

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 5)*

Appliance Recycling Centers of America, Incorporated

(Name of Issuer)

Common stock

(Title of Class of Securities)

03814F-10-6

(CUSIP Number)

Check the following box if a fee is being paid with this statement . (A fee is not required only if the filing person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7).

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1 NAME OF REPORTING PERSON
S.S. or I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Perkins Capital Management, Inc.
IRS ID No.: 41-1501962

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

730 East Lake Street, Wayzata, MN 55391-1769

5 SOLE VOTING POWER
NUMBER OF 379,500

6 SHARED VOTING POWER
SHARES 0

BENEFICIALLY

OWNED BY 7 SOLE DISPOSITIVE POWER
717,450
EACH

REPORTING

PERSON 8 SHARED DISPOSITIVE POWER
0
WITH

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
367,450

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
8.1%

12 TYPE OF REPORTING PERSON*
IA

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1 NAME OF REPORTING PERSON
S.S. or I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

The Perkins Opportunity Fund
IRS ID No.: 13-3682185

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) /___/
(b) /___/

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
A Massachusetts Business Trust

5 SOLE VOTING POWER
NUMBER OF 0 (Refer to page one of two, item five)

SHARES 6 SHARED VOTING POWER
0
BENEFICIALLY

OWNED BY 7 SOLE DISPOSITIVE POWER
0 (Refer to page one of two, item seven)
EACH

REPORTING

PERSON 8 SHARED DISPOSITIVE POWER
0
WITH

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
350,000

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
7.7%

12 TYPE OF REPORTING PERSON*

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ITEM 1.

- (a) Name of Issuer
Appliance Recycling Centers of America, Inc.
- (b) Address of Issuer's Principal Executive Offices
7400 Excelsior Blvd., Minneapolis, MN 55426

ITEM 2.

- (a) Name of Person Filing

Perkins Capital Management, Inc., a Minnesota Corporation
The Perkins Opportunity Fund, a Massachusetts Business Trust
- (b) Address of Principal Business Office or, if none, Residence

730 East Lake Street
Wayzata, MN 55391-1769
- (c) Citizenship

Minnesota Corporation
- (d) Title of Class of Securities

Common Stock
- (e) CUSIP Number

03814F-10-6

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13D-1(B), OR 13D-2(B), CHECK WHETHER THE PERSON FILING IS A:

- (a) / / Broker or Dealer registered under Section 15 of the Act
- (b) / / Bank as defined in section 3(a)(6) of the Act
- (c) / / Insurance Company as defined in section 3(a)(19) of the act
- (d) / / Investment Company registered under section 8 of the Investment Company Act
- (e) / / Investment Adviser registered under section 203 of the Investment Advisers Act of 1940
- (f) / / Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or Endowment Fund; see 240.13d-1(b)(1)(ii)(F)
- (g) / / Parent Holding Company, in accordance with 240.13d-1(b)(ii)(G) (Note: See Item 7)
- (h) / / Group, in accordance with 240.13d-1(b)(1)(ii)(H)

ITEM 4. OWNERSHIP

If the percent of the class owned, as of December 31 of the year covered by the statement, or as of the last day of any month described in Rule 13d-1(b)(2), if applicable, exceeds five percent, provide the following information as of that date and identify those shares which there is a right to acquire.

- (a) The amount beneficially owned is 717,450 shares of common stock and common equivalents. This includes 367,450 shares of common stock owned by the clients of Perkins Capital Management, Inc., held for the clients of Perkins Capital Management, Inc., and 350,000 shares of common stock owned by The Perkins Opportunity Fund. Perkins Capital Management, Inc. disclaims beneficial interest in the Perkins Opportunity Fund shares.
- (b) The percent of class is 15.8%. This includes a percentage of class of 8.1% by clients of Perkins Capital Management, Inc. and 7.7% by The Perkins Opportunity Fund.

(c) Number of shares as to which such person has:

(i) Perkins Capital Management, Inc. has the sole power to vote 379,500 common shares, including the 150,000 common shares owned by The Perkins Opportunity Fund.

(ii) There are zero shares with shared power to vote.

(iii) Perkins Capital Management, Inc. has the sole power to dispose of 717,450 common shares (includes 350,000 shares of common stock owned by The Perkins Opportunity Fund).

(iv) shared power to dispose or to direct the disposition of
0

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS

Not applicable.

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

Not applicable.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY

None.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

Not applicable.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP

Not applicable.

ITEM 10. CERTIFICATION

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

February 4, 1997

By Bradley A. Erickson

Signature

Bradley A. Erickson, Vice President

Name/Title

JOINT FILING AGREEMENT PURSUANT TO RULE 13D-1(F) (1)

This agreement is made pursuant to Rule 13d-1(f)(1) under the Securities Exchange Act of 1934 (the "ACT") by and among the parties listed below, each referred to herein as a "Joint filer." The Joint Filers agree that a statement of beneficial ownership as required by Section 13(d) of the Act and the Rules thereunder may be filed on each of their behalf on Schedule 13D or Schedule 13G as appropriate and that said joint filing may thereafter be amended by further joint filings. The Joint Filers state that to the best of their knowledge and belief they each satisfy the requirements for making a joint filing under rule 13d-1.

February 4, 1997

/s/ Bradley A. Erickson

Perkins Capital Management, Inc.
Bradley A. Erickson

/s/ Steven J. Paggioli

Perkins Opportunity Fund Series A
Professionally Managed Portfolio
Steven J. Paggioli