

Instructions for Alaska Salmon Enhancement Tax Monthly Report

DUE DATE

Check the original report box at the top of the form and fill in the "Month" and "Year" boxes to reflect the month and year you purchased salmon. This report must be filed and the taxes paid no later than the 15th day of the month following the month in which the salmon were purchased or acquired.

Part 1

The information requested in Part 1 is required under AS 43.76.025 for the purpose of determining appropriations to qualified regional aquacultural associations and does not affect the amount of your tax.

Part 2

What is Salmon Enhancement Tax?

The salmon enhancement tax is a tax levied on salmon sold in or exported from established aquaculture regions in Alaska.

Who Remits the Tax?

Licensed buyers who purchase salmon in an established aquaculture region must collect the tax and file on a monthly basis. Licensed buyers must file a bonus report when a limited entry permit holder (as defined under AS 16.43) receives end-of-season settlement or bonus amounts for salmon previously acquired by the licensed buyer.

What Records Must the Licensed Buyer Keep?

In order to properly complete and substantiate the monthly report, licensed buyers must prepare and retain the following records:

- 1 Alaska Department of Fish and Game fish tickets for salmon purchased or otherwise acquired;
- 2 A daily journal or other record showing for each transaction:
 - (a) the person from whom the salmon was acquired;
 - (b) the limited entry permit number of person (a) above;
 - (c) the pounds and value by species of the salmon purchased or otherwise acquired;
 - (d) the amount of salmon enhancement tax collected; and
 - (e) the region designated under AS 16.10.375 in which the salmon were caught.

Part 3

Exempt Purchases

Salmon purchased from government agencies, salmon hatcheries, fishing derby associations, and other organizations with "special use permits" are not subject to the salmon enhancement tax.

DEFINITIONS

Value – "Value" means:

a) The market value as determined by the prevailing price paid to fishermen for the unprocessed fishery resource of the same kind and quality by fisheries businesses in the same region or market area where the fishery resource was caught if:

- i) the fishery resource was caught by a person holding a direct marketing fisheries business license; and
- ii) the fishery resource was sold to a buyer other than a licensed fisheries business.

(b) For fisheries resources other than those described above, the market value of the fishery resource if caught in company-owned or company-subsidized boats operated by employees of the company or in boats that are operated under lease to or from the company or other arrangement with the company and if the fishery resource is delivered to the company.

(c) For fishery resources other than those described in (a) and (b) above, the actual price paid for the fishery resource by the fisheries business to the fisherman, including indirect consideration and bonus amounts paid for fuel, supplies, gear, ice, handling tender fees, or delivery, whether paid at the time the fisheries resource was purchased, or tendered as deferred or delayed payment.

Aquaculture Region – A region of the state designated by the Commissioner of Fish and Game for the purpose of salmon production, in which there exists a regional association organized for the purpose of enhancing the salmon production and licensed to do so by the Commissioner of Fish and Game, and in which an election has been held which approved the imposition of the salmon enhancement tax.

Who Must File a Bonus Report?

Licensed in-state buyers making bonus payments for salmon originally acquired within an aquaculture region are required to file a bonus report. A report is due only

for a month in which a limited entry permit holder (as defined under AS 16.43) receives bonus payments for salmon acquired by the buyer.

Bonus Report Due Date

Bonus reports must be filed and the taxes paid no later than the 15th day of the month following the month in which the bonus payment was made (e.g., a bonus payment made in November would be reported on a bonus report that would be due on or before December 15).

How Are Bonus Amounts Reported?

In Part 1 and Part 2 under column A, report all salmon pounds previously listed on the original tax report for this period. In Part 1 and Part 2 under column B, add to the value of salmon previously reported for this tax period any bonus payment amounts made for salmon previously acquired in the applicable aquaculture region(s). Calculate the tax on the revised values in Part 2 under column D and carry the totals of lines 9 through 14 to line 16. On line 17 indicate total taxes previously paid with the original report. On line 18 subtract line 17 from line 16. This is the tax amount due with the bonus report.

Example: On its original report for July of 2010, Acme Fish Company reported 200,000 pounds of salmon and a total value of \$100,000 on lines 1 and lines 9 in Part 1. Acme paid a tax of \$3,000 (\$100,000 times 3%) with its report before the August 15, 2010 due date.

In December of 2010, Acme paid the fisherman from whom it originally acquired this salmon a bonus of \$15,000. To report the bonus payments Acme Fish Company checks the "Bonus Report" box at the top left of the form, writes "July 2010" for the month and year the salmon were purchased, and writes "December 2010" for the month and year the bonus payments were made.

In Part 1 on lines 1 and 9, Acme reports 200,000 pounds under column A (the original pounds) and \$115,000 under column B (the original value plus bonus payments). In part 2 under column D, Acme reports a tax amount of \$3,450 (\$115,000 value times 3% tax rate) and carries the total to line 16. On line 17 Acme lists the \$3,000 tax payment previously paid with its original report for the month of July 2010. On line 18 Acme reports a \$450 tax due on the bonus payment (\$3,450 minus \$3,000), and remits the payment and files the bonus report on or before January 15, 2011.

Amended Reports

You can use this form to correct any errors on your original report. You should file an amended report if you:

- Reported salmon under the wrong region;
- Misstated the number of pounds of salmon; or
- Misstated the value of salmon and the misstatement was not caused from a bonus payment.

If you are amending a previously filed report, attach a statement with a brief explanation of the error along with a description of the change(s) being made.

How Do I Amend My Original Report?

Check the Amended Report box at the top right of the form. Indicate the month and year the salmon were originally acquired.

In Parts 1 and 2, report the correct pounds and value under the correct region. In Part 2, calculate your tax in Column D and carry the total to line 16. On line 17, report the tax you paid with your original report. On line 18, subtract line 17 from line 16 to determine the additional tax due or your tax overpayment. If you owe additional tax, include payment with your amended report.

Questions

Email us at dor.tax.fishexcise@alaska.gov or call 907-465-2320.