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Date Action Taken:	4/9/07					
Other: Option #1						
approved						
Verified by:	Ys					

WASILLA CITY COUNCIL ACTION MEMORANDUM

AM No. 07-15

TITLE: REQUEST FOR SALES TAX PENALTY WAIVER FOR ECHOSTAR SATELLITE

Agenda of: April 9, 2007 Date: March 30, 2007

Originator: Susan Colligan, Director of Finance

Route to:	Department	Signature/Date
	Police Chief	
	Youth Court, Dispatch, Code Compliance	
	Culture and Recreation Services Manager Library, Museum, Sports Complex	
	Public Works & Recreation Facility Maintenance	
	Director	
Х	Finance, Risk Management & MIS Director Purchasing	Jusan & Collegu 3-30-0-
Х	Deputy Administrator Planning, Economic Development, Human Resources	20.0 3.30.07
	City Clerk	10 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

Х	City Clerk Komites
REVIEWED	BY MAYOR DIANNE M. KELLER: Dianne M. Veller 3/30/07
FISCAL IMI	PACT: ⊠ yes \$11.27 or ☐ no Funds Available ⊠ yes ☐ no
Account nai	me/number: 001.0000.313.10.00 Sales Tax Revenue (\$3.16)
	001.0000.313.20.00 Sales Tax Penalty Revenue (\$7.91)
	001-0000-313-30-00 Sales Tax Interest Revenue (.20)
Attachment	s: Letter and news reports from Echostar Satellite LLC dated 1/25/2007 requesting a sales tax penalty waiver, interest waiver and reinstatement of the prompt pay credit for November 2006. Ordinance Serial No. 05-20

SUMMARY STATEMENT: The city received the attached "Penalty Waiver Request Form" from Echostar Satellite LLC requesting a waiver of penalty (\$7.91), interest (.20) and loss of prompt pay credit (\$3.16) for November 2006. Total requested waiver is

Penalty Waiver Request Form

\$11.27.Per our attorney, the council may approve the penalty waiver under WMC 5.16.150.B.2 (see Ordinance Serial No. 05-20, attached.)

The following is a statement of facts submitted by Susan Colligan, Director of Finance:

- November 2006 Sales Tax Return was due on December 29, 2006 at 5:00 p.m.
 The return was received on January 3, 2007.
- A balance due letter was sent on 1/3/2007.
- We received correspondence from Echostar Satellite LLC on 1/29/07 requesting a waiver of the balance due.
- Echostar Satellite LLC is based in Colorado. There was a snowstorm on 12/20/06 which closed the Post Office and airport for a couple of days. They were able to mail their sales tax return on 12/22/06 but they are unsure when it actually left Colorado due to the three days worth of mail the Post Office already had on had on hand to deliver. (See attached news reports.)
- We received Echostar's payment for the balance due of \$11.27 on February 26, 2007.

The council may waive or reduce the penalty under WMC 5.16.150.B.2. (Attached.)

ACTION: This matter falls within the discretion of the council. In accordance with WMC 5.16.150.B.2, the penalty may be waived or reduced by the council.

If the council wishes to **grant** the waiver, please make the motion as outlined in **Option** 1, listed below.

If the council chooses to **deny** the waiver, please make the motion as outlined in **Option 2**, listed below.

Option 1: If the council chooses to **grant the waiver**, the following motion would need to be made from the floor.

MOTION:

To approve AM No. 07-15 **by granting** the sales tax waiver in the amount of \$11.27 to Echostar Satellite LLC for the period ending November 2006.

OR

Option 2: If the council chooses to deny the waiver, the following motion would

need to be made from the floor.

MOTION: To approve AM 07-15 **by denying** the sales tax waiver in the amount of \$11.27 to Echostar Satellite LLC for the period ending November 2006.

City of Wasilla AM No. 07-15

EchoStar Satellite LLC



January 25, 2007

City of Wasilla 290 E. Herning Avenue Wasilla, AK 99654

Re: EchoStar Satellite LLC Acct # 2138

To Whom It May Concern:

This letter is in regards to a recently received notice of assessment for the sales and use tax report, for the period November 2006. On December 20, 2006 Colorado experienced a blizzard that was declared a disaster emergency by Governor Bill Owens. (Please see the attached copy of the weather report and state closures.)

Due to severe weather conditions and road closures the post offices were closed for several days causing timely filing to be out of our control. As a result, we were not able to get certified proof of mailing from the post office until December 22, 2006.

