

Special Recreation Permit (SRP) Fee Calculation

FEES ESTABLISHED UNDER THE BLM DIRECTOR'S SPECIAL RECREATION PERMIT AUTHORITY	
Minimum annual fee is the greater of \$110 (adjusted every 3 years) or the following:	
Commercial (including vending)	3 percent of adjusted gross receipts, plus any applicable assigned site fee and/or exclusive use fee, plus any applicable Special Area fee, plus cost recovery, including application fees.
Competitive	\$6/participant/day, plus any applicable exclusive use fee, plus any applicable Special Area fee, plus any applicable application fees. If cost recovery applies, the BLM charges the greater of the SRP fees or cost recovery.
Commercial and competitive	The greater of the commercial fee or the competitive SRP fee, plus any applicable assigned site fee and/or exclusive use fee, application fees, and Special Area fee. If cost recovery applies, the BLM charges cost recovery plus the SRP fees.
Organized group (also applies to Commercial, Institutional)	\$6/person/day, plus any applicable exclusive use fee, plus any applicable Special Area fee, plus any applicable application fees. If cost recovery applies, the BLM charges the greater of the SRP fees or cost recovery.
Assigned site fee (commercial only)	\$220/site/year.
Cost recovery	Full cost recovery is required if the permit involves more than 50 hours of staff time.
Modification authority	Only the BLM Director may modify or vary the method of computation of these fees.

Deductions

For commercial use, deductions from gross receipts are allowed for actual transportation and lodging costs incurred by the permittee before the client's arrival at the beginning of a trip, and after departure at the end of a trip. For example, airplane travel from a gateway airport to the permittee's headquarters and lodging in a motel the night before the start of the trip are allowable deductions. Claims for deductions must be supported by itemized receipts. Transportation and lodging deductions are not allowed for competitive uses, vendors, or organized groups.

- (1) ***Transportation cost adjustments:*** Deductions are allowed to provide transportation for clients to and from the local community or the permittee's headquarters. Allowable transportation adjustments apply to both single-day and multiple-day trips. The intent is to allow adjustments for costs paid or borne by commercial permittees in bringing their clients to local communities

or the permittee's headquarters before the trip, and returning them from such points after the trip (as opposed to transportation costs between the local community or permittee's headquarters and the public lands or related waters). Costs incurred between the permittee's headquarters or local community and the beginning of the advertised use, or costs incurred during the permitted activity or trip, regardless of public or private land status, may not be deducted. (Note: Adjustments for the percent of time spent off public lands do not apply to pre-trip and post-trip transportation, as doing so would create a double deduction.)

- (2) **Lodging cost adjustments:** As noted, pre-trip and post pre-trip requests for lodging deductions require substantiation with lodging receipts, as specified by the AO. Costs incurred for lodging on nonpublic land during the trip may not be deducted; however, time spent on nonpublic lands may be applied to the discount for nonpublic land use.

Discounts

A discount of SRP fees for time off public lands and related waters may be appropriate for commercial, competitive, or group events. A discount is allowed for time spent off public lands and related waters from the time and date of entry to the time and date of exit from public lands (Figure 5). To determine the time off public lands successfully, the BLM should reach agreement with the permittee, before issuing the permit, when and where the trip or event starts and ends. A trip is considered to be the time the client or participant spent with the permittee that starts either after the first night's lodging or when the client begins participating in the advertised use. For example, if the permittee advertises the trip as a 5-day hunt or a 3-day river trip, the trip is considered one 5-day hunt or one 3-day river trip. A trip ends when the client returns to the permittee's headquarters or lodge for the last night's lodging. For time spent on nonpublic lands, the AO may require the permittee to submit a signed trip log or operating plan specifying this nonpublic land use. When equitable, miles or acres may be used as a substitute for time in determining the discount. When time off public lands occurs on land administered by another federal agency that uses similar fee and discount schedules, fee calculations should be coordinated so that duplicate fees or overcharges do not occur.

Commercial permittees who rent equipment, shuttle vehicles, or deliver and pick up customers on public lands and related waters are not eligible for this nonpublic lands use discount. The discount fee adjustment is typically based on the percent of total time on public lands, as shown in Figure 5. (See also Chapter 1, Section III.P., Coordination and Joint Permits.)

DISCOUNT FOR USE OF NONPUBLIC LANDS AND RELATED WATERS

Percent of Total Time on Public Lands or Related Waters	Fee Reduction	Multiplication Factor
Less than 6%	80%	.20
6-60%	40%	.60
61-100%	None	None

