



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091
PHONE: (907) 373-9050
FAX: (907) 373-0788

COUNCIL MEMORANDUM NO. 93-03

From: Mayor Stein
Date: January 6, 1993
Subject: Additional Amendments to Sales Tax Ordinance

The following amendment to Ordinance No. ⁹³⁻⁰⁵~~92-40~~ is proposed to further amend the sales tax code by clarifying the exception for travel tickets. Federal law exempts certificated carriers. Services sold by agents most usually are performed out of the city and therefore are not taxable. Commissions earned by travel agents are not individually billed or accounted for at the time of sale to the customer but are combined and remitted to the agent on a periodic basis.

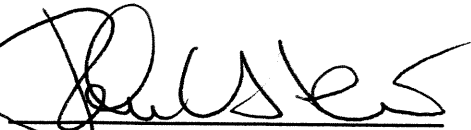
Agents or businesses must collect tax on activities conducted within the city limits.

Administration has discussed the following amendment with the attorney and travel agents and asks that Council consider its adoption:

Proposed amendment to Ordinance ⁹³⁻⁰⁵~~92-40~~ amending Chapter 6.50 Sales Tax ([delete] brackets, add underline)

6.50.040(C). Transportation for hire....for hire; subject to exceptions in 6.50.050(L);

6.50.050(L) [Interstate air, train and boat fares;] Tickets and service activities related to air, train, boat, cruise line, car rental, bus tour, dinner show, theater and other similar ticketed travel, accommodations or entertainment events where such travel, accommodations or entertainment events occur outside the city limits of Wasilla. Conversely, tickets and ticket agency service activities related to travel, accommodations or entertainment events within the city limits of Wasilla are subject to the sales tax;



John C. Stein, Mayor