

# Instructions for 2016 Alaska Regional Seafood Development Tax Return

## What's New

### **Taxpayers Are Required to File Electronically**

Taxpayers are required to file electronically all tax returns and reports, unless a taxpayer applies for and is granted a waiver from that requirement, according to Alaska Statutes 43.05.045.

House Bill 375, which became effective July 1, 2016, amended the statute to include the electronic filing requirement. See the sections titled, "How and Where to File" and "Penalties" on the following pages for more information on the waiver, and potential penalties.

The Alaska Department of Revenue's Tax Division has electronic filing through Revenue Online, an online portal where taxpayers can file and pay tax returns, view tax accounts and balances, apply for licenses, upload documents, and conduct other business with the Tax Division.

Revenue Online allows the Tax Division to process refunds faster, communicate with taxpayers quicker, and to more efficiently account for information it's required to report to the Alaska Legislature.

### **What is the Regional Seafood Development Tax?**

The regional seafood development (RSD) tax is levied on certain species and gear types within designated seafood development regions. The RSD applies to salmon harvested in the following regions for the fishery listed below:

Bristol Bay..... Salmon drift gillnet – S03T  
Prince William Sound... Salmon drift gillnet – S03E  
Prince William Sound... Salmon set gillnet – S04E

Proceeds from the RSD tax may be appropriated by the legislature to aid seafood development programs of qualified regional seafood development associations.

## **DUE DATE**

**Licensed Buyers Must File Monthly** – Check the box at the top of the form next to "Buyer" and fill in the "Month" and "Year" boxes to reflect the month and year you purchased salmon. This return must be filed and the taxes paid no later than the last day of the month following the month in which the salmon were purchased or acquired. Buyers must file a bonus return when fishermen receive end-of-season settlements or bonus amounts for salmon previously acquired by the buyer.

**Fishermen (including catcher sellers, catcher exporters, catcher processors and direct market license holders) Must File Annually** – Check the box at the top of the form next to "Fisherman" and fill in the "Year" box to reflect the year you harvested salmon that you either: (a) exported from the state, or (b) sold to unlicensed buyers. For fishermen (including catcher sellers, catcher processors and direct market license holders) this return must be filed and the RSD tax paid on or before March 31, 2016.

### **Who Remits the Tax?**

Licensed buyers collect and remit the RSD tax on all salmon acquired from: 1) drift and set gillnet fishermen (including catcher sellers, catcher exporters, catcher processors and direct market

license holders) who harvested the salmon within Prince William Sound, or 2) drift gillnet fishermen (including catcher sellers, catcher exporters, catcher processors and direct market license holders) who harvested the salmon within Bristol Bay.

Fishermen (including catcher sellers, catcher exporters, catcher processors and direct market license holders) harvesting salmon using drift or set gillnet gear within Prince William Sound or drift gillnet gear within Bristol Bay remit the RSD tax on salmon sold to unlicensed buyers or exported from the state.

## How and Where to File and Pay

### **Filing Your Return**

Effective July 1, 2016, taxpayers are required to file their returns and reports electronically using Revenue Online at <http://online-tax.alaska.gov>, unless a taxpayer can show the Department of Revenue evidence that the taxpayer does not have the capability to submit the return or report electronically. (AS 43.05.045)

To request a waiver from the electronic filing requirement, the taxpayer must submit Form 773, the Electronic Filing Waiver Application, which is available under Forms on the Tax Division's website at [www.tax.alaska.gov](http://www.tax.alaska.gov). A taxpayer applies to the Tax Division for a waiver using the taxpayer's FEIN or SSN; once granted, that waiver applies to the tax types for which the taxpayer submits reports or tax returns.

An application for a waiver must be submitted before a return or report is due. A waiver that is granted is in effect for five years after the first tax filing due date following the date the waiver was granted. When the waiver expires, the taxpayer may apply for another waiver.

Once a waiver is granted, a taxpayer may submit returns and reports on paper. Return and report forms are available on the Tax Division's website at [www.tax.alaska.gov](http://www.tax.alaska.gov). Completed forms may be mailed to:

Alaska Department of Revenue  
Tax Division  
PO Box 110420  
Juneau, AK 99811-0420

### **How to Pay**

You may pay your taxes electronically through Revenue Online, <http://online-tax.alaska.gov>. You may also pay by wire transfer or mail in a check.

