

Introduced by: Mayor
Date: April 5, 1988
Hearing: May 3, 1988
Vote: 6 Yes, 9 No
Action: Failed Introduction

KENAI PENINSULA BOROUGH

ORDINANCE 88-13

ESTABLISHING A POLICY TO CONSIDER THE GRANT OF A TAX CREDIT AGAINST THE BOROUGH'S SHARE OF THE FISHERIES BUSINESS TAX COLLECTED FROM PROCESSORS LOCATED WITHIN THE BOROUGH.

WHEREAS, AS 43.75.015 provides for a fisheries business tax to be imposed on fish processors; and

WHEREAS, AS 43.75.130 provides that the State refund up to fifty percent of the fisheries business tax to the municipality in which the fish processor is located; and

WHEREAS, AS 43.75.032 provides a credit to be granted to a processor for any qualified capital expenditures up to fifty percent of the tax collected; and

WHEREAS, AS 43.75.130(C) provides that a municipality may grant up to an additional twenty-five percent credit against the fisheries business tax which would reduce any refunds to the municipality from the fisheries business tax; and

WHEREAS, this optional municipal credit must be granted by an ordinance passed within sixty days of the Department of Revenue approval of the State credit to a processor; and

WHEREAS, expenditures for improvements of fish processing facilities within the borough will enhance development of onshore processing and provide for long-term prosperity in the borough; and

WHEREAS, granting of credits in appropriate circumstances would be in the best interest of the borough; and

WHEREAS, the assembly wishes to establish a policy of having these applications brought before it for consideration;

NOW THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That onshore fish processing businesses which have received approval from the State Department of Revenue shall be considered for a credit granted by the Kenai Peninsula Borough in an amount not to exceed 25% of the qualified capital expenditure pursuant to AS 43.75.032. Whether the grant will actually be given shall be determined by the State Department of Revenue upon considering the limits established by the statute and upon

payment in full of the State's 50% credit and approval by the assembly.

Section 2. That requests to participate in the program from individual fish processors will be acted on by ordinance of the Assembly.

Section 3. That a copy of this ordinance shall be sent to the State Department of Revenue.

Section 4. That this ordinance takes effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS _____ DAY OF _____, 1988.

Jonathan W. Sewall, Assembly President

ATTEST:

Borough Clerk