WS Acquisition LLC respectfully requests that any penalty and/or interest due to the City of Wasilla be waived and removed from this account.

If you have any further questions, please feel free to contact me at (720) 514-6106 or mekea.king@echostar.com.

Sincerely,

Mekea King Accountant III

Tax Administration

Meera hy

Enclosure: Copy of Sales and Use Tax Return

Certified Receipt

Copy of Check #3076368 in the amount of \$155.08

	Complete by Typewriter, Ink, or Ball Point Pen	Complete by Ty	PS Form 3877 , February 2002 (Page 1 of 2)
See Privacy Act Statement on Reverse	22	Postmaster, Per Name of receiving femployee,	Total Number of Pieces Total Number of Pieces Listed by Sender Received an Post Office
		City of Saint Paul PO Box 901 St. Paul Island, AK 99660	City of Old Harbor PO Box 109 Old Harbor, AK 99643
	City of Wasilla 290 E. Herning Ave. Wasilla, AK 99654	City of Saint Mary's PO Box 209 Saint Mary's, AK 99658	City of North Pole 6. 125 Snowman Lane North Pole, AK 99705
	City of Toksook Bay PO Box 37008 Toksook, AK 99637	City of Point Hope PO Box 169 Point Hope, AK 99766	4. City of Nome PO Box 281 5 Nome, AK 99762
	City of Togiak PO Box 99 Togiak, AK 99678	City of Petersburg PO Box 329 Petersburg, AK 99833	City of Marshall 3. PO Box 09 Marshall, AK 99585
	City of Sand Point PO Box 249 Sand Point, AK 99661	City of Palmer 231 W. Evergreen Palmer, AK 99645	City of Kotzebue PO Box 46 Kotzebue, AK 99752
Here auling, al	Affix Stamp (If issued as a certificate of morth of morth of morth of the addition) or for addition or for a	Check type of mail or service. Cerbine CoD Registered Registered COD Registered Return Receipt f Express Mail Signature Confirm Insured Addressee (Name, Street, City, State, 8, ZIP Code)	PO Box 6623 Englewood, CO 80155

TheDenverChannel.com

Blizzard Strands Travelers, Stops Transportation

Airport, Highways, Schools, Businesses Shut Down

POSTED: 11:22 pm MST December 18, 2006 UPDATED: 11:05 pm MST December 20, 2006

DENVER -- A powerful blizzard crippled holiday travel and shopping in Colorado's biggest cities on Wednesday, dumping up to a foot of snow in the mountains and whipping up 3-foot drifts on the plains.

The storm closed both major interstates through Colorado: I-25 from Fort Collins to Wyo., Denver to N.M., I-70 from Denver to Kansas, and I-76 from Denver to Neb., on Wednesday and left no indication of when they might re-open.

Gov. Bill Owens declared a disaster emergency and called out the National Guard. By sundown, they were already busy rescuing motorists stuck in a huge traffic jam on Highway 36 near Broomfield. He also ordered state offices closed on Thursday, for the safety of employees and citizens.

"Gov. Owens has directed that essential state employees continue to report to duty. However, non-essential employees should not report until scheduled Friday," said spokesman Dan Hopkins

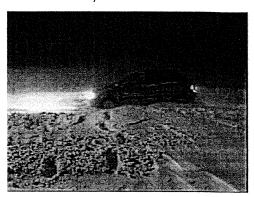
The National Weather Service continued blizzard warnings for most of eastern Colorado and the Interstate 25 corridor thursday evening,.

Numerous advisories and warnings were in effect statewide through Thursday. <u>Click here for the latest</u> storm alerts.

"This is the same storm that brought damaging winds to the Pacific Northwest and snow to Las Vegas," said 7NEWS Chief Meteorologist Mike Nelson. "It is finally coming to Colorado, and should pack a big punch."

