



Governor, Congress members differ on head tax limit

Posted: Friday, April 25, 2003

ANCHORAGE (AP) Gov. Frank Murkowski set off a squall in the Capitol last week when he said a state head tax on cruise ship passengers would run afoul of a new federal law.

But those responsible for passing that federal law, Rep. Don Young and Sen. Ted Stevens, had no intention of preventing Alaska from imposing a head tax on disembarking passengers, their aides said.

Murkowski raised the issue during an April 17 press conference.

For those that are suggesting (a cruise ship head tax) is a desirable alternative, there is a federal law that was passed last year," Murkowski said.

He read section 445 of the national port security bill to reporters and had copies distributed.

The section says only the federal government can impose taxes on a ship if the vessel or water craft is operating on any navigable waters subject to the authority of the United States."

There's an exception for fees to cover the costs of services to a ship.

So our interpretation of this is that a head tax on tourism, from the standpoint of passengers, would simply run into a contradiction with federal law," the governor said.

Proposals to levy a head tax on cruise passengers have surfaced often in the Legislature and in local governments in Southeast Alaska, though cruise ship companies have pulled out of some ports that have imposed such a tax.

Juneau has a \$5-a-head tax on cruise ship passengers, raising \$3 million a year.

This is horrible, really wrong," Juneau Democratic Rep. Beth Kerttula said, referring to the new federal law. This is a real slap in the face to Alaskans."

Rep. Carl Gatto, R-Palmer, was eager to take on the federal government. He sponsored a bill which appears to be dead for this year to impose a \$100-a-head state tax on cruise passengers. The issue was bigger than cruise ship taxes, he said. It was about defending Alaska's rights.

But a spokesman for Rep. Young, who sponsored the port security bill, said section 445 was never intended to block state or local governments from imposing a head tax on docking ships.

Rather, it was aimed at squelching a move to tax ships passing by.

In a word, said spokesman Steve Hansen, it's about Yakutat.

Yakutat had been trying to impose a head tax on ships that enter Yakutat Bay, even if they don't dock. Town officials say they've had to buy a search-and-rescue boat and monitor pollution since cruise ships started showing up in the bay.

Young, in explaining section 445 to his House colleagues in November, said it was aimed at the problem posed by communities taxing ships for merely passing by.

Stevens' spokeswoman, Melanie Alvord, offered a similar interpretation of section 445, which, she said, Stevens authored.

This provision codifies existing law that prevents local jurisdictions from taxing vessels that never call at a local port," she said.

John Manly, the governor's spokesman, said Attorney General Gregg Renkes had given the law a quick look before the press conference last week and thought it would make a state cruise ship tax illegal.

That's the way we read it," Manly said. Renkes did not do a full analysis, Manly said.

Murkowski, who was a senator at the time, voted for the port security bill in November, as did Stevens and Young.

Manly said the governor does not favor a head tax on cruise ships.

I think he believes we shouldn't single out a specific mode of transportation," Manly said.

Related Searches

TRANSPORTATION (http://peninsulaclarion.com/search-results?utm_source=peninsulaclarion.com&utm_medium=link&utm_content=related-searches&utm_campaign=mead-related-search&&querystring=%22TRANSPORTATION%22) **CARL GATTO** (http://peninsulaclarion.com/search-results?utm_source=peninsulaclarion.com&utm_medium=link&utm_content=related-searches&utm_campaign=mead-related-search&&querystring=%22CARL GATTO%22) **DON YOUNG** (http://peninsulaclarion.com/search-results?utm_source=peninsulaclarion.com&utm_medium=link&utm_content=related-searches&utm_campaign=mead-related-search&&querystring=%22DON YOUNG%22) **FRANK MURKOWSKI**

Exhibit A

Page 1 of 3



© 2017. All Rights Reserved. | Contact Us (<http://peninsulaclarion.com/contact>)