

HB

4086



STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
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POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House C+RA

3-21-88

3:00 p.m.

2/17  
D

R

F

P

N

**BILL PREPARATION/ACTION\***

SB 385

Bill # HB 486

Date Referred: 2/15/88 Out:

Title: Share Fish Tax Information w/ Local Govt.

Sponsor: Norrmann Cato Davidson Referrals: Chas. Res  
Ulmer

**CONTACTS:\*\*\*\*\***

Name \_\_\_\_\_

Royce Uller - REV      FN 2/22 [X 2/29]; 2/24 commel 2/29;

\_\_\_\_\_

\_\_\_\_\_

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**REMARKS:\*\*\*\*\***

REMARKS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**MEETINGS:\*\*\*\*\***

Date                      Action

3/21/88      1st hung 4 DP out.

\_\_\_\_\_

\_\_\_\_\_







Alaska  
MUNICIPAL  
League

⑤ HB 486

TELEPHONE  
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

MEMORANDUM

TO: Representative Henry Springer, Chair  
Members of the House Community and Regional  
Affairs Committee

FROM: Scott A. Burgess, Executive Director

DATE: March 21, 1988

SUBJECT: HB 486 - Fisheries Tax Returns

The Alaska Municipal League strongly supports HB 486 - relating to fisheries tax returns. Subsection (a) permits municipalities to determine whether fisheries businesses operating within their boundaries are properly reporting the location of their activities. Inaccurate or improper reporting of location adversely affects the entitlement of an affected municipality to its share of the fisheries license tax.

Subsection (b) is extremely important to municipalities that levy sales and use taxes on the sale or use of fisheries products. It provides an enforcement mechanism that will provide enforcement information to both the state and the municipality without violating the purpose for which the confidentiality of these records was established. The practice of taxing jurisdictions of exchanging taxpayer information for enforcement purposes is well established and should be extended to this situation.

I have enclosed a related resolution adopted by the AML membership at our annual conference in November. The resolution supports the need to share fisheries tax information between the State and municipalities. It also request adequate funding for the Department of Fish and Game to properly collect, report, and manage fish ticket information.

The AML strongly supports HB 486.

Thank you.

SAB:ph1

Enclosure

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-8

A RESOLUTION CONCERNING RAW FISH TAX COLLECTIONS.

WHEREAS, the collection of raw fish tax is a critical source of revenue for the local municipalities and the State of Alaska, and

WHEREAS, the municipalities have been unable to obtain any data concerning collection of raw fish tax, and

WHEREAS, the municipalities would provide considerable information and assistance to the Department of Revenue if given the opportunity, and

WHEREAS, the municipalities have been effectively managing confidential information for many years, and

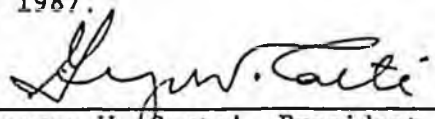
WHEREAS, the municipalities concur with the sensitivity of the processor information and agree to treat the information as confidential information, and

WHEREAS, the Department of Fish and Game fish tickets for bottomfish have not been processed for several months, which means no catch verification or fish tax verification is taking place at this time, and


WHEREAS, this information is critical for both management of the fish resource and accurate management of the fish tax collections;

NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that Governor Cowper and the Alaska Legislature adopt legislation to fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

Adopted this 13th day of November 1987.

  
George W. Carte, President

ATTEST:

  
Scott A. Burgess, Executive Director

File Contents

HB 486 - Share Fish Tax Information with Local Gov't

<u>No.</u>	<u>Description</u>
1.	Bill - HB 486
1.1	Fiscal Note - Dept. of Revenue
2.	Position Paper (Support) - Dept. of Revenue
3.	Bill Review - Harrison

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: HB 486  
PUBLISH DATE: 2/22/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act relating to fisheries tax returns; and providing for an eff. date.  
Sponsor: Herrman, Cato, Davidson, Ulmer  
Requestor: C & R A and Resources

Agency Affected: Revenue  
BRU: Income and Excise Audit  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
<b>OPERATING</b>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	.5	.5	.5	.5	.5
CONTRACTUAL	-	.5	.5	.5	.5	.5
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	1.0	1.0	1.0	1.0	1.0
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	1.0	1.0	1.0	1.0	1.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	0	0	0	0	0
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel, Director  
Division: Income and Excise Audit Division

Phone: (907) 465-2320  
Date: February 22, 1988

Approved by Commissioner: \_\_\_\_\_  
Agency: \_\_\_\_\_

Date: 2/22/88

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

HB 486 Analysis

Prepared By: Steven E. Kettel  
Income & Excise Audit  
February 22, 1988

Travel

Regulation Hearing Travel to Anchorage           \$.5

Contractual

Regulation Advertising/Printing           \$.2  
Exchange of Information Forms           \$.2  
Postage                                       \$.1

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

② HB 486

STEVE COWPER, GOVERNOR

STATE OFFICE BUILDING  
P.O. BOX SA  
JUNEAU, ALASKA 99811-0400

March 10, 1988

Honorable Heinrich Springer  
House Community & Regional Affairs Committee  
Court Building, Room 603  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative Springer:                      Subject: Analysis & Support for HB486

Present Alaska law prohibits the Department from sharing confidential tax information with the general public, other state or local governmental agencies or the legislature. Also, the statutes governing the fisheries business (raw fish) tax provides that the State will share up to 50% of that tax with the communities in which the fish are processed. To many communities, this is a significant source of revenues, and borough managers are becoming increasingly interested in whether they are receiving their fair share of the fish tax.

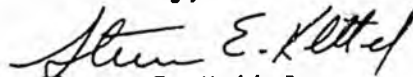
Often times, these cities have information concerning the processors that enter their jurisdiction and process fish, and in some instances, they possess detailed information concerning the amount or value of fish processed. With this information in hand, these managers have desired to share it with the Department to insure that the State's fish tax is being reported correctly and that their municipality is being properly credited for revenue sharing purposes. Prohibition against disclosure at the state level has frustrated city and state administrators alike in their efforts to collect all taxes due and properly share them among the effected communities.

HB 486 provides a mechanism for the Department of Revenue to share sufficient information with municipalities to allow for enhanced compliance with the new fish tax law at both the state and local level, while continuing to protect the sensitive information on the tax return. The Department of Revenue supports this legislation. The proposal applies to the following two classes of information and two classes of municipalities.

I. City/Boroughs which do not levy a tax on fish resources processed in their jurisdiction may request and receive from the Department only the names of the fisheries businesses which have reported fish processing activities for that city or borough on the State's fish tax returns. No financial information contained in the return will be disclosed.

II. City/Boroughs which levy a fish tax on the value of fish processed in their jurisdiction may request the Department to verify that values reported on their tax returns are substantially the same as values reported on the State's return. If the values are not the same, the Department will give the municipality a copy of the State tax return, provided the municipality safeguards the information and uses it only for tax collection purposes.

Sincerely,



Steven E. Kettel  
Director  
Income & Excise Audit  
(907) 465-2320

cc:Rep. Adelheid Hermann

88-66

# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
TIM KELLY, Vice Chairman  
RICK HALFORD  
MIKE SZYMANSKI  
FRED ZHAROFF



P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4989

## Senate Community and Regional Affairs Committee

February 17, 1988

TO: Senate Community and Regional Affairs Committee Members

FROM: Senate C&RA Staff *MSL*

RE: SB 385 "An Act relating to fisheries tax returns; and providing for an effective date."

SB 385 would allow the Department of Revenue to share confidential information regarding raw fish tax with municipalities under certain circumstances.

Senator Zharoff will be at the committee to explain the bill as will representatives of the Department of Revenue. The Department of Revenue supports the bill. A fiscal note and good analysis from the department is in the packet.

Also included in the packet is a memo and sectional analysis from Senator Zharoff, a letter and resolution in support from the Alaska Municipal League, a letter and resolution of support from the Southwest Alaska Municipal Conference, and a copy of the existing relevant statutes.

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 385  
PUBLISH DATE: 2/2/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An Act relating to fisheries tax returns: and providing for an effective  
Sponsor: Zharoff, Binkley, Fischer, etal  
Requestor: C & RA, Resources and Finance

Agency Affected: Revenue  
BRU: Income and Excise Audit Division

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES ..	-	-	-	-	-	-
TRAVEL	-	.5	.5	.5	.5	.5
CONTRACTUAL	-	.5	.5	.5	.5	.5
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	1.0	1.0	1.0	1.0	1.0
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	1.0	1.0	1.0	1.0	1.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	0	0	0	0	0
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel, Director Phone: (907) 465-2320  
Division: Income and Excise Audit Division Date: February 3, 1988

Approved by Commissioner: [Signature] Date: 2/5/88  
Agency: \_\_\_\_\_

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

SB 385 Analysis

Prepared By: Steven E. Kettel  
Income and Excise Audit  
February 3, 1988

Travel

Regulation Hearing Travel to Anchorage	\$ .5
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Contractual

Regulation Advertising/Printing	\$ .2
Exchange of Information Forms	\$ .2
Postage	\$ .1

## ANALYSIS OF SB 385

Prepared By: Steven E. Kettel  
Income and Excise Audit Division  
February 3, 1988

Present Alaska law prohibits the Department from sharing confidential tax information with the general public, other state or local governmental agencies or the legislature.