Storm totals from the mountains to Denver and on the eastern plains are expected to exceed a foot. Portions of the mountains, foothills and the Palmer Divide may see in excess of two feet. Gusty north and

Related To Story



HOLIDAY BLIZZARD

Discuss: Holiday Blizzard Response
• **Video:** Crowded DIA A Frustrating Experience

- Video: Residents Venture Out After Storm
 Video: Postal Workers Hurry To Deliver Mail
- Video: DIA Reopens
- Video: Scott Mace Stranded At DIAVideo: Shopping Malls Re-Open
- Traffic: Call 303-639-1111 or Click Here
- Info: United Airlines Travel Advice

PICTURES

See: Storm Images See: Colorado Buried I See: Colorado Buried II See: Colorado Buried III See: Dec. 2006 Weather Pics

Upload: Your Pics

FORECAST TOOLS

- Denver Metro Forecast
- Forecast Anywhere in Colorado
- School Closings
- Severe Weather Alerts
- Current Conditions
- 36-hour FutureCast
- Get Desktop Wx Alerts
- Get Premium Wx
- 7 Radar Views of Colorado
- Weather Maps | Live Cameras
- Latest CDOT Road Conditions
- CDOT Highway Closures/Alerts
- Prep Car For Winter

northeast winds will drift the snow several feet deep.

Highways Closed In Colo., Wyo., Neb.

The storm was disrupting holiday travel plans for thousands. Roads will be difficult to impossible as the storm peaks later Wednesday into Thursday. Numerous road closures from Denver to Kansas, as well as points north and south were in place:

As of 9 p.m. Wednesday the following state roads and highways were closed:

- I-25 New Mexico to south Denver (Lincoln Avenue/south of C-470 to New Mexico) and from SH 7 north to Wyoming
- I-70 from Airpark Road (east of E-470) to Kansas
- I-76 Denver to Nebraska
- I-76 Closed at I-80 in Nebraska
- US 85 Brighton to Wyoming
- US 287 Teds Place to Wyoming
- US 36 Last Chance to Kansas
- US 385 from US 36 to Lamar
- CO 86 from Castle Rock to I-70
- CO 96 from Ordway to Kansas
- US 6 Sterling to Haxtun
- CO 23 from Holyoke to Nebraska
- SH 67 Cripple Creek to Divide
- SH 94 from Colorado Springs to Punkin Center
- SH 71 Last Chance to Ordway and Stoneham to Wyoming
- SH 59 from Kit Carson to Yuma County Line
- US 24 Colorado Springs to Limon
- US 40/287 Limon to Lamar
- US 40 Limon to Kansas
- US 40 Berthoud Pass
- US 160 Fort Garland to Springfield & Walsenburg to Alamosa
- SH 10 Walsenburg to La Junta
- SH 12 from Trinidad to US 160 (La Veta)
- SH 93 Boulder to Golden
- SH 59, US 36 to the Yuma County LIne
- SH 63 Anton to Washington County Line
- US 350 La Junta to US 160
- US 6 Loveland Pass
- SH 14 Cameron Pass

"Motorists who have become stranded in the blizzard and need help should call 911. Dispatchers for 911 centers can help identify their location and dispatch the appropriate resource to help them," said Polly White a spokeswoman for the Colorado Division of Emergency Management.

The Red Cross opened seven shelters across the metro area to accomodate stranded travelers.

Click here for latest road closure information from CDOT.

Nebraska roads department officials closed 102 miles of Interstate 80 in Western Nebraska Wednesday because of limited visibility and slick roads.

Roads department spokeswoman Mary Jo Hall said that Interstate 80 was closed from the junction with Interstate 76 -- coming out of Colorado -- west to the Wyoming border.

Wyoming officials also closed part of I-80 in their state between Cheyenne and the Nebraska border.

RTD Can't Guarantee Continued Service

Regional Transportation District spokesman Scott Reed told 7News before noon Wednesday that people in town who depend on bus service should head home soon because it won't be a "business as usual" day. Bus service was suspended at 7 p.m. Wednesday due to dangerous road conditions.

A number of buses were stuck across the metro area Wednesday evening. RTD said bus service would be suspended until further notice.

Light rail was to continue running with reduced service, he said.

The Front Range Express bus service run by the city of Colorado Springs to Denver, and points inbetween, shut down around noon Wednesday. One of the buses slid off of Interstate 25, and city spokeswoman Sue Skiffington-Blumberg said six passengers had to be taken back to Colorado Springs. No significant injuries were reported in that accident.

DIA Closed

<u>Major airlines canceled flights in and out of Denver International Airport Wednesday</u>, during one of the busiest travel weeks of the year. The airport later closed and said it would remain closed until Thursday evening.

Before the closure, the airlines expected 1,025,256 travelers to pass through DIA during Christmas week, which began Tuesday, and continues through Christmas Day. That would have been 22,779 more than the 1,002,477 passengers recorded during the same period last year, according to DIA. The closure of DIA was expected to keep the airport from breaking last year's record.

