

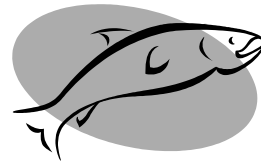
What is a fish box tax???

Sitka General Code 4.09.010(C) defines this tax as a sales tax levied on fish charter customers for packaged fish and/or seafood caught or taken and retained by the fish charter customers as part of a fish charter. This sales tax is levied at a flat rate of ten dollars per fish box. A fish box is clarified as any packaging by a fish charter operator or processor of fish and/or seafood caught or taken as part of the charter by a fish charter customer.



Q: “How do I remit this fish box tax?”

On each business' quarterly sales tax return, there is now a line specifically designated for fish box tax. You must indicate the number of boxes processed and the amount collected and remitted.



May 30, 2007

City and Borough of Sitka

Finance Department
Sales Tax Division
100 Lincoln Street
Sitka, AK 99835

Phone: 907-747-1840
Fax: 907-747-0536
Email: salestax@cityofsitka.com



“Fish Box Tax”

*Questions,
Answers, and
Requirements
of the City and
Borough of
Sitka can be
found here!!*

Q: “Who has to pay this tax?”

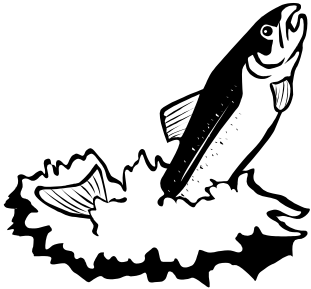
This is a sales tax levied on the market value of the fish and/or seafood taken by and packaged for a fish charter customer. The charter customer is responsible to pay the tax. If a charter company chooses to offer an all inclusive package, and pay the tax for the customer, then the charter business would pay the tax to the processor or remit the tax if the charter business does it's own packaging.

Q: “Who turns in this tax?”

Whoever packages the fish and/or seafood is responsible to remit the tax as only they will know how many boxes were packaged. The tax will be reported and collected on the new quarterly sales tax return.

Q: “Is the tax the same for all sizes of containers?”

Sitka General Code 4.09.010(C) states that the tax is a flat rate of ten dollars per fish box. Fish box is defined as any packaging by a fish and/or seafood charter operator or processor of fish and/or seafood taken as part of the charter by a fish and/or seafood charter customer.



Therefore, a 3 lb snack pack, a 50 lb fish box, a cooler, a garbage bag are all packaged and therefore taxed at a flat rate of ten dollars per package.

Q: “As a charter operator, if I want to be able to offer my customers an all inclusive package, how can I do this??”

You determine the number of fish boxes that you are willing to pay the costs associated with processing and packaging for your customer in the all inclusive package and build that into your cost. You would then pay to the processor who packages your customer's fish and/or seafood the tax on the number of fish boxes included in the all inclusive packages that you sold. (For example, in the month of June, you sold 10 all inclusive fishing packages that included processing and packaging for 2 fish boxes each. You would turn in to the processor \$200.00 in fish box tax [10 pkgs x 2 fish boxes each x \$10.00 fish box tax]. However, if the customer does not take home the cost covered amount of fish boxes, a refund request may be filed by the customer for the fish box tax on those boxes that were not provided. If the customer takes more boxes than were paid for in the all-inclusive package, the customer would need to pay an additional \$10 tax per package to whoever packages the fish and/or seafood and any other applicable costs associated with the processing and packaging. If a processor packages the fish for your charter customers, you would be billed for those boxes that you covered in your all-inclusive package - the costs of the processing and packaging plus the ten dollar per box fish box tax less any fish box tax that you had prepaid. A reconciliation may be required. If you process the fish and/or seafood yourself, you would collect and remit all of the fish box tax.

Q: “If I provide a day charter and my customer takes the fish off of my boat and I don't know what he is going to do with the fish—eat it or take it to a processor, do I have to collect the tax???”

If you are a charter operator and the fish and/or seafood caught on your boat is not delivered to a processor, the cleaning, processing, and packaging (whether it is packaged in a fish box, in a cooler, garbage bag or any other package) is subject to the fish box tax. You would be responsible to collect the fish box tax from your customer and remit it to the City and Borough of Sitka.

Q: “If my family and/or friends go fishing with me as my guests, do they have to pay fish box tax?”

No, only those customers that are paying customers of a charter would be subject to fish box tax.

Q: “I am a fish processor and a customer comes in to my store to have his fish processed, do I always charge the fish box tax?”

As a processor required to collect this fish box tax, it would be your responsibility to inquire how this fish and/or seafood was caught. You would need to document why you did not charge the fish box tax on your invoice. An example might be “non-charter”, “non-paying charter guest”, “already paid to charter operator” (documentation would need to be kept to support this), etc.