Also, the statutes governing the fisheries business (raw fish) tax provides that the State will share up to 50% of that tax with the communities in which the fish are processed. To many communities, this is a significant source of revenues, and with the decline in municipal assistance funding programs, many city and borough managers are becoming increasingly interested in whether they are receiving their fair share of the fish tax.

Often times, these cities have information concerning the processors that enter their jurisdictions and process fish, and in some instances, they possess detailed information concerning the amount or value of fish processed. With this information in hand, these managers have desired to exchange this information with the Department to insure that the State's fish tax is being reported correctly and that their municipality is being properly credited for revenue sharing purposes. Prohibition against disclosure at the state level has frustrated city and state administrators alike in their efforts to collect all taxes due and properly share them among the effected communities.

SB 385 provides a mechanism for the Department of Revenue to share sufficient information with municipalities to allow for enhanced compliance with the new fish tax law at both the state and local level. The law applies to two classes of information and two classes of municipalities.

I. City/Boroughs which do not levy a tax on fish resources processed in their jurisdiction may request and receive from the Department only the names of the fisheries businesses which have reported fish processing activities for that city or borough on the State's fish tax returns. No financial information contained in the return will be disclosed.

II. City/Boroughs which levy a fish tax on the value of fish processed in their jurisdiction may request the Department to verify that values reported on their tax returns are substantially the same as values reported on the State's return. If the values are not the same, the Department will give the municipality a copy of the State tax return, provided the municipality safeguards the information and uses it only for tax collection purposes.



**SENATOR FRED F. ZHAROFF**  
**ALASKA STATE LEGISLATURE**

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

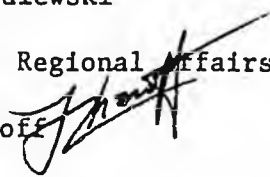
P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Arliss Sturgulewski  
Chair  
Senate Community and Regional Affairs Committee

FROM: Senator Fred F. Zharoff 

DATE: February 3, 1988

RE: Senate Bill 385 - "An Act relating to fisheries tax returns; and providing for an effective date."

I respectfully request that SB 385 be scheduled for consideration at the Senate Community and Regional Affairs Committee's earliest convenience.

SB 385 allows municipalities to have access to specific fisheries tax information -- now held confidential by the Department of Revenue -- so the municipalities can obtain the names of all the fisheries businesses that have filed returns for fish processed within their boundaries and verify that the municipalities received the correct amount from the collection of their own fish taxes.

SB 385 was introduced in response to local government complaints there was no way to independently check and confirm that the local governments have received all the fish tax funds they are entitled to receive. Under 43.75.130 (Refund to local governments), the state provides the municipalities with 50 percent of the state fish taxes collected from fish processed within municipal boundaries. The funds are distributed in lump sum payments. The municipalities, however, cannot find out which fisheries businesses this revenue came from and if it, in fact, includes every business that actually processed fish within its boundaries. This is particularly critical in the case of mobile floating processing vessels, which frequently move in and out of municipal boundaries.

In addition, SB 385 would allow municipalities and the state to check to see if they are both collecting taxes on the same number of pounds of fish.

The bill would be of benefit to the Department of Revenue, in that the municipalities would be in a position to assist the department in enforcing the fish tax statutes.

Background information for SB 385 is attached, as follows:

1. Sectional analysis.

2. Resolution of support from the Southwest Alaska Municipal Conference, passed March 1, 1987.
3. Letter from Mr. John Levy, executive director of the Southwest Alaska Municipal Conference, to my staff describing the problem (see page 2), dated April 13, 1987.
4. Resolution addressing the problem from the Alaska Municipal League, dated Nov. 13, 1987.
5. Fisheries Tax statutes.



**SENATOR FRED F. ZHAROFF**  
**ALASKA STATE LEGISLATURE**

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

**DISTRICT N**

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK • KETCHIKAN • KIMMAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

SECTIONAL ANALYSIS

Senate Bill No. 385 -- "An Act relating to fisheries tax returns; and providing for an effective date."

SECTION 1

43.75 (Fisheries Taxes) is amended to add a new section.

43.75.133: PROVISION OF INFORMATION TO MUNICIPALITIES.

(a) Allows the Department of Revenue, upon written request, to furnish a mayor, manager, or administrator with a list of all the fisheries businesses that have filed tax returns in which they listed the municipality as a location where they processed fish. This would allow a municipality to check its records against state records to determine if it collected taxes from all the processors that processed fish within its boundaries. This provision would be particularly helpful to municipalities in keeping track of mobile floating processors. In addition, municipalities would be able to inform the department about floating processors they know operated within their boundaries, but for which the department has no record.

(b) Requires the department -- upon written request by the mayor, manager, or administrator of a municipality -- to verify from its records the amount of fisheries tax levied or collected by the municipality. If the amounts are not substantially the same, the mayor, manager, or administrator can inspect or obtain copies of the tax returns in question in order to use them for the purpose of tax collection only. The department does not need to provide this information unless it is satisfied the municipality provides adequate safeguards to protect the confidentiality of the tax returns. "Substantially the same" is defined as the amounts (values) being "equal or the variance between them does not exceed one percent of the greater value."

SECTION 2

APPLICABILITY.

43.75.133 only applies to fisheries business tax returns filed after December 31, 1986. This saves the Department of Revenue

the time and expense of researching requests for information from its old tax return files.

SECTION 3

Immediate effective date.


Alaska  
MUNICIPAL  
League

TELEPHONE  
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

MEMORANDUM

TO: Senator Arliss Sturgulewski, Chair  
Members of the Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: February 17, 1988

SUBJECT: SB 385 - Fisheries Tax Returns

The Alaska Municipal League strongly supports SB 385 - relating to fisheries tax returns - Subsection (a) permits municipalities to determine whether fisheries businesses operating within their boundaries are properly reporting the location of their activities. Inaccurate or improper reporting of location adversely affects the entitlement of an affected municipality to its share of the fisheries license tax.

Subsection (b) is extremely important to municipalities that levy sales and use taxes on the sale or use of fisheries products. It provides an enforcement mechanism that will provide enforcement information to both the state and the municipality without violating the purpose for which the confidentiality of these records was established. The practice of taxing jurisdictions of exchanging taxpayer information for enforcement purposes is well established and should be extended to this situation.

I have enclosed a related resolution adopted by the AML membership at our annual conference in November. The resolution supports the need to share fisheries tax information between the State and municipalities. It also request adequate funding for the Department of Fish and Game to properly collect, report, and manage fish ticket information.

The AML strongly supports SB 385.

Thank you.

SAB:ph1

Enclosure

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-8

A RESOLUTION CONCERNING RAW FISH TAX COLLECTIONS.

WHEREAS, the collection of raw fish tax is a critical source of revenue for the local municipalities and the State of Alaska, and

WHEREAS, the municipalities have been unable to obtain any data concerning collection of raw fish tax, and

WHEREAS, the municipalities would provide considerable information and assistance to the Department of Revenue if given the opportunity, and

WHEREAS, the municipalities have been effectively managing confidential information for many years, and

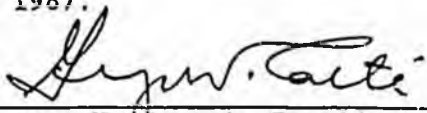
WHEREAS, the municipalities concur with the sensitivity of the processor information and agree to treat the information as confidential information, and

WHEREAS, the Department of Fish and Game fish tickets for bottomfish have not been processed for several months, which means no catch verification or fish tax verification is taking place at this time, and


WHEREAS, this information is critical for both management of the fish resource and accurate management of the fish tax collections;

NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that Governor Cowper and the Alaska Legislature adopt legislation to fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

Adopted this 13th day of November 1987.

  
George W. Carte, President

ATTEST:

  
Scott A. Burgess, Executive Director



**SOUTHWEST ALASKA  
MUNICIPAL CONFERENCE**

Box 89 • Unalaska • Alaska 99685

April 13, 1987

Carl Ohs  
c/o Senator Fred Zharoff  
Senate District N  
Pouch V  
Juneau, Ak. 99801

Dear Carl,

Thank you for meeting with Wayne, Lamar and I last week on issues of concern for the Southwest Municipal Conference. You asked that I send you a summary of the main points.