Note: If your payment is \$100,000 or more, you must pay electronically through Revenue Online or by a wire transfer. See Alaska Administrative Code 15 AAC 05.310 for more information.

### **Pay Electronically**

Revenue Online uses Automated Clearing House (ACH) debit payments. It does not accept credit cards or ACH credit transactions.

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 Tax Division at 907.269.0041 or 907.269.6627.

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 2:00PM Alaska Time **the business day prior** to the wire transfer settlement date.

For the notification, prepare a payment voucher on Revenue Online, and e-mail it to [dor.trs.cashmgmt@alaska.gov](mailto:dor.trs.cashmgmt@alaska.gov). The notice must include the taxpayer's name, total payment amount, tax type, tax period, 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](mailto:dor.trs.cashmgmt@alaska.gov) or 907.465.2320. 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 e-mail or want confirmation that a wire transfer was successful, call 907.465.2360.

### Pay by Check

Make checks payable to the State of Alaska. If you are filing your tax return or report through Revenue Online, print off a payment voucher to mail in with your check. If you have been granted an electronic filing waiver, please mail your check with your tax return or report. In both cases, please mail to:

Tax Division  
Alaska Department of Revenue  
PO 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.*

### Penalties

#### Failure to File Electronically

Effective July 1, 2017, the Department shall assess a civil penalty of \$25 or 1 percent of the total tax before any payment, whichever is greater, against a taxpayer who fails to submit electronically a return or report under AS 43.05.045, unless the Department determines that failure to comply with AS 43.05.045 is due to a reasonable cause. (AS 43.05.220(f))

### What Records Must the Buyer Keep?

In order to properly complete and substantiate the monthly return, the buyer must maintain records reflecting the fishery in which the fishery resource was caught.

### DEFINITIONS

**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 circumstances other than those described previously, the market value of the fishery resource if:
  - (1) caught in company-owned or company-subsidized boats and operated by employees of the company or
  - (2) 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 of purchase of the fishery resource or tendered as deferred or delayed payment.

**Market value** – means the prevailing value paid for fisheries resources of like kind and quality by fisheries businesses in the same market area to fishermen who own their vessels.

**Development Region** – is a region of the state made up of designated management areas established by the Board of Fisheries and in which an election has been held and the imposition of the RSD tax was approved. At present only Prince William Sound and Bristol Bay have held elections and approved the RSD tax.

**Fishery** – is the species and gear type that is subject to the RSD tax. At present only salmon caught by drift gillnet and set gillnet with limited entry permits beginning with the designation S03E, S03T or S04E have elected to impose the RSD tax.

### Who Must File a Bonus Return?

Licensed buyers making bonus payments to fishermen for resources previously reported on an RSD tax return are required to file a bonus return.

### Bonus Return Due Date

Bonus returns must be filed and the additional RSD tax paid no later than the last day of the month following the month in which the bonus payment was made (i.e. a bonus payment made in November would be reported on a bonus return that would be due on or before December 31).

### **How are bonus payments reported?**

Check the "Bonus" return box and fill in the month and year the resource was originally acquired as well as the month and year the bonus payment was made. Under column A, report the total value of the resource, including the bonus payment (i.e. value as originally reported plus the amount of the bonus payment). Under column C, calculate the tax on the revised value and transfer the total tax to line 4. On line 5 indicate the tax paid with the original return. On line 6 subtract line 5 from line 4. This is the RSD tax amount due with the bonus return.

### **Amended Returns**

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

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

If you are amending a previously filed return, 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 return?**

Check the "Amended" return box. Below the "Amended" return box check whether you are a "Buyer" or "Fisherman". If you are a buyer, indicate the month and year the resources were originally acquired. If you are a fisherman, indicate the year the resources were exported or sold to an unlicensed buyer(s).

Under column A, report the correct value of the resource. Under column C, calculate the tax on the revised value and carry the total to line 4. On line 5, indicate the tax paid with the original return. If line 4 is greater than line 5, subtract line 5 from line 4 and show the result on line 6 as a positive number. This is the tax amount due with the amended return.

If line 5 is greater than line 4, subtract line 4 from line 5 and show the result on line 6 as a negative number. This is the amount of your overpayment which will be refunded to you.

### **Questions**

E-mail us at [dor.tax.fishexcise@alaska.gov](mailto:dor.tax.fishexcise@alaska.gov) or call 907.465.2320.