

State will Fight Cruiseship Head Tax Suit

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Ed Schoenfeld/CoastAlaska

The state's top lawyer says Alaska has every right to tax cruise-ship passengers.

The industry filed a lawsuit last week challenging 46-dollars of the 50-dollar head tax.

Attorney General Dan Sullivan says the Department of Law will fight the suit.

The state collects about \$50 million a year from the tax. Of that, four-dollars per person funds an environmental monitoring program, which the suit does NOT challenge. The rest goes to tourism-related projects and services.

The industry says some of those projects do not support cruise ships, which breaks the law. Tax initiative authors criticize some of the spending, but say the tax is legal and should survive a court challenge.

The city of Kodiak has already received 700-thousand dollars from the cruise ship head tax, and will use the money to improve pedestrian access from downtown to Pier Two, where cruise ships dock.

KMXT's Jay Barrett contributed to this story.