You will recall that our discussion focused on four themes.

1. Fish Tax
2. Confidentiality
3. Monitoring
4. Observer Program

Fish Tax

At the annual spring meeting in Dillingham, the Southwest Municipal Conference delegates resolved to work with legislators to develop a fish tax program that structurally benefits municipally-located processors regardless of fishery. Delegates cited the importance of shore-based and near shore-based plants for local economies. Specifically, delegates proposed the following tiered structure.

Onshore Processors .....	3%
Floating Processors Within Municipal Boundaries .....	5%
Processors Outside of Municipal Boundaries .....	8%

The Conference asks that this tax policy be managed to allow municipalities to retain the same percentage they presently receive in shared taxes for operations within municipal boundaries. The State will receive an increase in revenues from higher tax rates on processors operating outside municipal boundaries.

Our goal is to have legislation introduced this Session that addresses the above-listed structure. <sup>Legislative</sup> ~~House~~ Research could analyze the legislation during the interim. Modified to reflect their recommendations we would work toward passing a bill next Session.

## Confidentiality

Many municipal officials complain about the veil of secrecy surrounding fish processing records. Lacking access to these records, municipalities cannot verify processors' production records. It would be in the State's interest to share these records with municipalities so that we can assist the State in its collection of unreported/underreported taxes. Local officials repeatedly testified to the discrepancies in collections within their jurisdictions.

Some argue that if municipalities had access to records it would jeopardize the competitive edge that some processors enjoy. As municipal officials we frequently handle issues sensitive in nature. Our public's trust hinges on ensuring the confidentiality of these issues and records. We do not foresee a danger to any firm's records being made public.

The Southwest Municipal Conference is requesting your assistance to:

1. Authorize the Department of Revenue to share information on fish tax collected per processor with municipalities.
2. Require the Department of Revenue to work cooperatively with municipalities in verification and collection of raw fish tax. The Conference supports giving the Department of Revenue the option to allow the municipality to assume collection duties within municipal boundaries. This option would include provisions for the municipality to retain a reasonable fee to cover costs.
3. Fund adequate Alaska Department of Fish and Game staff positions to analyze fish tickets in a timely manner for all species. This link in the system is essential to ensure accurate accounting of the raw fish tax.

## Monitoring

Southwestern communities fear that bottomfish resources could be devastated through lack of proper data analysis, monitoring and observation. Although many of the management aspects of this industry are federal, the State must work with the Federal government so that the future of pollock and cod is not negotiated for concessions in other international trading issues. We understand that millions of dollars may potentially go uncollected. This figure is the difference between what Fish and Game estimates is actually processed and what Revenue reports is collected.

## Observer Program

Southwest Conference delegates continue to support a required domestic observer program. Conference recommendations include:

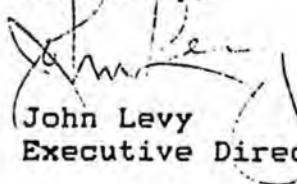
1. The State commit \$1.4 million in FY88 State share of Fish Business Tax receipts to fund the domestic observer program recommended by the Department of Fish and Game.

2. The State approach private and public bodies to assist in funding this program for the future. This includes supporting fishermen's efforts to form a non-profit-organization that can contribute funds for an observer program by using State taxing authority to collect assessments on fishermen.
3. The State contract with private groups, such as the Southwest Municipal Conference, to operate and manage the domestic observer program.
4. The State include The Southwest Municipal Conference on any advisory board that may be established to monitor the observer program.

You indicated that the Attorney General ruled that any observer program must hire state employees under A.P.E.A. We ask that Senator Zharoff work with the Governor and the Department of Law to come up with a legal, affordable program.

If you would like further information on the Southwest Municipal Conference or our position on various issues call President Paul Fuhs at 581-1357, I may be reached at 640 W. 36th Ave., #4, Anchorage 99503 or 562-1400.

Sincerely,



John Levy  
Executive Director

cc: Southwest Municipal Conference Executive Officers  
Rep. Cliff Davidson  
Rep. Adelheid Herrmann



**SOUTHWEST ALASKA  
MUNICIPAL CONFERENCE**

Box 89 • Unalaska • Alaska 99685

RESOLUTION 87-06

A RESOLUTION OF THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE  
CONCERNING RAW FISH TAX COLLECTIONS.

WHEREAS, the collection of raw fish tax is a critical source  
of revenue for the local municipalities and the State of  
Alaska, and

WHEREAS, the municipalities have been unable to obtain any  
data concerning collection of raw fish tax, and

WHEREAS, the municipalities would provide considerable  
information and assistance to the Department of Revenue if  
given the opportunity, and

WHEREAS, the municipalities have been effectively managing  
confidential information for many years, and

WHEREAS, the municipalities concur with the sensitivity of  
the processor information and agree to treat the information  
as confidential information, and

WHEREAS, the Department of Fish and Game fish tickets for  
bottomfish have not been processed for several months which  
means no catch verification or fish tax verification is taking  
place at this time, and

WHEREAS, this information is critical for both management  
of the fish resource and accurate management of the fish tax  
collections, now

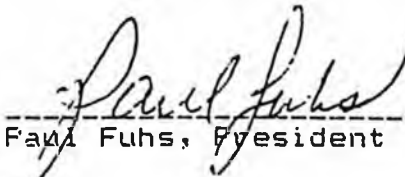
THEREFORE, BE IT RESOLVED by the Southwest Alaska Municipal  
Conference that Governor Cowper and the Alaska Legislature  
adopt legislation to:

1. Authorize the Department of Revenue to share the  
confidential information of fish tax collected per  
processor to be treated as confidential information  
exempt from public disclosure by the local municipi-  
palities.

Southwest Alaska Municipal Conference  
Resolution 87-06  
Page two

2. Require the Department of Revenue to work cooperatively with local municipalities in verification and collection of raw fish tax including the option for a local municipality to assume the collection duties within their municipal boundaries and retain a reasonable administrative fee to cover the cost of collection.
3. Fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

APPROVED AND ADOPTED this 1st day of March,  
1987.

  
Paul Fuhs, President

NOTES TO DECISIONS

- I. General Consideration
- II. Business
- III. Gross Receipts
- IV. Person

I. GENERAL CONSIDERATION.

No exemption for domestic international sales corporations. — While AS 43.20.035(c) of the Alaska Net Income Tax Act expressly permits taxpayers to apply their federal domestic international sales corporation exemption in calculating the income tax payable under AS 43.20, there is no similar provision carrying the exemption over to taxes under this chapter. State, Dept. of Revenue v. Alaska Pulp Am., Inc., Sup. Ct. Op. No. 2735 (File Nos. 6583, 6594), 674 P.2d 268 (1983).

This chapter, as opposed to the Alaska Net Income Tax Act, AS 43.20, contains no provision giving special tax treatment to domestic international sales corporations, and the court will not create one. State, Dept. of Revenue v. Alaska Pulp Am., Inc., Sup. Ct. Op. No. 2735 (File Nos. 6583, 6594), 674 P.2d 268 (1983).

II. BUSINESS.

Gain, profit or benefit. — "Business" is more broadly defined in paragraph (1) of this section than merely "for-profit" activity; the definition also includes all activities undertaken for financial gain or benefit, even where the possibility of actual profits is foreclosed. Williams v. BP Alaska Exploration, Inc., Sup. Ct. Op. No. 2767 (File No. 7035), 677 P.2d 236 (1983).

Efficiency of operation and promotion of goodwill provide adequate benefit to the taxpayers so that the underlying activity can be found to be a business activity. Williams v. BP Alaska Exploration, Inc., Sup. Ct. Op. No. 2767 (File No. 7035), 677 P.2d 236 (1983).

Bookkeeping, banking, receiving commissions and declaring dividends constitute corporate "business" within the state. State, Dept. of Revenue v. Alaska Pulp Am., Inc., Sup. Ct. Op. No. 2735 (File Nos. 6583, 6594), 674 P.2d 268 (1983).

Operators of oil, gas, and mineral leases reimbursed for operating costs by nonoperating cointerest holders were en-

gaged in business, as that term is defined in paragraph (1) of this section. Williams v. BP Alaska Exploration, Inc., Sup. Ct. Op. No. 2767 (File No. 7035), 677 P.2d 236 (1983).

Subsidiary engaged in business. — Where a group of parent corporations created a close corporation that operated at cost as the venture manager for the construction and operation of the Trans-Alaska Pipeline System, the subsidiary's receipts were taxable under this chapter, even though the subsidiary itself made no profit. Alyeska Pipeline Serv. Co. v. Williams, Sup. Ct. Op. No. 2861 (File No. 7890), 687 P.2d 323 (1984).

