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Stedman Bill Would Help Small-Boat Fishermen

(Juneau) Sen. Bert Stedman (R-Sitka) introduced legislation today to make the Fisheries Business Tax more fair for direct market fishermen.

“This bill will encourage fishermen who want to focus on quality and process their harvest in Alaska,” Stedman said. “By marketing their own value-added products, fishermen can become more integrated into the supply chain. SB 286 helps them take that step by providing fairness in the tax structure. It will put money in the pockets of small business fishermen throughout coastal Alaska.”

The current tax structure discriminates against small-boat fishermen who process their own catch and market their products because it taxes them at the same rate as large out-of-state floating processors.

SB 286 reduces the Fisheries Business Tax on small catcher processor vessels of 65 feet or less from 5 percent to 3 percent, leveling their rate to that of shore processors and Bering Sea factory trawlers.

Under SB 286, the products of small-boat fishermen will be taxed on the same value as the prevailing grounds price on which other processors base their taxes. This means these fishermen will no longer be penalized for adding value to Alaskan seafood.

The bill also allows direct marketers to pay all their taxes to the Department of Revenue annually on April 1 rather than quarterly, as is currently required, making the accounting process more user-friendly.

The bill will apply not only to salmon fishermen but also to crabbers, shrimpers longliners and any business that markets its own catch.

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