

# Alaska Legislature

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## SPONSOR STATEMENT

### HB 192

Currently, commercial fishermen are required to submit the resource landing tax by April 1<sup>st</sup>. The difficulty with this fixed date is that Department of Fish and Game does not always have the statewide average fish report by that time. Though the Department of Revenue does grant an automatic extension to file the landing tax return if the report has not been submitted within 30 days of the due date, there are no extensions for payment time. This results in penalties and interest to occur. For example, the 2011 list was not published until May 29, 2012. This results in the accumulation of unfair penalties and interest to commercial fishermen. Commercial fishermen are also required to make equal quarterly payments. This means that in some instances, the current statute would require payment of 50% of the landing taxes before even leaving port.

House Bill 192 makes necessary changes to the resource landing tax statutes. The first section aligns the due date for the resource landing tax with the date that the statewide average fish report is released. This is a long overdue remedy. The State of Alaska should not punish our fishing industry for the delay of information they have no control over.

The second section of House Bill 192 still maintains that 100% of the previous year's tax liability or at least 90% of the estimated amount is owed. However, the requirement to make equal quarterly payments is deleted. Instead, the commercial fisherman is allowed to pay their quarterly tax based on their production and estimated price for that specific quarter. It only makes sense that a way of life as volatile as that of our commercial fishermen should have a tax structure that reflects those realities. House Bill 192 provides a tax regime that is equitable and fair.

House Bill 192 has been referred to the Fisheries and Finance Committees. I would greatly appreciate you in joining me in supporting Alaska's commercial fishing industry.

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