III. GROSS RECEIPTS.

Editor's notes. — The cases annotated below were decided before the 1987 repeal of AS 43.70.110(2), which defined "gross receipts."

Gross receipts. — See also notes under catchline: "Percentage of gross receipts tax." Notes to Decisions, AS 43.70.030.

Reimbursements to subsidiary for construction expenses. — Reimbursement to a subsidiary operating as venture manager in the construction of the Trans-Alaska Pipeline System for out-of-state expenses incurred as part of the pipeline project falls within the definition of "gross receipts," and neither the commerce clause nor the due process clause of the federal constitution prevent the state from taxing the subsidiary's gross receipts. Alyeska Pipeline Serv. Co. v. Williams, Sup. Ct. Op. No. 2861 (File No. 7890), 687 P.2d 323 (1984).

Where a subsidiary owned by a consortium of oil companies that operated as venture manager of the Trans-Alaska Pipeline System was reimbursed by the parent corporations for expenses incurred in construction of the pipeline system, the reimbursements were gross receipts under paragraph (2); the subsidiary was distinct from the parent corporations and was not a mere conduit. Alyeska Pipeline Serv.

Reimbursements under lease operating agreements. — Reimbursements to operators of oil, gas and mineral leases by nonoperating cointerest holders for costs incurred in managing, exploring and developing the leases were "gross receipts," taxable under former AS 43.70.030(a). Williams v. BP Alaska Exploration, Inc., Sup. Ct. Op. No. 2767 (File No. 7035), 677 P.2d 236 (1983).

Although certain reimbursable expenditures took place out of Alaska, reimbursements to operators of oil, gas and mineral leases for these expenditures were properly included in calculating gross receipts under paragraph (2) of this section since the license tax was levied against money received from nonoperators in Alaska under Alaska operating agreements. Williams v. BP Alaska Exploration, Inc., Sup. Ct. Op. No. 2767 (File No. 7035), 677 P.2d 236 (1983).

Revenues received by a broadcasting company for the in-state activity of broadcasting network television programs were taxable under former percentage-of-gross-receipts tax as "gross receipts" from sources in the state. State, Dept. of Revenue v. Northern TV, Inc., Sup. Ct. Op. No. 2723 (File Nos. 7037, 7064), 670 P.2d 367 (1983).

The sale of "air time" — the broadcasting of network television programs in Alaska for compensation — constituted a sale of "goods" within the meaning of this section, and any compensation received constituted "gross receipts" subject to taxation. State, Dept. of Revenue v. Northern TV, Inc., Sup. Ct. Op. No. 2723 (File Nos. 7037, 7064), 670 P.2d 367 (1983).

Dividends and commissions are included in "gross receipts." State Dept. of Revenue v. Alaska Pulp Am., Inc., Sup.

Money received from the sale of construction equipment should be included in "gross receipts" where the taxpayer is engaged in the "business" of construction; the construction equipment sold was used in connection with that business; a contract provision requiring the taxpayer to sell all of its tools, equipment and property upon completion of its work indicates that the sale of this equipment was contemplated as part of the taxpayer's normal business; and the sale of construction equipment at the end of the equipment's useful life is the normal practice of the taxpayer. Green Constr. Co. v. State, Dept. of Revenue, Sup. Ct. Op. No. 2737 (File No. 7022), 674 P.2d 260 (1983).

Agents. — The exemption provided for "agents" in paragraph (2) of this section is intended to apply to persons working on commissions as sales agents for companies that are engaged in the retail sales business and pay taxes under this chapter on the volume of business done. Green Constr. Co. v. State, Dept. of Revenue, Sup. Ct. Op. No. 2737 (File No. 7022), 674 P.2d 260 (1983).

There is no indication that the exemption for agents is intended to apply to contractors working on the standard "cost-plus fixed fee" construction contract. Green Constr. Co. v. State, Dept. of Revenue, Sup. Ct. Op. No. 2737 (File No. 7022), 674 P.2d 260 (1983).

IV. PERSON.

Affiliated corporation, even if commonly owned and managed, are separately taxable under this chapter. State, Dept. of Revenue v. Alaska Pulp Am., Inc., Sup. Ct. Op. No. 2735 (File Nos. 6583, 6594), 674 P.2d 268 (1983).

Chapter 75. Fisheries Taxes.

Article

- 1. Taxes and Licenses §§ 43.75.015, 43.75.018, 43.75.032, 43.75.034
- 3. General Provisions §§ 43.75.130, 43.75.140

Article 1. Taxes and Licenses.

Section

- 15. Fisheries business tax
- 18. Fisheries business education credit

Section

- 32. Fisheries business tax credits
- 34. Tax credit report

**Sec. 43.75.015. Fisheries business tax.** (a) A person engaged in a fisheries business is liable for and shall pay the tax levied by this section on the value of each of the following fisheries resources processed during the year at the rate set out after each:

- (1) salmon canned at a shore-based fisheries business — four and one-half percent;
- (2) salmon processed by a shore-based fisheries business, except salmon for which the tax is due under (1) of this subsection, and all other fisheries resources processed by a shore-based fisheries business — three percent;
- (3) fisheries resources processed by a floating fisheries business — five percent.

(b) Instead of the taxes levied by (a) of this section, a person who processes a developing commercial fish species is liable for and shall pay a tax equal to

- (1) one percent of the value of the developing commercial fish species processed by a shore-based fisheries business during the year; and
- (2) three percent of the value of the developing commercial fish species processed by a floating fisheries business during the year.

(c) A person engaging or attempting to engage in a fisheries business who first actually and physically processes the fishery resource, or a person who purchases a fishery resource that is frozen from a person excluded by AS 43.75.017 from liability for the tax, is liable for and shall pay to the department the entire tax imposed by this section. In determining this tax liability, the person may deduct from the value of the fishery resources processed the value of fishery resources that are canned or processed for other fisheries businesses. A person taking the deduction authorized by this subsection shall report all information relating to the deduction in accordance with regulations issued by the department. (§ 3 ch 79 SLA 1979; am §§ 5, 6 ch 117 SLA 1981; am § 1 ch 79 SLA 1986)

**Effect of amendments.** — The 1986 amendment substituted "fisheries business" for "cannery" in paragraph (1) of subsection (a).

**Sec. 43.75.018. Fisheries business education credit.** (a) A person engaged in a fisheries business is allowed as a credit against the tax due under this chapter 50 percent of cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, by an accredited, nonprofit, public or private, Alaska, two- or four-year, college or university. The credit may not exceed the lesser of 10 percent of the amount of tax due under this chapter or \$100,000. A contribution claimed as a credit under this section may not be claimed as a credit under another provision of this title.

(b) Contributions accepted for endowment purposes are not eligible for the credit under (a) of this section.

(c) By September 30 of each year, the Department of Revenue shall report to the Legislative Budget and Audit Committee on the credits taken under this section. Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used. (§ 7 ch 58 SLA 1987)

**Cross references.** — For statement of legislative purpose in connection with the enactment of this section, see § 1, ch. 58, SLA 1987 of the Temporary and Special Acts.

**Sec. 43.75.032. Fisheries business tax credits [Effective until January 1, 1992].** (a) A fisheries business is entitled to a credit of not more than 50 percent of the business tax liability under AS 43.75.015 for capital expenditures made during the tax year that (1) increase product diversity, or production efficiency and capacity, or improve product quality, at a shore-based fisheries business facility in the state, or (2) contribute to the development of a cooperative seafood industrial park in the state, if an application for the credit is approved by the department in advance of the capital expenditure. A fisheries business may claim a credit under this subsection for a maximum period of three consecutive years. An applicant for the credit may elect to begin the three-year period with any tax year from 1987 through 1989. A tax credit under this subsection may not be approved for more than 50 percent of a capital expenditure, plus any increase required under (b) of this section.

(b) The amount of a credit under (a) of this section for a capital expenditure involving a shore-based fisheries business facility or cooperative seafood industrial park located or to be located in a municipality shall be increased by the amount by which the municipality's fisheries business tax refund is reduced under AS 43.75.130(c). The total amount of a credit increase under this subsection during a three-year period may not exceed 25 percent of the amount of the capital expenditure.

(c) The portion of a capital expenditure that is eligible for a credit under this section but is claimed during a single tax year may not be carried back to a prior tax year but is available for the computation as a credit under this section for a subsequent tax year within the three-year period elected under (a) of this section.

(d) Within 10 days after submitting an application for a credit under (a) of this section the applicant shall send a copy of the application to the municipality, if any, in which the shore-based fisheries business facility or cooperative seafood industrial park for which the expenditure is to be made is located or is to be located.