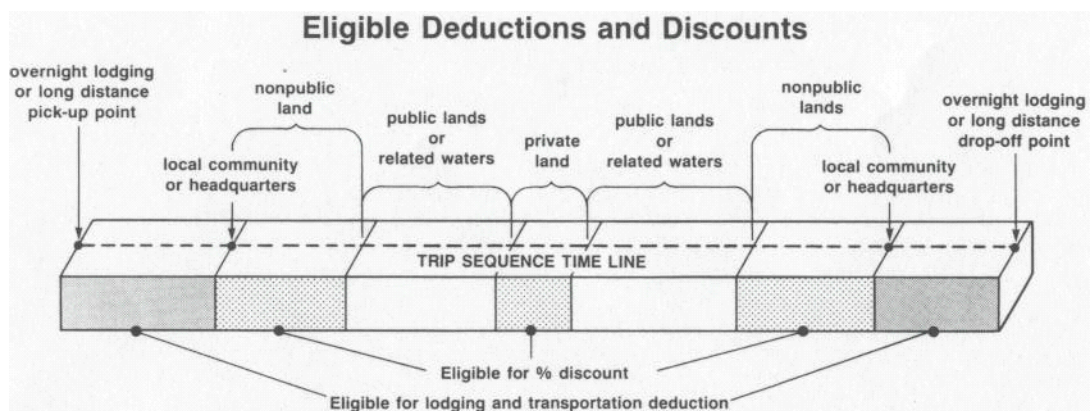
Commercial SRP Fee Calculation

The BLM takes the following actions when calculating fees:

- (1) Determines gross receipts by totaling all payments received, regardless of source, by the permittee and its employees or agents for goods or services provided in connection with SRP-authorized commercial activities on public lands and related waters (including booking fees, nonrefunded deposits, and cancellation fees).
- (2) Adjusts the total gross revenue by subtracting allowable deductions for transportation and lodging, if any. (See Chapter 1, Section III.H.4. Deductions.)
- (3) Multiplies the adjusted total by 0.03 (3 percent of adjusted gross receipts is the commercial SRP fee as of March 2014).
- (4) Adjusts the SRP fee derived in Step (3) above by applying any appropriate discount for nonpublic land use. (See Chapter 1, Section

III.H.5., Discounts, and Figure 5). The BLM ensures that there is no overlap or double deduction with transportation costs described in Chapter 1, Section III.H.4., Deductions.

- (5) Subtracts any prepaid fees from the total amount of fees due to arrive at the balance due the BLM.



Commercial SRP Fe Calculation.

EXAMPLE OF MINIMUM FEE (Using 2014 Minimum Fee)

Before the start of its use season, Petite Tours informed the BLM that it expected to have total customer payments of \$2,200 for commercial activities authorized by its special recreation permit. Based on this estimate of total customer payments, the BLM first calculated the annual fee by following the percentage of customer payment method and arrived at an estimated payment of \$66 ($\$2,200 \times 0.03 = \66). The BLM then determined that the appropriate amount due before permit authorization was the \$110 minimum annual fee, as the minimum annual fee was greater than the calculated fee.

Petite Tours paid the minimum annual fee. At yearend, in its post-use report, Petite Tours reported its actual total of all customer payments as \$1,710. As part of its closeout procedure for the year for the permit, the BLM found that no additional fees were due.

FEE CALCULATION

Step 1 Total the permittee's gross receipts = \$1,710

Step 2 Multiply gross receipts by the commercial use fee percentage (3 percent)

\$1,710
x .03
\$ 51.30 fee due based on commercial use percentage

\$110	minimum fee prepaid
\$ 0	balance due BLM
\$110	amount retained by BLM

NOTE: If the product of the total customer payments received and the commercial use percentage is less than the minimum fee, no additional payments are due and no further calculations are necessary.

EXAMPLE OF NO DEDUCTIONS OR DISCOUNTS

Before the start of its use season, Bigger Tours, an established land tour company with a multiyear permit, informed the BLM that it expected to have total customer payments of \$10,000, for a series of 1-day commercial trips authorized by its special recreation permit. The BLM, in its discussions with the permittee and its review of Bigger Tours' operating plan and brochure, determined that all authorized trips were planned to begin and end at Bigger Tours' office in County Seat, Utah, and that 85 percent of the time spent on trips would be on public lands. Based on the estimated amount for total customer payments and the likelihood of no allowable deductions for transportation and lodging or a discount for nonpublic land use, the BLM calculated the prepayment of fees to be \$300 ($\$10,000 \times 0.03$). In its postseason use report, the company reported its actual total of all customer payments as \$8,850 and did not claim any discounts or deductions. At yearend the owner of Bigger Tours informed the BLM that he intended to continue operations the following year. As part of its post-use closeout procedure, the BLM reviewed the post-use report submitted by the company and credited Bigger Tours \$34.50 toward the next season's use fee prepayment.