Links to airlines, highway conditions in Colorado and surrounding states affected by this storm, and more can be found by <u>clicking here</u>.

Long lines were piling up at DIA ticket counters as travelers frantically tried to get information or rebook flights.

Michael Heitc, 54, of Denver set out for the airport at 7:45 a.m. only to find his shuttle canceled. He finally made it to the ticket counter by 10 a.m.

Heitc was trying to get to Oregon for the holidays, but

Roseanne Pitcher, Wolf Creek's vice president, said 23 inches of snow have fallen there since Sunday.

"We're happy. We've been getting a little over 2,000 skiers a day," Pitcher said.

The storm has many hoping for a white Christmas this year.

"We have cold temperatures in the forecast statewide through Christmas," said Nelson. "So it is very likely that snow from this storm will still be on the ground Christmas morning."

Find out more about the history of a white Christmas by clicking here.

Please check TheDenverChannel.com frequently and keep your television tuned to Channel 7 for the latest storm coverage.

Comcast Digital Cable customers can watch channel 247 for news and weather 24 hours a day.

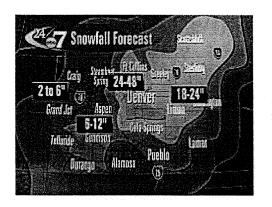
In the Denver area, weather from the 24/7 Weather Center is also available on radio partners, including Studio 1430, Alice 105.9, KOSI 101, and The Mountain.

In northern Colorado, forecasts are available on 1310 KFKA and K99.

Other Storm Stories:

- December 20, 2006: Red Cross Prepares Shelters For Stranded Travelers
- December 20, 2006: DIA Closes
- December 20, 2006: Postal Service Working To Keep Mail En Route Despite Storm
- December 20, 2006: Postal Service Working To Keep Mail En Route Despite Storm
- December 20, 2006: Winter Storm Center: Holiday Travel Resources For Road, Air
- December 20, 2006: United, Northwest, American Cancel DIA Flights
- December 20, 2006: United Airlines Offers Advice To Customers Affected By Snowstorm
- December 20, 2006: Man Collapses, Dies While Snowblowing
- December 20, 2006: 24/7 Weather Center Is On Alert

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Much of the state will see anywhere from 1 to 4 feet from the December 2006 storm.

resigned himself to a delay of at least one day, if not more.

"You really can't do anything about it, you just have to relax," he said.

An airport spokesman asked people not to come to DIA unless they have confirmation that their flight is arriving or departing. United Airlines offered to waive fees and restrictions for passengers who wished to change tickets to avoid traveling through Denver, where the airline has a large hub.

Schools Close, Except In Fort Collins

Numerous school districts across Colorado closed Wednesday in anticipation of worsening weather conditions. But the Poudre School District in Fort Collins remained open and that had some parents hopping mad.

Superintendent Jerry Wilson later apologized for putting children and their parents in possible danger by keeping schools open for most of the day, even though Colorado State University and many businesses in the city shut down.

"In respect to parents, students and staff, I feel that while the decision we made was the best one at the time, in hindsight it might have been a good idea to look at a closure earlier," Wilson told the Fort Collins Coloradoan.

"I personally want to assure folks that these decisions are not made easily and that we apologize for putting people in harm's way," he told the newspaper.

The district said all district operations would be closed Thursday. Click here for the latest school closings list.

Ski Areas Celebrate

The lumbering storm, which is drawing moisture out of the Pacific, dropped over a foot of snow in the state's southwestern mountains Tuesday, on top of the foot or more than had fallen there over the weekend.

Durango Mountain Resort reported 17 inches of snow Tuesday and Wolf Creek ski area had 19 inches of new snow. More snow was expected overnight.

"We've been waiting for a big storm to hit so this was the best early Christmas present," Durango Mountain Resort spokeswoman Loryn Kasten said.

She hoped news of the snow would help bring more even more snowriders to Colorado during the traditionally busy week between Christmas and New Year's.



Postal service restarts after blizzard

written by: Jeffrey Wolf Web Producer

Created: 12/21/2006 4:06 PM MST - Updated: 12/22/2006 11:04 AM MST



KUSA - Another sign Colorado is emerging from the 2006 Holiday Blizzard, the postal service resumed normal operations on Friday.

