

Instructions for Alaska Salmon Enhancement Tax Monthly Report

Due Date

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.

Type of Report

If this is not an original tax report please check the correct reporting box (i.e. no activity, amended or bonus). Look further into the instructions for sections describing amended and bonus reports.

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.

Tax Calculation

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.

The information requested in the columns titled "Caught" is required under AS 43.76.025 and is for the purpose of determining appropriations to qualified regional aquaculture associations and does not affect the amount of your tax.

The columns titled "Purchased or Exported" represents the salmon sold in or exported from established aquaculture regions in Alaska.

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 that provides for each transaction:
 - (a) the person from whom the salmon was acquired and the limited entry permit number provided;
 - (b) the pounds and value by species of the salmon purchased or otherwise acquired;
 - (c) the amount of salmon enhancement tax collected; and
 - (d) the region designated under AS 16.10.375 in which the salmon were caught.

How to Pay

There are three methods of paying your tax liabilities: check, wire transfer or electronically. To make an electronic tax payment, you must be enrolled in either the Tax Division's Online Tax Information System (OTIS) or the Revenue Online system. OTIS will be replaced by a more efficient and updated Revenue Online system on February 22, 2016. As a result, your tax filing date determines which system (OTIS or Revenue Online) you should use for paying electronically. Refer to the sections below to determine how to make your electronic payments.

OTIS Enrollment during Calendar Year 2015 and up to February 21, 2016: Taxpayers will make tax payments using the Online Tax Information System (OTIS) at www.tax.alaska.gov. Please note you must be an existing taxpayer with the Tax Division to pay tax liabilities. If you are a first time taxpayer, contact the Tax Division's OTIS help desk at 907.465.2367 or visit at www.tax.alaska.gov.

Revenue Online Enrollment from February 22, 2016 and Forward: Taxpayers will be using the new system "Revenue Online" at <http://online-tax.alaska.gov> or you may access it from our home page at www.tax.alaska.gov. If you are making a payment using Revenue Online for the first time, click on "Enroll Now" on the sign-in page and follow the prompts. If you have questions, call the Revenue Online help desk at 907.269.0041 or 907.269.6627.

Pay Electronically through ACH Debit (EFT)

Both OTIS and Revenue Online uses Automated Clearing House (ACH) debit payments, it does not accept credit cards or ACH credit transactions. Check with your bank before setting up a debit (ACH) payment to determine if your account has a debit block. The block (or filter) controls electronic transactions posted to bank accounts and only accepts authorized ACH debit originators.

If you have a debit block on your account, you must ask your bank to list the State of Alaska as an authorized ACH debit originator on your account, and give your bank the Department of Revenue's company ID (0000902050). If you don't give that information to your bank, your bank will reject your tax payment, and rejected payments may result in late payment penalties and interest.

Pay by Wire Transfer

To make a payment by wire transfer, you must notify the Department of Revenue, Treasury Division by 2:00 PM Alaska Time the business day prior to the wire transfer settlement date.

During the OTIS enrollment period, remit the notification by fax at 907.465.4019 or email to dor.trs.cashmgmt@alaska.gov. This notice must include your name, EIN or SSN,

license number, tax type, total payment amount, settlement date, the State agency the funds are for, and the purpose of the payment. Include payment breakdown information if the payment is for multiple tax reports.

When using Revenue Online, prepare a payment voucher which is available in the system and email it to dor.trs.cashmgmt@alaska.gov. This notice must include the taxpayer's name, total payment amount, settlement date, tax type, purpose of the payment, and that the funds are for the Department of Revenue. If your payment covers multiple tax periods, prepare a separate voucher for each period.

Contact the Treasury Division for the State of Alaska's bank information at dor.trs.cashmgmt@alaska.gov or call 907.465.2360. Ask your bank to initiate a wire transfer of funds through the Federal Reserve wire transfer system to be received and credited to the State of Alaska.

If you don't have email or want confirmation that a wire transfer was successful, please call 907.465.2360.

Pay by Check

Make checks payable to the State of Alaska. To mail in your check without including your tax report, write your EIN or SSN, tax report form number and tax period on your check. For taxpayers using the Revenue Online system please fill out and print off a payment voucher from the system to be enclosed with the check.

Mail your check, tax report and payment voucher to our Juneau office located at the following address:

Alaska Department of Revenue
Tax Division
P.O. Box 110420
Juneau, AK 99811-0420

Note: If your payment liability is \$100,000 or more, you must pay electronically through ACH Debit or by a wire transfer. This requirement is set forth in Alaska Administrative Code 15 AAC 05.310. For information on paying electronically or by wire transfer see sections titled, Pay Electronically through ACH Debit (EFT) and Pay by Wire Transfer.

Definitions

Value – Determined by the circumstances, there are three different definitions of value:

1. 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.

2. For fisheries resources other than those described in 1 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.
3. For fishery resources other than those described in 1 or 2 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 of 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 by the Commissioner of Fish and Game, and in which an election has been held approving 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?

Under the Tax Calculation section, in columns titled, "Caught" and "Purchased or Exported" report all salmon pounds previously listed on the original tax report for this period. Likewise, add the value of salmon previously reported for this tax period and any bonus payment amounts made for salmon previously acquired in the applicable aquaculture region(s). Calculate the tax on the revised values under column F and carry the totals of lines 1 through 7 to line 9. On line 10 indicate total taxes previously paid with the original report. On line 11 subtract line 10 from line 9. This is the tax amount due with the bonus report.

Example: On its original report for July of 2015, Acme Fish Company reported 200,000 pounds of salmon and a total value of \$100,000 on lines 1 through line 7 in the columns titled, Purchased or Exported. Acme paid a tax of \$3,000 (\$100,000 times 3%) as calculated in the column titled, Salmon Enhancement Tax, and sub-column (F) and filed its report and payment before the due date August 15, 2015.

In December of 2015, 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" box under the section, "Type of Report" and writes "July, 2015" for the month and year the salmon were purchased. Additionally, the taxpayer writes "December, 2015" for the month and year the bonus payments were issued.

Under the Tax Calculation section lines 1 through 7, Acme reports 200,000 pounds and \$115,000 (the original value—plus the bonus payment) in the column titled, Purchased or Exported and respectively within sub-columns (C) and (D). With column F, Acme reports a tax amount of \$3,450 (\$115,000 value times the 3% tax rate) and carries the total to line 9. On line 10, Acme lists the \$3,000 tax payment previously paid with its original report for the month of July, 2015. On line 11, 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, 2016.

Amended Tax 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.

Check the Amended box in the section titled, "Type of Report". Indicate the month and year the salmon were originally acquired.

Under the Tax Calculation section, report the correct pounds and value under the correct region. Calculate your tax in Column F and carry the total to line 9. On line 10, report the tax you paid with your original report. On line 11, subtract line 10 from line 9 to determine the additional tax due or your tax overpayment. If you owe additional tax, include payment with your amended report.

Please attach a statement with a brief explanation of the error along with a description of the change(s) being made.

Questions

Email us at dor.tax.fishexcise@alaska.gov or call 907.465.2320.