(e) A fisheries business is entitled to a credit of not more than five percent of the business tax liability under AS 43.75.015 for contribu-

AS 43.75.032 (1992) (ALASKA STATUTES) (1992)  
tions made during the tax year to the A. W. "Winn" Brindle memorial scholarship account (AS 14.43.250). A fisheries business may claim a credit under this subsection for the 1987 tax year and subsequent tax years. A tax credit under this subsection may not be approved for more than 100 percent of a scholarship contribution.

(f) The total tax credits that may be claimed under this section for a tax year for capital expenditures and scholarship contributions combined may not exceed 50 percent of the taxpayer's business tax liability under AS 43.75.015 for that tax year.

(g) The department may not approve a tax credit under this section if

(1) the property for which the capital expenditure was made was the subject of a previous capital expenditure by another taxpayer for whom a corresponding tax credit under this section has been approved;

(2) the property for which the capital expenditure was made was sold or transferred between fisheries businesses having substantial common ownership; or

(3) the fisheries business claiming the credit is in arrears in the payment of a fisheries business tax under AS 43.75.015; for purposes of this paragraph, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

(h) The department shall prepare an application form for a credit under this section.

(i) The department shall approve or disapprove an application for a credit under this section not later than 60 days after receiving the application.

(j) In this section

(1) "cooperative" has the meaning given in AS 10.15.595.

(2) "seafood industrial park" means a seafood processing center with facilities to land, handle, and process or to ship or transship to any location all marketable species of seafood; a seafood industrial park may contain commercial facilities to support the activities of the park, and the labor force and vessels that operate at or from the park. (§ 2 ch 79 SLA 1986)

**Editor's notes.** — Effective January 1, 1992, this section will read: "Sec. 43.75.032. Tax credit for scholarship contributions. (a) A fisheries business is entitled to a credit of not more than five percent of the business tax liability under AS 43.75.015 for contributions made during the tax year to the A.W. "Winn" Brindle memorial scholarship account (AS 14.43.250). A tax credit under this section may not be approved for more than 100 percent of a scholarship contribution.

"(b) The department may not approve a

tax credit under this section if the fisheries business claiming the credit is in arrears in the payment of a fisheries business tax under AS 43.75.015; for purposes of this subsection, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

"(c) The department shall prepare an application form for a credit under this section.

"(d) The department shall approve or disapprove an application for a credit un-

der this section not later than 60 days after receiving the application."

**Sec. 43.75.034. Tax credit report** [Repealed effective February 15, 1992]. Not later than the 15th legislative day of each regular legislative session the Department of Revenue, in conjunction with the Department of Commerce and Economic Development, shall submit to the legislature a report on the fisheries business tax credit program under AS 43.75.032. The report shall describe the expenditures for which a credit was approved during the previous tax year and, if possible, the increase in employment and processing capacity by the fisheries businesses for which the credit was approved. (§ 2 ch 79 SLA 1986; r § 8 ch 79 SLA 1986)

**Postponed repeal.** — Section 8, ch. 79, SLA 1986 repeals this section, effective February 15, 1992.

### Article 3. General Provisions.

Section  
130. Refund to local governments  
140. Definitions

**Sec. 43.75.130. Refund to local governments.** (a) Except as provided in (d) of this section, the commissioner of revenue shall pay

(1) to each unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected in the municipality from taxes levied under this chapter;

(2) to each city located within a borough, 25 percent of the amount of tax revenue collected in the city from taxes levied under this chapter; and

(3) to each borough

(A) 50 percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied under this chapter; and

(B) 25 percent of the amount of tax revenue collected in cities located within the borough from taxes levied under this chapter.

(b) For purposes of this section, tax revenue collected under AS 43.75.015 from a person entitled to a credit under AS 43.75.032 shall be calculated as if the person's tax had been collected without applying the credit.

(c) [Repealed effective January 1, 1992] Within 60 days after a credit is approved under AS 43.75.032 for a capital expenditure involving a shore-based fisheries business facility or cooperative seafood industrial park located or to be located in a municipality, the municipality may adopt an ordinance directing the department to reduce the municipality's refund under this section over a period of not more

than three years by an amount not exceeding 26 percent of the capital expenditure.

(d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, the commissioner shall pay

(1) to each city that is located in a borough incorporated after June 16, 1987 the following percentages of the tax revenue collected in the city from taxes levied under this chapter:

(A) 45 percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 40 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 35 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) to each borough that is incorporated after June 16, 1987 the following percentages of the tax revenue collected in the cities located within the borough from taxes levied under this chapter:

(A) 5 percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 10 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 15 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 20 percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated.

(e) Notwithstanding the provisions of (d) of this section, a city may adopt an ordinance to transfer a portion of the funds received under (d)(1) of this section to the borough in which the city is located.

(f) In this section, "tax revenue collected" includes the amount credited against taxes under AS 43.75.018. (§ 6 ch 155 SLA 1962; am § 75 ch 69 SLA 1970; am § 10 ch 218 SLA 1976; am § 11 ch 79 SLA 1979; am § 10 ch 117 SLA 1981; am § 73 ch 74 SLA 1985; am §§ 4, 7 ch 79 SLA 1986; am § 8 ch 58 SLA 1987; am §§ 1, 2 ch 80 SLA 1987)

Postponed repeal. — Section 7, ch. 79, SLA 1986 repeals subsection (c), effective January 1, 1992.

Revisor's notes. — Subsection (f) enacted as (d). Renumbered in 1987.

Effect of amendments. — The 1985 amendment in paragraph (1) substituted "unified Municipality" for "municipality unified under AS 29.68.240 — 29.68.440."

The 1986 amendment added subsections (b) and (c).

The first 1987 amendment added subsection (f).

The second 1987 amendment, effective June 16, 1987, in subsection (a) substituted "Except as provided in (d) of this section, the" for "The" at the beginning of the section and substituted "under" for "by" throughout the subsection and added subsections (d) and (e).

Sec. 43.75.140. Definitions. In this chapter

(1) [Repealed effective January 1, 1992] "capital expenditure" includes the price paid for equipment and the cost of improvements made to depreciable property, but does not include expenditures that are deducted entirely for federal income tax purposes in the year in which they accrued or were paid; in this paragraph, "equipment" and "depreciable property" have the meaning given in regulations adopted by the commissioner of commerce and economic development;

(2) "department" means the Department of Revenue;

(3) "developing commercial fish species" means those species of fish and shellfish annually designated by the commissioner of fish and game under AS 16.05.050(11);

(4) "fisheries business" means a person who engages in processing fisheries resources for sale by freezing, cooking, salting, or other method and includes but is not limited to canneries, cold storages, freezer ships, and processing plants;

(5) "fishery resource" means fin fish, shellfish and fish by-products, including but not limited to salmon, halibut, herring, flounder, crab, clam, cod, shrimp, and pollock;

(6) "floating fisheries business" means a fisheries business which is not a shore-based fisheries business; the term includes, but is not limited to, a shore-based fisheries business as defined in (9)(B) of this section when it is removed from the state;

(7) [Repealed effective January 1, 1992] "product diversity" means the processing of nontraditional fish or other seafood species or products;

(8) [Repealed effective January 1, 1992] "product quality" means the handling of fish or other seafood species or products in order to increase product sales or value.

(9) "shore-based fisheries business" means a fisheries business

(A) operated from a facility which is permanently attached to the land; or

(B) operated from a facility which remains in the same location in the state for the entire tax year;

(10) "taking" means pursuing, fishing, capturing, or harvesting a fisheries resource in any manner;

(11) "value" means the actual price paid for the fisheries resource by the fisheries business, including indirect consideration such as fuel, supplies, or gear, whether paid at the time of purchase of the fisheries resource or tendered as a deferred or delayed payment, except that "value" means the market value of the fishery resource if the taking of the fishery resource is done in company-owned or company-subsidized boats operated by employees of the fisheries business or in boats which are operated under lease or other arrangement. (§ 3 ch 79 SLA 1979; am § 46 ch 94 SLA 1980; am § 46 ch 113 SLA 1980; am §§ 11, 12 ch 117 SLA 1981; am §§ 5, 7 ch 79 SLA 1986)

Postponed reprint. — Section 7, ch 70, SLA 1986 repeals paragraphs (1), (7) and (8), effective January 1, 1992.

Revisor's notes. — Reorganized in 1986 to alphabetize the defined terms.

Effect of amendments. — The 1986 amendment added paragraphs (1), (7) and (8).

## Chapter 76. Salmon Enhancement Act.

Section	Section
10. Three percent salmon enhancement tax	25. Collection of tax and disposition of proceeds
11. Two percent salmon enhancement tax	

**Sec. 43.76.010. Three percent salmon enhancement tax.** (a) A person holding a limited entry permit under AS 16.43 shall pay a salmon enhancement tax at the rate of three percent of the value of salmon, as defined in AS 43.75.140, that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon enhancement tax at the time the salmon is acquired by the buyer.

