for a fisheries business license.

16. 15 AAC 75.210 will be added to reflect security requirements for a person applying for a license as a fish processor or primary fish buyer that will have employees or will be buying fisheries resources directly from fishermen.

17. 15 AAC 75.220 will be added to address the issuance, denial and suspension of a fisheries business license.

18. 15 AAC 75.225 will be added to reflect when the commissioner may issue a cease and desist order to a fish processor or primary fish buyer

19. 15 AAC 75.230 will be added to define fisheries business license restrictions and violations.

20. 15 AAC 75.240 will be added to address assessment of civil penalties for persons engaging in a fisheries business without a license.

21. 15 AAC 75.250 will be added to reflect reporting requirements for bonus or other additional payments.

22. 15 AAC 75.290 will be amended to further define the qualifications of a mobile processing facility as a shore-based fisheries business.

23. 15 AAC 75.300 will be repealed and readopted to add or clarify the definitions of depreciable tangible personal property, lienable value, market value, person, predominantly, processing, quality, related person, taxpayer and weight of raw salmon.

This is a SUPPLEMENTAL NOTICE adding to the NOTICE OF PROPOSED CHANGES that was issued on October 6, 2011 concerning these proposed regulation revisions contained in the Department of Law file number JU2010201268. This SUPPLEMENTAL NOTICE is being issued to identify repealed regulations not identified in the NOTICE OF PROPOSED CHANGES.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Janis Hales at the Department of Revenue at 550 West 7th Avenue, Suite 500, Anchorage, Alaska, 99501. The Department of Revenue will also accept comments by electronic mail at janis.hales@alaska.gov. **The comments must be received no later than 4:30 p.m. on November 23, 2011.**

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Janis Hales at 907-269-6620 no later than October 31, 2011 to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Janis Hales at 907-269-6620, or go to www.tax.state.ak.us and select the Draft Regulations link under Other Taxes.

After the public comment period ends, the Department of Revenue will either adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.**

Statutory Authority: AS 43.05.080; AS 43.10.045; AS 43.75.011; AS 43.75.015; AS 43.75.017; AS 43.75.020; AS 43.75.030; AS 43.75.032; AS 43.75.035; AS 43.75.055; AS 43.75.100; AS 43.75.290; AS 44.25.040; AS 44.25.047

Statutes Being Implemented, Interpreted, or Made Specific: AS 43.75.011; AS 43.75.015; AS 43.75.017; AS 43.75.030; AS 43.75.035; AS 43.75.055; AS 43.75.100; AS 43.75.290; AS 44.25.040; AS 44.25.047

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: 10/19/11



Johanna Bales
Acting Director
Tax Division