

15 AAC is amended by adding a new Chapter to read:

**Chapter 165. Tax on Gaming or Gambling Activities Aboard Large Passenger Vessels.**

**Section**

110. Tax returns, Payment, and Administration.

120. Extensions.

130. Calculation of tax.

140. Records retention and inspection.

150. Definitions

**15 AAC 165.110. Tax returns, Payment and Administration.** (a) An operator shall file an annual tax return on a calendar year basis. The tax return, and the total tax imposed by AS 05.16.020 are due on April 15 of the following calendar year

(b) The operator shall file the tax return on a form prescribed by the department. The operator or an authorized agent of the operator shall sign the tax return under penalty of unsworn falsification.

(c) Except where inconsistent with AS 05.16 and 15 AAC 165, the provisions of AS 43.05, 15 AAC 05.010-020, 15 AAC 05.040-050, 15 AAC 05.200-240, and 15 AAC 05.300-320 including provisions for confidentiality, audits, protests, interest, penalties and administrative appeal, apply to tax returns and payments under this section. (Eff.

\_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

**Authority:** AS 05.16.020 AS 43.05.010 AS 43.05.080

**15 AAC 165.120. Extension of Time for Filing Return..** (a) An operator may file for an automatic six month extension of time for filing a tax return.

(b) An operator must file an application for an extension of time for filing a tax return with the department no later than the tax return due date. The operator shall attach a copy of the approved extension request with the tax return.

(c) An extension of time for filing the tax return does not extend the time for payment of the total amount of tax due. (Eff. \_\_\_/\_\_\_/\_\_\_, Register \_\_\_\_\_)

**Authority:** AS 05.16.020 AS 43.05.080

**15 AAC 165.130 Calculation of Tax.** An operator shall calculate the tax imposed by AS 05.16.020 by multiplying adjusted gross income from gaming or gambling earned during the entire voyage by the percentage of gaming or gambling hours conducted in waters under this state's jurisdiction. The operator shall calculate the percentage by dividing the total number of gaming or gambling hours while in waters under this state's jurisdiction by the total number of gaming or gambling hours during the entire voyage. (Eff. \_\_\_/\_\_\_/\_\_\_, Register \_\_\_\_\_)

**Authority:** AS 05.16.010 AS 43.05.010 AS 43.05.080  
AS 05.16.020

**15 AAC 165.140. Records retention and inspection.** An operator shall preserve in hard copy or in electronic format, all books, records, and any other data used to prepare the tax return. The operator shall retain this data for three years following the return due date or the date the operator files the return, whichever is later. For each large passenger vessel on which the operator conducted gaming or gambling activities in waters under this state's jurisdiction, the operator shall prepare and maintain

- (1) the name and call sign of the vessel providing each voyage;
- (2) a list of all voyages that the vessel completed during the year;
- (3) the name of the ports where each voyage originated and ended;
- (5) the beginning and ending date of each voyage;
- (3) the total gaming and gambling hours for each voyage;
- (4) the total gaming and gambling hours conducted in waters under this state's jurisdiction for each voyage;
- (6) the amount of gross gaming and gambling income earned on each voyage;
- (7) the amount of prizes awarded on each voyage; and,
- (8) the amount of federal and municipal taxes paid or owed on the gaming and gambling income for each voyage. (Eff. \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

**Authority:** AS 05.16.020 AS 43.05.040 AS 43.05.080  
AS 43.05.010

**15 AAC 165.150 Definitions for 15 AAC 165.110 - 15 AAC 165.150.** In 15 AAC 165.110 - 15 AAC 165.150, unless the context requires otherwise,

(1) "gaming or gambling" means a contest, game, or activity in which a person stakes or risks something of value upon the outcome of a contest of skill or chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that the person or someone else will receive something of value in the event of a certain outcome;

(2) "gaming or gambling hours" means the hours during which gaming or gambling activities are conducted or during which gaming or gambling devices, machines or instruments are available for play;

(3) "large passenger vessel" means a vessel that provides sleeping accommodations for all of its passengers and that makes at least one voyage of the type described in 15 U.S.C. 1175(c)(2) during the year;

(4) "operator" means a person that conducts gaming or gambling activity on a large passenger vessel during a voyage described in 15 U.S.C. 1175(c)(2) in waters under this state's jurisdiction;

(5) "passenger" has the meaning given in AS 43.52.295(3); and,

(6) "waters under this state's jurisdiction" has the meaning given in AS 44.03.010. (Eff. \_\_\_/\_\_\_/\_\_\_, Register \_\_\_\_\_)

**Authority:** AS 05.16.020 AS 43.05.010 AS 43.05.080