

ALASKANS TO CANCEL THE CRUISE TAX?



Although fares are currently quite low for cruise trips in America's most northern state, the demand is dropping too - at quite an alarming rate. Revenue has been down as much as 40% in recent times. Some blame the crisis; others blame the lack of marketing. A recent summit of local tourism stakeholders has put the blame on the head tax.

In order to boost the income to the Alaskan cruise industry, the citizens of Alaska approved a head tax in 2006. As a result, **any tourist wishing to take advantage of the stunning views and extraordinary wildlife needs to pay 50 USD just to board a cruise ship.** In today's climate this can hardly be described as a lot of money, especially where cruising is concerned, yet the principle of the matter seems to be a factor in turning people away and looking to discovery waters elsewhere.

The cruise line industry in Alaska is now ailing and struggling to stay afloat. 10 years ago, Alaska had 10% of the world's cruise ships. Now, it has just 6%. This is, of course, due mainly to growth elsewhere yet it is also indicative of the lack of growth in this field of tourism. This led to the tax being introduced. However, it seems that this particular measure has spectacularly backfired.

Seven-day cruises are now available at 400 USD as the level of desperation in the industry begins to show. Demand is still dropping despite the plummeting prices. These factors eventually ended up forcing a further summit at First Things First Alaska Foundation, a non-profit organization, which recently took place in Juneau and almost entirely overturned the decisions of 2006. Business and political leaders put the abolition of the head tax at the top of the list of priorities and placed a direct stress on the necessity of new marketing campaigns and the education of local residents.

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