

Annual Report



2008

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Commercial Passenger Vessel (CPV) Excise Tax AS 43.52.200 – 295

Description

Alaska imposes an excise tax on travel on commercial passenger vessels, typically cruise ships that have 250 or more berths and provide overnight accommodations in the state's marine waters. Passengers traveling on qualified commercial passenger vessels are liable for the tax.

Rate

The commercial passenger vessel excise tax rate is \$46 per passenger per voyage.

Returns

Cruise ship companies and commercial passenger vessel owners file returns and pay taxes monthly. The due date is the last day of the month following the month in which voyages ended.

Exemptions

The CPV excise tax does not apply to passengers on board a commercial passenger vessel that does not anchor or moor in state marine waters with the intent to allow passengers to disembark.

Disposition of Revenue

The division deposits all proceeds from the CPV excise tax into the Commercial Vessel Passenger Tax (CVP) Account in the general fund. Subject to appropriation by the legislature from this account, the division distributes \$5 per passenger to each of the first five ports of call in Alaska unless the port of call imposes a tax on travel on commercial passenger vessels engaged in activities involving overnight

accommodations. If the port of call is a city located within a borough, the division distributes \$2.50 to the city and \$2.50 to the borough. Each port of call receiving funds shall use the funds in a manner calculated to improve port and harbor facilities and other services to properly provide for vessel or watercraft visits and to enhance the safety and efficiency of interstate and foreign commerce.

The division transfers 25% of the revenue deposited in the CVP Tax Account into a Regional Cruise Ship Impact (RCSI) Fund, a sub-account of the CVP Tax Account. Subject to appropriation and regulations adopted by the Department of Revenue, the division distributes funds from the RCSI Fund to municipalities and other governmental entities within the Prince William Sound Region, Southeast Alaska, or any other distinctive region impacted by cruise ship related tourism activities but not entitled to receive funds under port of call provisions above. Funds distributed from the RCSI Fund shall be used to provide services and infrastructure directly related to passenger vessel or watercraft visits or to enhance the safety and efficiency of interstate and foreign commerce related to vessel or watercraft activities.

History

2006 - The CPV excise tax was enacted by 2006 Primary Election Ballot Measure No. 2. The measure was approved by voters at the primary election of August 26, 2006. The results of the election were certified September 18, 2006 and the initiative's provisions became effective December 17, 2006.

The total amount of CPV excise tax collections was \$1.112 billion. Total tax collections were \$46.8 million.

FY 2008 Statistics

Tax Collections	\$46,839,178
Number of Returns	158
Number of Taxpayers	10
Program Cost	\$118,799
Staffing (full time equivalent)	1.2

Large Passenger Vessel (LPV) Gambling Tax AS 05.16

Description

Alaska imposes a tax on adjusted gross income of gambling activities aboard large passenger vessels in the state. Gambling activities include the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used for gaming or gambling, and any other gambling activities aboard large passenger vessels in Alaska. The tax is imposed on the operator of gaming or gambling activities.

Rate

The large passenger vessel gambling tax rate is 33% of adjusted gross income. Adjusted gross income means gross income less prizes awarded and federal and municipal taxes paid or owed on the income.

Returns

Operators of gaming and gambling activities on large passenger vessels file calendar year returns that are due April 15 of the following year.

Exemptions

There are no exemptions for the LPV gambling tax.

Disposition of Revenue

The division deposits all proceeds from the LPV gambling tax into the commercial vessel passenger tax (CVP) account in the general fund.

History

The LPV gambling tax was enacted by 2006 Primary Election Ballot Measure No. 2. The measure was approved by voters at the primary election of August 26, 2006. The results of the election were certified September 18, 2006 and the initiative's provisions became effective December 17, 2006.

The first full year of LPV gambling tax collections was in FY 2008. Total tax collections were about \$6.8 million.

FY 2008 Statistics

Tax Collections (all General Fund)	\$6,757,501
Number of Returns	5
Number of Taxpayers	5
Program Cost	\$105,428
Staffing (full time equivalent)	1.1