Alaska Salmon Enhancement Tax Return Instructions

DUE DATE

Licensed Buyers – Check the box at the top of the form next to "Buyer" and fill in the "Year" and "Month" 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.

Commercial Fishermen (including direct marketers, catcher sellers, catcher exporters and catcher processors) – Check the box at the top of the form next to "Fisherman" and fill in the "Year" box to reflect the year you exported salmon or sold to unlicensed buyers. This return must be filed and the taxes paid on or before March 31st of the following year.

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 collect and remit the tax on all salmon acquired in a taxable region. Commercial fishermen (including direct marketer license holders, catcher sellers, catcher exporters and catcher processors) remit the tax on salmon sold to unlicensed buyers or exported from established aquaculture regions.

Licensed Buyers Must File Monthly

Licensed buyers who purchase salmon must collect the tax and file on a monthly basis. Licensed buyers must file a bonus return 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.

Commercial Fishermen Must File Annually

Commercial fishermen (including direct marketer license holders, catcher sellers, catcher exporters and catcher processors) who sell to unlicensed fisheries businesses in the state or who export salmon from an aquaculture region must pay the tax and file an annual return on or before March 31st of the following year.

What Records Must Licensed Buyers Keep?

In order to properly complete and substantiate the monthly return, 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 marketer 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 that region there exists an 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.

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Who Must File a Bonus Return?
Licensed buyers making bonus payments for salmon originally acquired within an aquaculture region are required to file a bonus return. A return 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 Return Due Date
Bonus returns must be filed and the taxes paid no later than the last 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 return that would be due on or before December 31).

How are bonus amounts reported?
In Part 1 and Part 2 under column A, report all salmon pounds previously listed on the original tax return 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 return. On line 18 subtract line 17 from line 16. This is the tax amount due with the bonus return.

Example: On its original return for July of 2011, 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 return before the August 31, 2011 due date.

In December of 2011, 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 Return" box at the top left of the form, writes "2011 July" for the year and month the salmon were purchased, and writes "2011 December" for the year and month 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 return for the month of July 2011. 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 return on or before January 31, 2012.

Amended Returns
You can use this form to correct any errors on your original return. You should file an amended return 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 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 at the top right of the form. At the top left of the form, check whether you are a Buyer or Commercial Fisherman. If you are a licensed buyer, indicate the year and month the salmon were originally acquired. If you are a fisherman, indicate the year the salmon were exported or sold to an unlicensed buyer(s).

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 return. 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 return.

Additional Forms
Download forms at *www.tax.alaska.gov*.

You may reproduce or photocopy this form as needed or request additional forms at 907-465-2320 or fax your request to 907-465-3566

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