



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Revenue

COMMISSIONER'S OFFICE
State Office Building
333 Willoughby Avenue, 11th Floor
PO Box 110400
Juneau, Alaska 99811-0400
Main: 907.465.2300
Fax: 907.465.2389

February 22, 2016

The Honorable Cathy Giessel
Alaska State Senator
Chair, Senate Resources Committee
State Capitol Room 427
Juneau, AK 99801

Dear Senator Giessel:

The purpose of this letter is to provide you with responses to the questions asked of the Department of Revenue during our presentation to the Senate Resources Committee on February 8, 2016. Please see questions in italics and our responses immediately below the questions.

1. *How does the Department of Fish & Game determine developing vs. established species?*

Please see the attached memo from the Department of Fish & Game.

2. *Can we quantify the amount of pollock that do not enter state waters, but are still taxed under the American Fisheries Act?*

Unfortunately the Department of Fish & Game does not have this data, because fish processed at sea do not have a port delivery code. The fish ticket data show these landings as being processed at sea with no associated port, but we cannot parse out which fish enter state waters and which do not.

3. *Please provide a list of tax credits applicable against fish taxes.*

A detailed description of credits applicable against the Fisheries Business and Fisheries Resource Landing taxes can be found at <http://www.tax.alaska.gov/programs/programs/reports/Credits.aspx?60633>. Here is a list of the names of the credits:

- Community Development Quota (CDQ) credit
- Education credit
- Film Production credit
- Salmon Product Development credit
- A. W. "Winn" Brindle memorial scholarship credit
- Credits for fish-related taxes paid in other jurisdictions

I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions.

Sincerely,

A handwritten signature in blue ink that reads "Jerry Burnett".

Jerry Burnett
Deputy Commissioner

Attachments: 2016 List of Alaska's Developing Fisheries



MEMORANDUM

TO: Mr. Randall Hoffbeck, Commissioner
Department of Revenue

FROM: Sam Cotten, Commissioner *Sam Cotten*
Department of Fish and Game

DATE: January 27, 2016

SUBJECT: List of Alaska's Developing Fisheries for 2016

In accordance with AS 16.05.050(a)(10), I am providing the attached list of fisheries the Department of Fish and Game (ADF&G) considers developing during 2016. The developing fishery designations were derived under the criteria specified in AS 16.05.050(a)(10).

- (A) The optimum yield from the harvest of the species has not been reached;
- (B) a substantial portion of the allowable harvest of the species has been allocated to fishing vessels of a foreign nation; or
- (C) a commercial harvest of the fish species has recently developed.

Under these criteria, ADF&G considers developing fisheries to include the situation where there is no existing commercial fishery, but intermittent commercial utilization has occurred in the past.

Federally managed species were evaluated under the first criterion (A) and considered developing if a majority of total allowable catch has not been recently harvested due to reasons other than conservation or prohibited species bycatch, the harvest is not allocated (i.e., in a catch share program), and there is a directed fishery for the species.

CHANGES TO THE DEVELOPING FISHERIES LIST

Fisheries considered for inclusion as developing are assessed annually by ADF&G and the attached listing incorporates our changes to comprehensively reflect Alaska's developing fisheries for 2016.

Rays are no longer listed under the "other groundfish" category. This change reflects the practice of listing all rays as skates for the purposes of catch accounting, stock assessments, and fisheries data collection (observer programs); no evidence was found for occurrence or retention of ray species in commercial fisheries other than skates.

Pacific hake (whiting) is included as developing in Pacific Ocean waters. Pacific hake are caught in waters of Alaska as sporadic incidental bycatch in other fisheries and are landed in relatively small numbers, which clearly meets criteria to be included as a developing fishery. This change is noteworthy because ADF&G received a request from a fishing corporation to include Pacific hake, caught off the Pacific coast of the United States, as a developing fishery in 2015. This request was initiated in order to facilitate an experimental delivery of approximately 7,500 mt of finished Pacific hake to Dutch Harbor. Under the developing fishery tax rate this delivery may prove economically feasible and lead to future increased landings. Pacific hake take off the Pacific coast of the United States is regulated under a quota system and optimum yield is not being achieved, thereby meeting an additional criterion for inclusion as a developing fishery.