(b) A three percent salmon enhancement tax may only be levied or collected under (a) of this section

(1) in a region designated by the commissioner of fish and game for the purpose of salmon production under AS 16.10.375;

(2) if there exists in that region an association determined by the commissioner of fish and game to be a qualified regional association under AS 16.10.380; and

(3) if the qualified regional association approves the three percent salmon enhancement tax under AS 43.76.015. (§ 2 ch 154 SLA 1980; am § 13 ch 117 SLA 1981)

Editor's notes. — This section is set out above to reflect a change in the internal reference because of section reorganization.

**Sec. 43.76.011. Two percent salmon enhancement tax.** (a) A person holding a limited entry permit under AS 16.43 shall pay a salmon enhancement tax at the rate of two percent of the value of salmon, as defined in AS 43.75.140, that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon enhancement tax at the time the salmon is acquired by the buyer.

(b) A two percent salmon enhancement tax may only be levied or collected under (a) of this section

(1) in a region designated by the commissioner of fish and game for the purpose of salmon production under AS 16.10.375;

(2) if there exists in that region an association determined by the commissioner of fish and game to be a qualified regional association under AS 16.10.380; and

(3) if the qualified regional association approves the two percent salmon enhancement tax under AS 43.76.016. (§ 2 ch 154 SLA 1980; am § 14 ch 117 SLA 1981)

Editor's notes. — This section is set out above to reflect a change in the internal reference because of section reorganization.

**Sec. 43.76.025. Collection of tax and disposition of proceeds.** (a) A buyer who acquires fisheries resources which are subject to the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 shall collect the salmon enhancement tax at the time of purchase, and shall remit the total salmon enhancement tax collected during each month to the Department of Revenue by the last day of the next month.

(b) A buyer who collects the salmon enhancement tax shall

(1) maintain records reflecting the region designated under AS 16.10.375 in which the fishery resource was caught; and

(2) report to the Department of Revenue by March 1 of each year the total value, as defined in AS 43.75.140, of the salmon caught in each region designated under AS 16.10.375 which the buyer has acquired during the preceding year.

(c) The salmon enhancement tax collected under AS 43.76.010 — 43.76.030 shall be deposited in the general fund. The legislature may make appropriations based on this revenue to the Department of Commerce and Economic Development for the purpose of providing financing for qualified regional associations. The legislature may base an appropriation for a qualified regional association operating within a region designated under AS 16.10.375 on the value of the fisheries resources caught in that region rather than the value of the fisheries resources sold in that region if those values differ. (§ 2 ch 154 SLA 1980; am §§ 16, 17 ch 117 SLA 1981)

Editor's notes. — This section is set out above to reflect a change in the internal reference because of section reorganization.

**Sec. 43.76.030. Accounting of financing received as a result of the salmon enhancement tax.**

Revisor's notes. — Enacted as AS 16.10.385. Renumbered in 1980


# Alaska MUNICIPAL League

TELEPHONE  
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

## MEMORANDUM

TO: Senator Arliss Sturgulewski, Chair  
Members of the Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: February 17, 1988

SUBJECT: SB 385 - Fisheries Tax Returns

The Alaska Municipal League strongly supports SB 385 - relating to fisheries tax returns - Subsection (a) permits municipalities to determine whether fisheries businesses operating within their boundaries are properly reporting the location of their activities. Inaccurate or improper reporting of location adversely affects the entitlement of an affected municipality to its share of the fisheries license tax.

Subsection (b) is extremely important to municipalities that levy sales and use taxes on the sale or use of fisheries products. It provides an enforcement mechanism that will provide enforcement information to both the state and the municipality without violating the purpose for which the confidentiality of these records was established. The practice of taxing jurisdictions of exchanging taxpayer information for enforcement purposes is well established and should be extended to this situation.

I have enclosed a related resolution adopted by the AML membership at our annual conference in November. The resolution supports the need to share fisheries tax information between the State and municipalities. It also request adequate funding for the Department of Fish and Game to properly collect, report, and manage fish ticket information.

The AML strongly supports SB 385.

Thank you.

SAB:ph1

Enclosure

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-8

A RESOLUTION CONCERNING RAW FISH TAX COLLECTIONS.

WHEREAS, the collection of raw fish tax is a critical source of revenue for the local municipalities and the State of Alaska, and

WHEREAS, the municipalities have been unable to obtain any data concerning collection of raw fish tax, and

WHEREAS, the municipalities would provide considerable information and assistance to the Department of Revenue if given the opportunity, and

WHEREAS, the municipalities have been effectively managing confidential information for many years, and

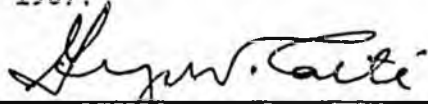
WHEREAS, the municipalities concur with the sensitivity of the processor information and agree to treat the information as confidential information, and


WHEREAS, the Department of Fish and Game fish tickets for bottomfish have not been processed for several months, which means no catch verification or fish tax verification is taking place at this time, and

WHEREAS, this information is critical for both management of the fish resource and accurate management of the fish tax collections;

NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that Governor Cowper and the Alaska Legislature adopt legislation to fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

Adopted this 13th day of November 1987.

  
George W. Carte', President

ATTEST:  
  
Scott A. Burgess, Executive Director

# Alaska State Legislature

Senate Advisory Council



P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## MEMORANDUM

TO: Senator Zharoff  
Alaska State Senate

FROM: Sheila F. Helgath, PhD *SH*  
Richard Rainery  
Senate Advisory Council

DATE: February 8, 1988

SUBJECT: Municipal Fisheries Taxes IR# 88-003223

You requested that the municipalities that collect an additional "raw fish tax" besides the State collected Fisheries Business Tax be identified and the methods for collection and verification be explained. The municipalities and boroughs that are collecting a raw fish tax are listed in Table One, Borough and Community Fisheries Taxation in Addition to Alaska State Fisheries Business Tax. Appendix Table One is an expanded version of Table One which lists all the communities who have processors in the state and who could potentially collect a raw fish tax. This taxation approach has been primarily implemented in Southwest Alaska where the volume of the raw fish is large. A few communities, Sitka, in particular, are considering it in Southeast Alaska. Many of the Southeast communities and the larger Southcentral and Southwest communities collect a property tax. Only 7 of the 56 communities who receive the shared revenues from Alaska State collected Fisheries Business Tax, collect additional raw fish taxes.

The advantages of the sales tax are the relative ease and lack of expense in collecting it. The disadvantage of the tax is that enforcement of the tax on offshore processors is difficult. Bristol Bay Borough had the most vigorous enforcement while Akutan relied on voluntary compliance. Enforcement ranged from audits conducted outside of the State (an expensive proposition), to reviewing Fish and Game catch data, to random audits of a few processors, to reliance on voluntary compliance. In areas where the value of the fish was high, such as Bristol Bay, monthly reports were required, in other areas quarterly reports were required.

Nearly all of the community leaders commented that they believed that offshore processors were under reporting their catch and that if the municipalities could work cooperatively with the Alaska Department of Revenue State and Local revenues would be increased. This comment was made by

officials in communities as diverse as Yakutat, King Cove, and Valdez. Another consistent complaint was the inability to project revenues without Alaska Department of Revenue data.

Table One  
Borough and Community Fisheries Taxation in Addition to Alaska State  
Fisheries Business Tax

<u>Communities and Boroughs</u>	<u>Municipal Fish Tax</u>	<u>Procedures &amp; Verification</u>
Aleutians East Borough	2% Sale Use Raw Fish	No Policy Established Yet
Bristol Bay Borough	3% Raw Fish	Monthly reports from processors. Use variety of means audits, local police, and ADF&G data.
Akutan	.5% Raw Fish	Quarterly report. Unable to verify.
Clark's Point	3% Raw Fish	
King Cove	2% Raw Fish	Quarterly report. Voluntary compliance with an onshore processor.
Sandpoint	2% Sales & Fish Use	
Unalaska	1% Raw Fish	Monthly report. By annual random audits.

Source: Telephone Interviews with Municipal Officer February 1988.

