



UNITED FISHERMEN OF ALASKA

Mailing Address: PO Box 20229, Juneau AK 99802-0229

Physical Address: 410 Calhoun Ave Ste 101, Juneau AK 99801

Phone: (907)586-2820 **Fax:** (907) 463-2545

Email: ufa@ufa-fish.org **Website:** www.ufa-fish.org

June 1, 2016

Representative Steve Thompson, Co-Chair
Representative Mark Neuman, Co-Chair
House Finance Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

RE: Concerns with amendments to HB 4006 – Fisheries Taxes

Dear Co-Chairmen Thompson and Neuman, and Committee Members,

United Fishermen of Alaska (UFA) continues to hold our position that any new or increased taxes on the fishing industry must be part of a comprehensive fiscal solution, as included in our 2015 resolution that is previously submitted as [HB251 Backup UFA.pdf](#). We do not see a comprehensive fiscal solution at this time and until that happens we oppose singling industries out.

UFA has the following additional comments on amendments being considered on HB 4006.

UFA supports amendment #2. We oppose the removal of CFEC permit fee maximum cap of \$3000. This section was not included in the governor's fisheries tax legislation, HB 251. Elimination of the permit fee cap, while ostensibly targeting primarily non-resident fishermen, also has direct impact of preventing family operations from advancing younger Alaska resident fishermen to become skippers – as was heard in committee testimony on April 15.

UFA opposes an increase on canned salmon tax - we support keeping this tax at the current 4.5%. We support this provision, and this provision only, of amendment #3. Canned salmon is often produced in extreme excess simply to keep fishermen fishing in times of very large runs. This particular tax could actually cause less fish to be processed during years of large salmon runs, reducing revenue to the state and income to fishermen and communities.

UFA opposes language in amendment #3, and amendment #4 raising the Resource Landing taxes ("developing" and "other") to 5%. UFA opposes any increases in the Fisheries Business or Resource Landing tax that disproportionately distribute the tax burden across fishery sectors.

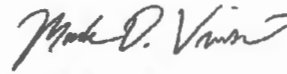
Among other provisions of amendment #3, UFA opposes increasing fishery Business and Landing tax on developing fisheries. UFA supports keeping developing fisheries at the current 1% tax rate, as in HB 4006 as introduced. We are amenable to an increase to 2% at most in developing fisheries - as included in the original legislation.

UFA is the statewide commercial fishing trade association, representing 34 commercial fishing organizations participating in fisheries throughout the state and its offshore federal waters.

Thank you for your consideration,

A handwritten signature in cursive script that reads "Jerry McCune".

Jerry McCune
President

A handwritten signature in cursive script that reads "Mark D. Vinsel".

Mark Vinsel
Executive Administrator