

DCCED PROGRAM 5 – SHARED FISHERIES TAX PROGRAM

I. PROGRAM OBJECTIVES

The objective of the shared fisheries tax program is to share state fisheries business tax and fisheries resource landing tax receipts collected outside municipal boundaries to municipalities that demonstrate they suffered significant effects from fisheries business activity. This program is authorized and administered under AS 29.60.450 and 3 AAC 134.

II. PROGRAM PROCEDURES

The Department of Revenue (DOR) collects fisheries business license fees and taxes (AS 43.75.130) and fisheries resource landing taxes (AS 43.77.060) and distributes it to eligible municipalities. Fifty percent (50%) of any revenue not disbursed by DOR is transferred to the Department of Commerce (AS 43.75.137 & AS 43.77.060(d)) to be distributed to eligible municipalities that demonstrate significant effects from fisheries business activity (AS 29.60.450(b)(1) and (2)).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: A municipality that receives a tax allocation under this section shall use the tax allocation to help reduce the effect of fisheries business activities on the municipality, which may include the expenses of any municipal service (AS 29.60.450 and 3 AAC 134).

Suggested Audit Procedure: Review the financial records and supporting documentation to determine if the funds were expended in accordance with AS 29.60.450, 3 AAC 134, and the recipient's application.

B. ELIGIBILITY - The auditor is not expected to perform test over recipient eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS – There is no matching, level of effort, or earmarking requirements.

D. REPORTING REQUIREMENTS - There are no reporting requirements.

E. SPECIAL TESTS AND PROVISIONS – None.