Appendix Table One. Borough and Community Fisheries Taxation in Addition to Alaska State Fisheries Business Tax

Communities and Boroughs w/Processors	# Processors in 1987	Received Fisheries Business Tax from State in 1986	Additional Municipal Sales Taxes on Raw Fish in 1988	Verification
<b>BOROUGHS</b>				
Anchorage Municipality	29	yes	no	
Juneau	30	yes	no	
Sitka	25	yes	no but possibility of fish tax this October	
Aleutians East		no	2% sales & use raw fish	
Bristol Bay	41	yes	3% raw fish	ADF&G, audits, late penalties and personal inspections.
North Star	2	yes	no	
Haines	11	yes	no	
Kenai Peninsula	24	yes	no unless sold directly to public then sales tax applies	
Ketchikan Gateway	9	yes	no	
Kodiak Island	10	yes	no	
Matanuska-Susitna	1	yes	no	
<b>COMMUNITIES</b>				
Akutan	6	yes	.5% raw fish	not able to verify quarterly reports
Aniak	1	yes	no	
Anvik	1	yes	no	
Bethel	6	yes	5%	
Chignik	4	yes	no	

Communities and Boroughs w/Processors	# Processors in 1987	Received Fisheries Business Tax from State in 1986	Additional Municipal Sales Taxes on Raw Fish in 1988	Verification
Clark's Point	2	yes	3% raw fish	
Cordova	18	yes	no	
Cordova	18	yes	specifically exempts fish taxes	
Craig	1	no	no but will if some kind of landing fee isn't imposed	
Dillingham	7	yes	no	
Emmonak	1	yes	considered it for future	
Fairbanks	1	yes	no	
Fortuna Ledge	1	yes	no	
Galena	2	yes	no	
Haines	11	yes	no	
Homer	8	yes	no	
Hoonah	3	yes	no	
Hydaburg	1	yes	no	
Kake	2	yes	no	
Kaltag	1	yes	no	
Kenai	11	yes	no	
Ketchikan	37	yes	no	
King Cove	2	yes	2% raw fish	voluntary compliance onshore no compliance offshore
Klawock	2	yes	no	
Kodiak	27	yes	no	

Table One continued.

Communities and Boroughs w/Processors	# Processors in 1987	Received Fisheries Business Tax from State in 1986	Additional Municipal Sales Taxes on Raw Fish in 1988	Verification
Mountain Village	2	yes	uk	
Pelican	3	yes	no	
Petersburg	19	yes	no	
Port Alexander	2	yes	no	
Port Heiden	2	yes	no	
Saint George	1	yes	no	
Saint Marys	2	yes	3%	
Sand Point	3	yes	2% sales and fish use	
Selawik	1	yes	3%	
Seldovia	1	yes	4%	
Seward	10	yes	3%	
Soldotna	2	yes	3%	
Tenakee Springs	2	yes	1%	
Togiak	3	no	2%	
Unalakleet	1	yes	no	
Unalaska	12	yes	1% raw fish	By random audit monthly reports
Valdez	11	yes	no	

Communities and Boroughs w/Processors	# Processors 1987	Received Fisheries Business Tax from State in 1986	Additional Municipal Sales Taxes on Raw Fish	Verification
Whittier	9	yes	no	
Wrangell	21	yes	no	
Yakutat	7	yes	no	

Sources: Telephone Interviews of Municipal Officials by Senate Advisory Council February 1988, Alaska Municipal Officials Directory, Alaska Department of Environmental Conservation Processors List



# Alaska State Legislature

4 HB 486

## House of Representatives

### Committee on Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4833

TO: Rep. Henry Springer, Chairman HCRA  
FROM: David C. Harrison, P.A., HCRA  
SUBJECT: Bill Review - HB 486  
"An Act relating to fisheries tax returns; and providing for an effective date." [Herrmann, Cato, Davidson, Ulmer]

\*\*\*\*\*

\* Section 1. AS 43.75 is amended by adding a new section to read:

Sec. 43.75.133 PROVISION OF INFORMATION TO MUNICIPALITIES:

Comments: At the present time, the Department of Revenue does not share filed tax returns with municipalities because of confidentiality of tax returns. If this bill becomes law, reciprocal tax information may be shared enabling municipalities and the Department of Revenue to coordinate tax information of fisheries businesses within taxing authority of municipalities eligible for tax shared revenue.

The exchange of information would help aid in compliance of reporting by the municipalities to the Revenue Department of fisheries business activities and the Revenue Department could assess such activity along with filed tax reports by fisheries businesses.

Additionally, municipal officials written request for tax return information requires the Department of Revenue to verify as to the tax levied and collected by the municipality that is based upon the value of fisheries resources processed in or transported to or within the municipality. Some form of verification is required in order to assess taxes collected and taxes paid.

Although processed fish within municipalities are taxed and the tax is shared with the municipalities and with the state, the phrase listed on page 1, line 21, "... or transported to or within the municipality...." has additional potential tax revenue if resources that are transhipped to or within a municipality are considered taxable resources. It is possible that transhipped resources were in fact processed within state waters and or within a municipality or that such fishery resources were processed within the 200 mile economic zone.

According to Alaska Legislative Digest, No. 4/88 Fish Tax; The Facts - Alaska Fisheries Business Tax Total FY 87 Revenue: \$26.6 million. Resource value reported on Fisheries Business Tax Returns: \$721 million. Estimated resource value passing through state waters \$1.8 billion.

The primary purpose of this bill is to allow exchange of tax information necessary to assess taxes as shared by municipalities and the state. However, HB 408 directly addresses tax liability of fish processed outside state water but brought into state water. Taxing level by the state is five percent under HB 408.

Attachment - Alaska Legislative Digest, No. 4/88.

# Alaska Legislative Digest

PUBLISHERS:  
Mike Bradner / Tim Bradner

FEB - 8 1988

Business Office: 344-2455  
3037 South Circle  
Anchorage, AK. 99503

*An Inside View of Alaska Policy*

## Helping Communities Offset Service Impacts

No. 4/88  
February 5, 1988

# Fish Tax: Going After The "Floaters"

Extending Alaska's raw fish tax to processed fish product moved through state waters from the federally-controlled Economic Enhancement Zone (E.E.Z.) could add \$50 million to state revenues, help coastal communities provide public services to the offshore fleet, and put Alaska shore-based processors on a more equal footing with offshore "floaters" who now largely avoid the impact of Alaska's fish tax, State Revenue Commissioner Hugh Malone says. Malone's comments were in a memorandum to Rep. Cliff Davidson of Kodiak, prime sponsor of legislation (HB-408) extending the tax to product moved through state waters.

"Shore-based fish processors currently pay anywhere from 1%-4.5% on resources they process. Floating processors are currently paying only 20% of the total tax collected under AS 43:75 (the current statute). However, it is estimated that over 500 vessels processed and transhipped over 1.2 million metric tons of fisheries resources last year that the state never received any tax revenue from. So, in addition to giving the floating processors an advantage of 1% to 4.5% over our shore-based facilities, they are doing the majority of the processing. This legislation would put shore-based and floating processors in equal footing in this competitive market."

Malone said new state revenues would be shared with coastal municipalities providing services to the offshore floaters. "Many communities are providing support services to the fishing industry (working in the EEZ) and yet are not receiving any revenues from the activity. As a result the economic gain that this industry is experiencing has turned out to be in some cases an economic drain to the communities in which it is occurring. The communities provide fresh water, waste disposal, safe harbors, fueling facilities, police and medical facilities, and yet because the resource is processed outside (state waters) and brought in they receive no shared revenues." (Continued Pg. 8)

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(Continued from Page 1) The change would also increase compliance with current statutes, Malone said. "We believe we are not collecting a significant amount of revenue that is due us. The problem is that the floating processors do not report the majority of their processing that is done within our waters. Unless we literally see the processor operating within our three-mile limit, we cannot prove the processing occurred within our waters," he said. For example, the crab boom of the late 1970s and early '80s was a tremendous boost for the fishing industry from which the state realized little or no revenue. Another benefit, he noted: A substantial boost to industry contributions to Alaska Seafood Marketing Institute. Under AS 16.51, processors liable to fisheries business taxes also pay .03% of the value of the processed resource to the state, which is turned over to ASMI to promote Alaska seafood products. "Certainly, the floating processors who have been working in the EEZ have benefited from ASMI efforts and should be helping to support the mission."

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# Alaska State Legislature

3 HB 486

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④ HB 486

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99911  
707 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 10, 1988

SUBJECT: Sectional analysis, HB 486  
TO: Representative Adelheid Herrmann  
FROM: Jack Chenoweth  
Legislative Counsel

This bill is intended to be responsive to Resolution 87-06 of the Southwest Alaska Municipal Conference encouraging the Department of Revenue to work cooperatively with municipalities in efforts to verify and enforce collection of taxes on raw fish.

Specifically, bill section 1 adds a new provision to permanent law, AS 43.75.133. In that provision, the Department of Revenue is directed to respond to the request of a municipal mayor, manager, or administrator and to furnish to that official the names of fisheries businesses filing returns under the state's fisheries business tax (AS 43.75) in which the business lists the municipality as the location of fisheries processing activities that are subject to the state's tax. Additionally, a municipal mayor, manager, or administrator may seek verification of the amount of a fisheries resource tax imposed by the municipality on fisheries resources processed in or transported through the municipality. If asked, the department shall verify values by comparing the municipality's report to the returns filed by the taxpayer with the department. The department is directed to indicate whether the amount reported to the municipality is "substantially the same" as the amount reported to the state. If the values "are not substantially the same," the department shall permit the requesting municipal official to inspect the tax return filed with the state or furnish a copy of that tax return, but need only do so if satisfied that "the municipality provides adequate safeguards for the confidentiality of the returns and that the returns will be used by the municipality only for purposes of collection of its tax." The provision also incorporates a definition of

Representative Adelheid Herrmann

Page 2

March 10, 1988

when values are considered "substantially the same," setting that margin of difference at not more than one percent of the greater value.

