

## SUMMARY

### PROPOSITION NO. 1

#### **NEW 1.5% TAX ON THE VALUE OF ALL FINFISH, SHELLFISH, AND FISH BYPRODUCTS PROCESSED BY SHORE-BASED, FLOATING, AND DIRECT MARKETING SEAFOOD PROCESSORS.**

If approved, this proposition would amend the Bristol Bay Borough Code by adding a new Chapter 3.18, which would authorize the Borough to levy and collect a new 1.5% Borough tax on the value of all finfish, shellfish, and fish byproducts processed for sale by shore-based, floating and direct marketing businesses, whether processed in the Borough or removed from the Borough for processing in another location. The first 50,000 pounds of finfish, shellfish, or fish byproducts would be exempted from the tax.

The businesses subject to the new tax would include, but would not be limited to, canneries, cold storages, freezer ships, and processing plants that head, gut, clean, filet, can, freeze, glaze, or otherwise preserve finfish, shellfish and fish byproducts during the applicable tax year, and would apply both to businesses that conduct such activities within the Borough, and to businesses that remove finfish, shellfish and fish byproducts acquired within the Borough to another jurisdiction for processing.

Chapter 3.18 would require businesses subject to the new tax to file a return with the Borough by April 1 of each year, and to pay any taxes levied by the Borough by April 30. Returns and the information contained on returns would be made confidential, with the exception that the Borough would be permitted to publish general statistical information regarding the tax in a manner that prevents the identification of specific taxpayers, and to share any information with State and federal agencies concerned with the enforcement of tax laws.

Chapter 3.18 would authorize a business to apply to the Borough Assembly for a ruling regarding whether Chapter 3.18 is applicable to the business in a specific instance. It would also establish a procedure for businesses to protest the levy of taxes pursuant to Chapter 3.18, and authorize the Borough Assembly to conduct investigations, hearings, and to issue final determinations regarding such protests. It would also authorize the Borough to adopt additional regulations as necessary to implement and administer the new tax created by Chapter 3.18.

Chapter 3.18 would impose penalties upon businesses that fail to file a return, fail to remit taxes when due, fail to permit the Borough to inspect records required by Chapter 3.18, or that falsify or misrepresent information to the Borough. Failure to file a return, failure to pay taxes, and the falsification or misrepresentation of information would be made a misdemeanor offense. It would also authorize the Borough to initiate legal action to collect levied taxes, penalties and interest pursuant to Chapter 3.18.

Shall the Bristol Bay Borough Code be amended to include a new Chapter 3.18, establishing a new 1.5% tax on the value of all finfish, shellfish, and fish byproducts processed by shore-based, floating, and direct marketing seafood processors? (Bristol Bay Borough Ordinance 2019-06)