Should you require further information, my office will be happy to respond.

Attachment

cc: Anna Kim, DOR, Chief of Revenue Operations
Scott Kelley, Director, Division of Commercial Fisheries
Forrest Bowers, Deputy Director, Division of Commercial Fisheries
Nicholas Sagalkin, Regional Supervisor, Division of Commercial Fisheries
Tracy Lingnau, Regional Supervisor, Division of Commercial Fisheries
John Linderman, Regional Supervisor, Division of Commercial Fisheries
Lowell Fair, Regional Supervisor, Division of Commercial Fisheries

ALASKA DEPARTMENT OF FISH AND GAME
ALASKA DEVELOPING FISHERIES FOR 2016
 Authority AS 16.05.050(a)(10)

Species or species assemblages listed below are considered developing based on the following criteria: (A) the optimum yield from the harvest of the species has not been reached; (B) a substantial portion of the allowable harvest of the species has been allocated to fishing vessels of a foreign nation; (C) a commercial harvest of the fish species has recently developed; or (D) there is no existing commercial fishery, but intermittent commercial utilization has occurred in the past.

FISHERY**STATUS****Groundfish (see definition on page 6):**

Atka mackerel	Developing in the Eastern Bering Sea/Aleutian Islands (NMFS statistical areas 518, 519, and 541), jig gear only.
Arrowtooth flounder	Developing in the following waters: (1) Southeast Alaska (NMFS statistical areas 650 and 659) (2) West Yakutat (NMFS statistical area 640)
Flatfish (see definitions on page 6)	Developing in the following waters: (1) Southeast Alaska (Southern Southeast Inside and Northern Southeast Inside Subdistricts as defined in 5 AAC 28.105(a)(1-2) and NMFS statistical area 650) (2) West Yakutat (NMFS statistical area 640)
Lingcod	Developing in the following waters: (1) Kodiak (5 AAC 28.400) (2) Chignik (5 AAC 28.500) (3) South Alaska Peninsula (5 AAC 28.550) (4) Bering Sea – Aleutian Islands (5 AAC 28.600)
Pacific cod	Developing in the following waters: (1) Southeast Alaska (NMFS statistical area 650) (2) West Yakutat (NMFS statistical area 640)
Pacific hake (whiting)	Developing in Pacific Ocean waters.
Pollock	Developing in Southeast Alaska (NMFS statistical area 650)
Dusky rockfish	Developing in Southeast Alaska (NMFS statistical area 650)
Pacific ocean perch	Developing in Southeast Alaska (NMFS statistical area 650)
Black rockfish	Developing in the following waters: (1) Southeast Alaska (5 AAC 28.100) (2) South Alaska Peninsula Area (5 AAC 28.550), only west of 164° 44' W longitude (3) Bering Sea-Aleutian Islands Area (5 AAC 28.600)

FISHERY STATUS**Groundfish (continued):**

Other groundfish (see definition on page 6)	Greenlings, eels, grenadiers, prowlfish, and ratfish are developing in all waters. Sharks, skates, and sculpins are not considered developing.
---	--

Herring:

Herring sac roe	Developing in the following waters: (1) Chignik Area (5 AAC 27.550) (2) Alaska Peninsula – Aleutian Islands Area (5 AAC 27.600) (3) Adak District, gillnet and seine fishery (5 AAC 27.657) (4) Kuskokwim Area (5 AAC 27.870) (5) Bering Sea – Kotzebue Area (5 AAC 27.900)
-----------------	--

Herring food and bait	Developing in the following waters: (1) Chignik Area (5 AAC 27.550) (2) The following districts of the Alaska Peninsula – Aleutian Islands Area: (a) Sand Point District (5 AAC 27.605(a)) (b) Pavlof District (5 AAC 27.605(b)) (c) King Cove District (5 AAC 27.605(c)) (d) Umnak District west of Samalga Pass (5 AAC 27.605(g)) (e) Adak District (5 AAC 27.605(h)) (f) Amak District (5 AAC 27.605(i)) (g) Port Moller District (5 AAC 27.605(j)) (h) Port Heiden District (5 AAC 27.605(k)) (3) The following districts of the Bering Sea – Kotzebue Area: (a) Port Clarence District (5 AAC 27.905(c)) (b) Kotzebue District (5 AAC 27.905(d))
-----------------------	--

