



April 28, 2016

The Honorable Jonathan Kreiss-Tomkins  
Alaska State Representative, District 35  
State Capitol, Room 426  
Juneau, AK 99801

Dear Representative Kreiss-Tomkins:

The purpose of this letter is to provide you with a response to questions asked from Berett Wilber of your staff about comparing published ex-vessel value of Bering Sea and Aleutian Islands (BSAI) ground fish and Pollock fisheries to the Fishery Resource Landing Tax (FRLT) revenue, and determining whether this is roughly 3% of the published ex-vessel values of these fisheries.

The chart below is data directly from the 2014 Fishery Resource Landing tax returns for reported ground fish. The total calculated tax and revenue collected is approximately \$12.5 million, with half allocated for shared taxes with communities.

**2014 Fishery Resource Landing Tax  
Taxable Fisheries Values and Pounds by Species Category\***

	FLT lbs.	FLT Value	3% Rate
Ground Fish	2,636,879,429	410,392,954	12,311,789
Black Cod	<u>1,483,657</u>	<u>8,174,948</u>	<u>245,248</u>
Total:	2,638,363,086	418,567,902	12,557,037

Ms. Wilber's chart below uses a Federal estimate of ex-vessel value of \$934 million based on an "imputed price" combining FBT and FLT, and then applying the 3% rate resulting in \$28 million. The Federal fisheries data doesn't provide a breakout solely for Fishery Resource Landing tax. As a result, we don't believe this is comparable data to use for estimating FLT revenue. If the chart could be broken out to include only FLT that would provide better comparability.

**Data Provided by Ms. Berett Wilber  
For Ground Fish  
Federal Data  
FY 2014**

Ex-vessel Value	3% Rate	Estimated Landing Tax Value
934,000,000	0.03	28,020,000

The Honorable Jonathan Kreiss-Tomkins

April 28, 2016

Page 2 of 2

The approximately \$15.4 million difference between the DOR Tax data and Ms. Wilber's data is attributed to: a) a lack of comparability due to the differences of how the data was gathered by DOR Tax and Ms. Wilber, and b) timing issues for the Tax Division collecting fishery value and poundage information by tax year, while tax revenue is reported on a fiscal year. For example, fish caught in a tax year 2014 corresponds with fiscal year 2015. As a result, this relationship is not exact. Fishery value information by tax year multiplied by 3% will not exactly equal the Landing Tax revenue collected in a certain fiscal year.

I hope you find this information useful, and please don't hesitate to contact me if you have further questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ken Alper', with a long horizontal flourish extending to the right.

Ken Alper

Director

cc: Jerry Burnett, Deputy Commissioner  
Anna Kim, Tax Division Revenue Operations  
Michael Kazmac, Acting Fish Manager