

STATE OF ALASKA
THE LEGISLATURE

1997

Source
HJR 23

Legislative
Resolve No.
21



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

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

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

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

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

WHEREAS, under the agreement with the United States Internal Revenue Service, the State of Alaska has already expended more than \$4,500,000 in consideration to the Internal Revenue Service through the state's tax obligation loan program; and

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

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

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

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

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

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

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

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

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

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

WHEREAS the seizure and sale of entry permits by the United States Internal Revenue Service deprives the federal government of payments owed on back taxes by depriving the permit holder of a means to raise funds to pay the debt and limits the ability of

the permit holder to pay other debts, including child support obligations, not to mention the ability of the permit holder to earn a livelihood; and

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

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

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

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

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

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