Bill section 2 permits municipal officials to verify and inspect under AS 43.75.0133, added by bill section 1, those returns filed after December 31, 1986 (that is, returns for 1987 and later).

Bill section 3 gives the legislation an immediate effective date.

JBC:gc  
WKG2:46

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: HB 486  
PUBLISH DATE: 2/22/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act relating to fisheries tax returns; and providing for an eff. date.  
Sponsor: Herrman, Cato, Davidson, Ulmer  
Requestor: C & R A and Resources

Agency Affected: Revenue  
BRU: Income and Excise Audit  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
<b>OPERATING</b>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	.5	.5	.5	.5	.5
CONTRACTUAL	-	.5	.5	.5	.5	.5
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	1.0	1.0	1.0	1.0	1.0
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
GENERAL FUND	-	1.0	1.0	1.0	1.0	1.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

POSITIONS:

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
FULL-TIME	-	0	0	0	0	0
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel, Director  
Division: Income and Excise Audit Division

Phone: (907) 455-2320  
Date: February 22, 1988

Approved by Commissioner: \_\_\_\_\_  
Agency: \_\_\_\_\_

Date: 2/22/88

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

HB 486 Analysis

Prepared By: Steven E. Kettel  
Income & Excise Audit  
February 22, 1988

Travel

Regulation Hearing Travel to Anchorage      \$.5

Contractual

Regulation Advertising/Printing      \$.2  
Exchange of Information Forms      \$.2  
Postage      \$.1

## CITY OF KING COVE

P.O. Box 37 • King Cove, Alaska 99612 • (907) 497-2340

March 10, 1988

The Honorable Adelhied Herrmann  
Alaska State Representative  
P.O. Box V  
Juneau, Alaska 99811

RE: HB 486

Dear Representative Herrmann:

The City of King Cove strongly supports the adoption of HB 486, an act relating to fisheries tax returns. The City believes this bill will effectively assist in accomplishing the following:

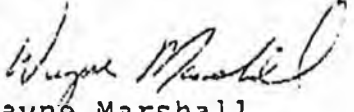
- o Provide municipalities a cost-effective tool in the administration and collection of municipal sales/use taxes, particularly from floating fish processors ; and

- o Provide the State and municipalities an informal avenue to share information and identify processors which are operating in respective areas of the State. This information sharing will enhance the prospects for the State and municipalities to collect tax revenues each is owed, again, particularly from floating processors.

The main problem confronting coastal municipalities are that they are often unaware of floating fish processing activities that occur in their municipal boundaries and cannot verify the amount of fish product a processor processes. Floating fish processors operating in State waters are required to pay State Fisheries Business Taxes and this information could be an essential tool to help a municipality collect the full amount of local tax assessments it is owed. Quite simply, the large amount of territory in some coastal municipalities, particularly boroughs, and the prohibitive cost of operating onsite monitoring program make it difficult for most municipalities to effectively collect taxes from floating processors. HB 486 is not a cure-all for this problem, but it is a very positive step that will immediately benefit municipalities and the State.

The City of King Cove supports HB 486 and urges the adoption this session.

Sincerely,

  
Wayne Marshall  
City Manager

# ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

February 29, 1988

RECEIVED MAR - 9 1988

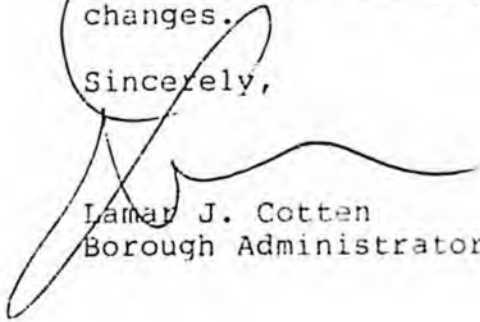
Representative Adelheid Herrmann  
P.O. Box: V  
Juneau, Alaska 99811

RE: HB 486 - Confidentiality Bill

Dear Representative Herrmann:

Just a short note to say that the Aleutians East Borough supports the House Bill 486. It will help close loop-holes in current State law while insuring a taxation policy which treats all entities equally. The bill is well overdue and will help alleviate a number of problems which communities will face in coming years as the fishing industry evolves and changes.

Sincerely,

  
Lamar J. Cotten  
Borough Administrator

# City of Sand Point

P.O. Box 249  
Sand Point, Alaska 99661  
(907) 383-2696

RECEIVED MAR - 9 1988

March 2, 1988

Honorable Adelheid Herrmann  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative Herrmann:

The City of Sand Point supports your efforts through HB 408 to promote the exchange of the fisheries business tax information between cities and the Department of Revenue. Given the declining nature of revenues, it is mutually advantageous for cities and the Department of Revenue to cross check their sales tax figures against the gross receipts shown on the fisheries business tax form.

Sincerely,



Robert S. Juettner  
City Administrator



**SOUTHWEST ALASKA  
MUNICIPAL CONFERENCE**

Box 89 • Unalaska • Alaska 99685

RESOLUTION 87-06

A RESOLUTION OF THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE  
CONCERNING RAW FISH TAX COLLECTIONS.

WHEREAS, the collection of raw fish tax is a critical source  
of revenue for the local municipalities and the State of  
Alaska, and

WHEREAS, the municipalities have been unable to obtain any  
data concerning collection of raw fish tax, and

WHEREAS, the municipalities would provide considerable  
information and assistance to the Department of Revenue if  
given the opportunity, and

WHEREAS, the municipalities have been effectively managing  
confidential information for many years, and

WHEREAS, the municipalities concur with the sensitivity of  
the processor information and agree to treat the information  
as confidential information, and

WHEREAS, the Department of Fish and Game fish tickets for  
bottomfish have not been processed for several months which  
means no catch verification or fish tax verification is taking  
place at this time, and

WHEREAS, this information is critical for both management  
of the fish resource and accurate management of the fish tax  
collections, now

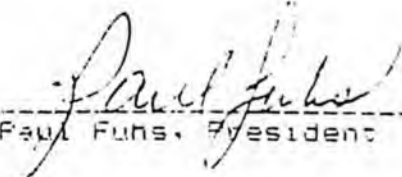
THEREFORE, BE IT RESOLVED by the Southwest Alaska Municipal  
Conference that Governor Comper and the Alaska Legislature  
adopt legislation to:

1. Authorize the Department of Revenue to share the  
confidential information of fish tax collected per  
processor to be treated as confidential information  
exempt from public disclosure by the local munici-  
palities.

Southwest Alaska Municipal Conference  
Resolution 87-06  
Page two

2. Require the Department of Revenue to work cooperatively with local municipalities in verification and collection of raw fish tax including the option for a local municipality to assume the collection duties within their municipal boundaries and retain a reasonable administrative fee to cover the cost of collection.
3. Fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

APPROVED AND ADOPTED this 1st day of March  
1987.

  
Paul Funs, President

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-8

A RESOLUTION CONCERNING RAW FISH TAX COLLECTIONS.

WHEREAS, the collection of raw fish tax is a critical source of revenue for the local municipalities and the State of Alaska, and

WHEREAS, the municipalities have been unable to obtain any data concerning collection of raw fish tax, and

WHEREAS, the municipalities would provide considerable information and assistance to the Department of Revenue if given the opportunity, and

WHEREAS, the municipalities have been effectively managing confidential information for many years, and

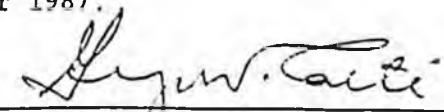
WHEREAS, the municipalities concur with the sensitivity of the processor information and agree to treat the information as confidential information, and

WHEREAS, the Department of Fish and Game fish tickets for bottomfish have not been processed for several months, which means no catch verification or fish tax verification is taking place at this time, and

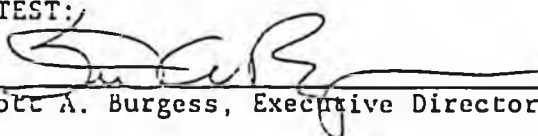
WHEREAS, this information is critical for both management of the fish resource and accurate management of the fish tax collections;

NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that Governor Cowper and the Alaska Legislature adopt legislation to fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

Adopted this 13th day of November 1987.

  
George W. Carte, President

ATTEST:

  
Scott A. Burgess, Executive Director