

# Seafood members increase marketing tax

JUNEAU — Dan O'Hara, chairman of the board of the Alaska Seafood Marketing Institute (ASMI), announced that members of the seafood industry overwhelmingly voted to increase the voluntary tax they now pay into ASMI's marketing program budget.

The 50 percent increase means ASMI may receive up to an additional \$600,000 from the industry for marketing programs.

O'Hara said ASMI mailed ballots to all 496 licensed processors in October. To be eligible to vote, however, a processor had to have purchased more than \$50,000 worth of seafood landed in the state in 1986. Since business income filed with the state Department of Revenue is proprietary, ASMI had to mail ballots to all processors in order to reach those eligible to vote.

Approximately 104 ballots were returned to the Division of Elections. The Department of Revenue verified the eligibility of each ballot by matching the corporate name against the tax information, and Elections certified the final tally Nov. 27.



Of the 90 ballots tallied, 66 voted yes to the question of increasing the assessment, 24 voted against the increase and 14 ballots were disqualified. O'Hara said after proper weighting was assigned by the Dept. of Revenue, processors who purchased 65.1 percent of all seafood landed in Alaska had voted yes; processors who purchased only 8.7 percent of all the product had voted no; and 26.1 percent did not return election ballots.

"This was an extremely critical

vote. The industry needed to let the State Legislature and the Governor know that it highly endorses ASMI and ASMI programs. And the vote did just that," O'Hara said.

Over the past two years, the State Legislature and the Governor have encouraged the seafood industry to raise its tax to help promote Alaska seafood. Last March, the ASMI board voted to ask its colleagues to increase the voluntary tax.

Prior to the vote, processors paid a

.2 percent assessment. Retroactive to January 1987, processors who purchase in excess of \$50,000 worth of raw seafood landed in Alaska in any calendar year will pay a self-imposed tax of .3 percent on the ex-vessel value of the seafood.

In 1986, the .2 assessment resulted in a return to the state for ASMI programs of \$1.4 million. O'Hara estimates with the passage of the increased assessment, that amount could increase by \$600,000. Additionally, due to Alaska's changing economic picture, ASMI petitioned for federal money through the Targeted Export Assistance (TEA) program and has received, to date, \$2.2 million.

The increase in assessment more than matches what the State of Alaska and the Federal government now contribute to the seafood marketing program, O'Hara said.

The Alaska Seafood Marketing Institute is the state's only food commodity group, and is charged with marketing the state's 3 billion pound annual seafood harvest around the country and the world.