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MEMORANDUM

Date: 4/12/2023
To: Finance and Budget Committee
From: Greta Hayden-Pless, Acting City Clerk
Subject: Seafood Processing Excise Tax

In researching multiple municipalities and states with a focus on excise tax on seafood. I have reconstructed the original resolution to reflect the concerns that were presented during the original introduction of the resolution.

The current resolution is using a non-species-specific flat rate of \$0.03 per pound of seafood.

Below is a breakdown of both a \$0.025 per pound flat rate and a \$0.03 per pound flat rate.

Most municipalities have a sales tax for raw fish instead of an excise tax,

I have been discussing with Alaska Fish and Game about predicted populations, run sizes, and predicted exvessel values to determine an estimate of what the flat rate would amount to.

With the added background, I have scheduled a meeting with Peter Pan for May 1st to discuss the possibilities of the excise tax, hear their concerns and opinions and what would be amendable for everyone. I am waiting to hear back from OBI on a meeting and some additional information.

Attached is a rough breakdown of the estimated total pounds harvested in 2021 and 2022 in the Nushagak District and the revenue the excise tax would have had in both years, to give an idea of the numbers. Along with an estimated breakdown of the 2022 Exvessel value for the Alaska Commercial Harvest in Bristol Bay.

This excludes any non-salmon species that were harvested.

All charts are based on research pulled from the Alaska Fish and Game reports:
2021 Bristol Bay Area Annual Management Report
2022 Bristol Bay Salmon Season Summary
2022 Preliminary AK Commercial Harvest and Exvessel Values
Run Forecasts and Harvest Projections for 2023 Alaska Salmon Fisheries and Review of the 2022 Season