FEE CALCULATION

Step 1 Total the permittee's gross receipts = \$8,850

Step 2 Multiply gross receipts by the commercial use fee percentage (3 percent)

$$\begin{array}{r} \$8,850 \\ \times .03 \\ \hline \$ 265.50 \text{ fee due based on commercial use percentage} \end{array}$$

Step 3 Subtract prepaid fees

$$\begin{array}{r} \$ 265.50 \\ - \underline{300.00} \text{ (prepaid fees)} \end{array}$$

Step 4 \$ (34.50) (overpayment, credited to Bigger Tours toward next season's fees)

EXAMPLE OF ELIGIBLE DEDUCTIONS AND DISCOUNTS

Big Joe Outfitter and Guide Company has a hunting guide business. It had 90 customers who paid \$1,000 each for a guided hunting trip. It also rented camping supplies and equipment to its customers, charged game processing fees, and sold customers souvenir clothing. Total receipts came to \$100,000. The company paid an estimated fee of \$1,600 before the season. Part of the \$90,000 collected in trip fees (i.e., \$5,000) were costs associated with transportation and lodging at the beginning and end of the trip. The group traversed public lands 55 percent of the time; the remainder of the trip was on private land. Using the Discount for Use of Nonpublic Lands and Related Waters, the BLM determined that 55 percent use on public lands and related waters entitled the company to a 40 percent discount for use of nonpublic lands and related waters.

FEE CALCULATION

Step 1 Total the permittee's gross receipts = \$100,000

Step 2 Subtract from gross receipts the allowable transportation and lodging deductions claimed by the permittee and reported as part of total payments

$$\begin{array}{r} \$100,000 \\ - \quad 5,000 \\ \hline \$ \quad 95,000 \end{array}$$

Step 3 Multiply the amount derived in Step 2 by the commercial use fee percentage (3 percent) to derive the amount due the BLM

$$\begin{array}{r} \$95,000 \\ \times \quad .03 \\ \hline \$ \quad 2,850 \end{array} = \text{fee due for permitted activity based on commercial use percentage}$$

Step 4 To the amount derived in Step 3, apply any appropriate discounts for use of nonpublic lands and related waters

$$\begin{array}{r} \$2,850 \\ \times \quad .60 \quad (\text{reflects 40 percent discount}) \\ \hline \$ \quad 1,710 \quad (\text{adjusted amount due the BLM}) \end{array}$$

Step 5 Subtract any prepaid fees from the amount due the BLM (as derived in Step 4) to determine the balance due

$$\begin{array}{r} \$ \quad 1,710 \\ - \quad 1,600 \quad (\text{prepaid fees}) \\ \hline \$ \quad 110 \quad (\text{balance due the BLM}) \end{array}$$

NOTE: Deductions and discounts must be documented by the permittee and approved by the BLM before the use occurs. Permittees are required to provide trip duration, itinerary, or other such information as may be specified by the BLM to support requests for fee reductions based on use of nonpublic lands and related waters.

Figure 9. EXAMPLE OF DEDUCTIONS, DISCOUNTS, AND PERIODIC PAYMENTS

Mega River Tours, Inc., runs trips on the Green, San Juan, and Colorado Rivers in areas administered by the BLM. Over the past several seasons, Mega River Tours has averaged \$100,000 in total customer payments for activities authorized under its permit. Considering this past use, as well as the company's previous deductions and nonpublic lands discount, the BLM determined that the estimated fee was greater than \$1,000 and that a periodic payment could be made. The BLM and Mega River Tours agreed that the company would pay 50 percent of its estimated use fee before the season and the remaining 50 percent at midseason.

River flows were good, and Mega River Tours had a better year than expected. In its post-use report, the company showed total customer payments of \$110,650. As part of its closeout procedure for the year for the permit, the BLM allowed documented deductions of \$5,150 for pre-trip and post-trip transportation and lodging expenses that had been included as part of total customer payments. Mega River Tours also demonstrated through trip itineraries that customers spent an average of 55 percent of their time on public lands and related waters during their trips. Using the Discount for Use of Nonpublic Lands and Related Waters, the BLM determined that 55 percent use on public lands and related waters entitled Mega River Tours to a 40 percent discount for use of nonpublic lands and related waters.

FEE CALCULATION

Step 1 Total the permittee's gross receipts = \$110,650

Step 2 Subtract from gross receipts the allowable transportation and lodging deductions claimed by the permittee and reported as part of total payments

$$\begin{array}{r} \$110,650 \\ - \quad 5,150 \\ \hline \$105,500 \end{array}$$

Step 3 Multiply the amount derived in Step 2 by the commercial use fee percentage (3 percent) to derive the amount due the BLM

$$\begin{array}{r} \$ 105,500 \\ \times \quad .03 \\ \hline \$ \quad 3,165 = \text{fee due for permitted activity based on commercial use percentage} \end{array}$$

Step 4 To the amount derived in Step 3, apply any appropriate discounts for use of nonpublic lands and related waters

$$\begin{array}{r} \$ 3,165 \\ \times \quad .60 \quad (\text{reflects 40 percent discount}) \\ \hline \$ 1,899 \quad (\text{adjusted amount due the BLM}) \end{array}$$

Figure 9. EXAMPLE OF DEDUCTIONS, DISCOUNTS, AND PERIODIC PAYMENTS

Step 5 Subtract any prepaid fees from the adjusted amount due the BLM (as derived in Step 4) to determine the balance due

\$ 1,899	(fee for the season)
- 855	(prepaid fees, beginning the season)
- <u>855</u>	(fees paid, midseason)
\$ 189	(balance due the BLM)