

# Fishermen get tax break

A new Alaska law gives a significant tax benefit to persons who purchased a limited entry permit for commercial fishing after December 31, 1976 or who will do so in the future.

The change allows a buyer to deduct for Alaska income tax purposes the full price of the entry permit as a business expense for the year in which it was purchased.

In the past, the cost of the entry permit was treated as a capital expenditure and was not deductible as a business expense.

"This change will result in a two fold benefit for fisherman," said Deputy Commissioner of Revenue John Messenger. "In the beginning, he can deduct the price of the permit as a business expense, and if he sells the permit, he can subtract the purchase price from the sale price with the remainder treated as capital gains."

This and several other important changes pertaining to entry permits were contained in HCSSB 83 signed into law by Governor Hammond on May 28.