

Alaska Salmon or Herring Product Development Credit

Pre-qualification Form

<input type="checkbox"/> SSN <input type="checkbox"/> EIN			Fisheries Business License Number	
Individual or Corporate Name			Tax Year of Proposed Investment	
Facility Location or Vessel Name			Contact Person	
Mailing Address			Phone Number	Fax Number
City	State	Zip Code	Email Address	
Total Estimated Cost of Proposed Investment - \$				

You must submit the following information along with this form before your request for pre-qualification can be processed:

1. A detailed listing of the equipment to be purchased along with a description of what the equipment does. For each piece of equipment, include the name of the manufacturer and the model number.
2. The estimated cost of each piece of equipment, including installation, supported by a price list or quote from the manufacturer or seller.
3. A detailed description of the value-added product(s), and non-value-added product(s) the equipment will be producing.
4. An estimate (in pounds) of value-added product(s), and non-value-added product(s) to be produced in the first tax year by each piece of equipment upon which you wish to claim a credit.

Will you be applying for or receiving a grant to finance a portion of the total cost of the proposed investment?

YES NO

I agree under penalty of unsworn falsification that this pre-qualification filing (including all accompanying attachments) has been examined by me and, to the best of my knowledge, is true, correct and complete. I affirm that the equipment items referenced will be purchased new with no previous use, will first be placed in service in Alaska and shall remain in Alaska. I understand that the Department of Revenue reserves the right to audit all accounts related to this product development credit pre-qualification filing.

Officer's Signature	Printed Name
Title	Date

For Department Use Only				
<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	By	Title	Date

Salmon or Herring Product Development Credit Pre-qualification Form Instructions

Effective July of 2014, the product development credit available to be claimed against the fisheries business tax was expanded so that it now includes expenditures for salmon, herring, certain canning equipment and equipment that is used to produce saleable products from salmon or herring waste. Below is a summary of the new law and the qualifying expenditures. If you would like the Department of Revenue to review proposed expenditures and determine whether they would qualify for the credit, fill out and submit the attached Pre-Qualification Form. The Department will mail a determination within 30 days of the date a complete pre-qualification form is received.

New Law

AS 43.75.035(a) A taxpayer that is a fisheries business may claim a product development tax credit of 50 percent of **qualified investment** in new property first placed into service in a shore-based plant or on a vessel in the state in the tax year.

"*Qualified investment*" means the investment cost to purchase or convert depreciable tangible personal **property** with a useful life of three years or more to be used predominantly to perform an ice making, processing, packaging, or product finishing function that is a significant component in producing **value-added salmon or herring products**, including canned salmon products in sizes other than 14.75 ounces or 7.5 ounces.

"*Property*" includes

- (i) equipment used to fillet, skin, portion, mince, form, extrude, stuff, inject, mix, marinate, preserve, dry, smoke, brine, package, freeze, scale, grind, separate meat from bone, or remove pin bones;
- (ii) new parts necessary for, or costs associated with, converting a canned salmon line to produce can sizes other than 14.75 ounces or 7.5 ounces;
- (iii) conveyors used specifically in the act of producing a value-added salmon or herring product;
- (iv) ice making machines;
- (v) new canning equipment for herring products; and
- (vi) equipment used to transform salmon or herring byproduct that is discarded as waste into saleable product.

"*Property*" **does not include**

- (i) vehicles, forklifts, conveyors not used specifically in the act of producing a value-added salmon or herring product, cranes, pumps, or other equipment used to transport salmon or herring, or salmon or herring products, knives, gloves, tools, supplies and materials, equipment, other than ice making machines, that is not processing, packaging, or product finishing equipment, or other equipment the use of which is incidental to the production, packaging, or finishing of value-added salmon or herring products;
- (ii) the overhaul, retooling, or modification of new or existing property, except for new parts necessary for, or costs associated with, converting a canned salmon line to produce can sizes other than 14.75 ounces or 7.5 ounces; or
- (iii) property used predominantly to produce a salmon or herring product that is not taxed under this chapter.

"*Value-added salmon or herring product*" means the product of a salmon or herring that is processed beyond heading, gutting, or separation in a manner that enhances the value or quality of the salmon or herring product, such as shelf-stable, retort pouched, smoked, pickled, or filleted salmon, ikura, leather, jerky, or a saleable product made from waste byproduct of salmon or herring.

"*Value-added salmon or herring product*" **does not include** a salmon or herring product that

- (A) has been subjected to only one or more of heading, gutting, freezing or packaging;
- (B) is salmon skeins or other unprocessed salmon or unprocessed herring products whether fresh or frozen;
- or
- (C) is produced out of the state.