

**HOUSE JOINT RESOLUTION NO. 23**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTIETH LEGISLATURE - FIRST SESSION**

**BY REPRESENTATIVES HUDSON, Grussendorf, Ivan, Croft, Davies, James, Kemplen**

**SENATORS Hoffman, Taylor, Leman, Mackie**

**Introduced: 2/17/97**

**Referred: House Special Committee on Fisheries, Resources**

**A RESOLUTION**

**1 Relating to the seizure and sale of Alaska commercial fishing entry permits by**  
**2 the United States Internal Revenue Service.**

**3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**4 WHEREAS** the United States Internal Revenue Service is engaging in the seizure and  
**5 involuntary sale of Alaska commercial fishing entry permits in order to collect past taxes owed**  
**6 by commercial fishermen; and**

**7 WHEREAS** the United States Internal Revenue Service persists in seizing and selling  
**8 entry permits even when the seizure results in a significant economic hardship to the**  
**9 commercial fisherman in spite of federal law (26 U.S.C. 6343) which requires the Internal**  
**10 Revenue Service to release a levy to avoid inflicting economic hardship on a taxpayer; and**

**11 WHEREAS** the United States Internal Revenue Service entered into a formal  
**12 Memorandum of Understanding with the State of Alaska under which the Internal Revenue**  
**13 Service agreed to cooperate with the State in good faith before selling seized entry permits;**  
**14 and**

**15 WHEREAS**, under the agreement with the United States Internal Revenue Service, the  
**16 State of Alaska has already expended more than \$4,500,000 in consideration to the Internal**

1 Revenue Service through the state's tax obligation loan program; and

2       **WHEREAS** the United States Internal Revenue Service recently sold an entry permit  
3 on only two days notice to the State of Alaska and received at the sale only \$5,005 for an  
4 entry permit valued at \$30,000; and

5       **WHEREAS** the United States Internal Revenue Service is promoting litigation against  
6 the State of Alaska by private individuals to compel the State to accede to involuntary  
7 transfers of entry permits resulting from sales conducted by the Internal Revenue Service; and

8       **WHEREAS** the United States Internal Revenue Service is threatening to continue  
9 seizing and selling entry permits and proposes to seize even more entry permits in Alaska; and

10       **WHEREAS** the State of Alaska amended its constitution to allow for the issuance of  
11 commercial fishing entry permits in order to conserve Alaska's fishery resources and to  
12 prevent economic distress among fishermen and those dependent upon them for a livelihood;  
13 and

14       **WHEREAS** Alaska commercial fishing entry permits are use privileges created by  
15 the State of Alaska to enable commercial fishermen to engage in use of Alaska's common  
16 property fishery resources; and

17       **WHEREAS** an entry permit authorizes a fisherman to pursue a livelihood in the  
18 commercial fisheries of Alaska for the support of the fisherman and the fisherman's family  
19 and dependents; and

20       **WHEREAS** an entry permit is a legally mandated tool of the trade without which a  
21 fisherman may not fish in a limited entry commercial fishery; and

22       **WHEREAS** commercial fishermen who lose their entry permits are deprived of a  
23 source of economic livelihood; and

24       **WHEREAS** the seizure and involuntary sale of an entry permit deprives the fisherman  
25 of a means of support for the fisherman and the fisherman's family and dependents and of a  
26 means to earn money to repay debts owed to creditors, and brings the creditors only a fraction  
27 of the real value of the entry permit when the entry permit is sold; and

28       **WHEREAS** the State of Alaska has sought to protect the economic livelihood of  
29 fishermen from loss of their entry permits through foreclosure and sale for debts; and

30       **WHEREAS** the seizure and sale of entry permits by the United States Internal  
31 Revenue Service deprives the federal government of payments owed on back taxes by

1 depriving the permit holder of a means to raise funds to pay the debt and limits the ability of  
2 the permit holder to pay other debts, including child support obligations, not to mention the  
3 ability of the permit holder to earn a livelihood; and

4       **WHEREAS** it is in the best interest of the federal government to recoup back taxes  
5 through the income earned by viable productive commercial fishing enterprises operated by  
6 entry permit holders rather than to recover insignificant amounts through the sale of  
7 fishermen's tools of the trade -- Alaska commercial fishing entry permits;

8       **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the Alaska  
9 delegation in Congress to employ all available means to obtain just relief from the actions of  
10 the United States Internal Revenue Service toward commercial fishermen in Alaska by

11               (1) requiring the United States Internal Revenue Service to collect taxes from  
12 dollars generated by the sale of fish and through the voluntary sale of entry permits instead  
13 of through the forced sale of Alaska commercial fishing entry permits at unconscionably low  
14 prices;

15               (2) ensuring that the United States Internal Revenue Service complies with  
16 federal law, including its duty under 26 U.S.C. 6343 to release a levy in order to avoid  
17 inflicting economic hardship on a taxpayer; and

18               (3) protecting the fishing privileges and right to work of Alaska fishermen.

19       **COPIES** of this resolution shall be sent to the Honorable Ted Stevens and the  
20 Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S.  
21 Representative, members of the Alaska delegation in Congress.