Other finfish:

Freshwater finfish (see definition on page 6)	Bering cisco is developing in the Lower Yukon River.
---	--

Hagfish	Developing in all waters.
---------	---------------------------

Lamprey	Developing in all waters.
---------	---------------------------

Forage fish (see definition on page 6)	Smelt and eulachon fisheries are developing in Upper Cook Inlet (5 AAC 21.505(b)(2)).
--	---

Salmon:

Pink salmon	Developing in the following waters: (1) Kotzebue Area (5 AAC 03.100) (2) Norton Sound – Port Clarence Area (5 AAC 04.100) (3) Yukon – Northern Area (5 AAC 05.100) (4) Kuskokwim Area (5 AAC 07.100) (5) Atka/Amlia Island Area (5 AAC 11.101)
-------------	---

FISHERY	STATUS
---------	--------

Salmon (continued):	
----------------------------	--

Chum salmon	Developing in the Port Clarence District (5 AAC 04.200(a))
-------------	--

Shellfish:	
-------------------	--

King crab	Developing in the following waters: (1) Golden king crab in Kodiak Area (5 AAC 34.400) (2) Golden king crab in Northern District of the Bering Sea (5 AAC 34.905(c))
-----------	--

Clams	Littleneck clams are developing in the following waters: (1) Southeastern Alaska (5 AAC 38.100) (2) Yakutat Area (5 AAC 38.160) (3) Registration Area J (Westward; 5 AAC 38.400) Arctic surf clams, butter clams, cockle clams, eastern softshell clams, horse clams, and razor clams are developing in Registration Area J (Westward; 5 AAC 38.400)
-------	--

Octopus	Developing in the following waters: (1) Yakutat Area (5 AAC 38.160) (2) Prince William Sound (5 AAC 38.200) (3) Registration Area J (Westward; 5 AAC 38.400)
---------	---

Sea cucumbers	Developing in the following waters of Registration Area J (Westward; 5 AAC 38.400): all waters west of 157° 27' W longitude
---------------	---

Sea urchins	Green sea urchins and red sea urchins are developing in Registration Area J (Westward; 5 AAC 38.400)
-------------	--

Shrimp	Pot-gear fisheries are developing in Registration Area J, (Westward; 5 AAC 31.500)
--------	--

Snails	(except abalone) Developing in all waters.
--------	--

Definitions:

Flatfish (in Southern Southeast Inside and Northern Southeast Inside Subdistricts)	“Flatfish” means flounders, soles, Greenland turbot, Alaska plaice, sanddabs, and dabs. Halibut is listed separately from flatfish.
Flatfish (in NMFS statistical areas 640 and 650)	“Flatfish” means flathead sole, rex sole, deep water flatfish (Dover sole, Greenland turbot, Kamchatka flounder, and deepsea sole), and shallow water flatfish (rock sole, yellowfin sole, butter sole, starry flounder, English sole, sand sole, and Alaska plaice).
Forage fish	“Forage fish” means capelin, eulachon (hooligan), smelts, deep-sea smelt, Pacific sandfish, Pacific sand lance, gunnels, pricklebacks, warbonnets, eelblennys, cockscombs, shannys, bristlemouths, lanternfishes, lightfishes, anglemouths, and krill (as defined in 5 AAC 39.212(f)).
Freshwater finfish	“Freshwater finfish” includes species such as whitefish, sheefish, Arctic char, Dolly Varden, steelhead, trout, pike, and burbot in fresh and salt water.
Groundfish	“Groundfish” means any marine finfish except salmon, herring, halibut, and osmerids (capelin, smelts, and eulachon or hooligan) (as defined in 5 AAC 39.975(21)).
Other groundfish	“Other groundfish” includes species such as skates, rays, sharks, greenlings, sculpins, eels, grenadiers, prowfish, and ratfish.