Related Links

- The big dig begins
- · Sleet or snow, but not a blizzard

United States Postal Service spokesperson Al DeSarro says all postal employees should have reported to their shifts on Friday and all post offices will be open.

Thursday, the post office shut down for the eastern half of Colorado, including most communities east of Summit County.

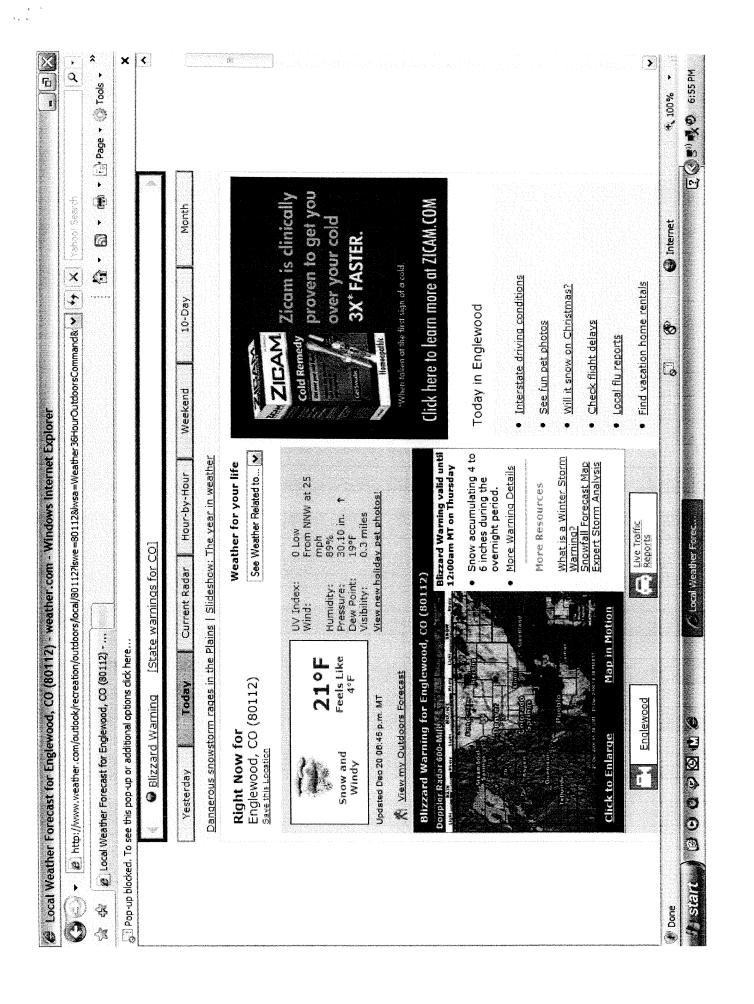
The USPS asks that residents clear the snow away from their mailboxes so letter carriers can get to them.

DeSarro says there's literally three days worth of mail to deliver, and postal workers are doing the best they can in this situation.

Postal employees, including managers, will work 12-hour shifts or longer. DeSarro says workers not scheduled to be on duty are being asked to come in.

He says the biggest problem is incoming items that need to be delivered, not outgoing items - since most people have already sent theirs.

(The Associated Press contributed to this report. Copyright by KUSA-TV, All Rights Reserved)



CODE ORDINANCE

Requested by: Finance Introduced: February 14, 2005 Public Hearing: February 28, 2005 Adopted: February 28, 2005 Vote: Unanimous; Lowe absent

CITY OF WASILLA ORDINANCE SERIAL NO. 05-20

AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC CHAPTER 5.16 SALES TAX REGARDING THE APPLICATION OF SALES TAX PAYMENTS, AND REDUCTIONS IN PENALTIES FOR LATE FILING AND PAYMENT OF SALES TAX.

- * Section 1. Classification. This ordinance is of a general and permanent nature and shall become part of the city code.
- * Section 2. Amendment of section. Subsection D of WMC 5.16.120, Tax returns Contents Penalty for delinquency, is amended to read as follows:

5.16.120 Tax returns--Contents—Penalty for delinquency.

D. Sales tax that is not received on or before the time when due is delinquent. Delinquent sales tax bears interest at the rate of fifteen (15) percent per annum until paid. In addition, delinquent sales tax shall be subject to a late payment penalty equal to five percent of the amount of the delinquent sales tax multiplied by the number of calendar months (or portions thereof) that elapse until the delinquent sales tax, interest and penalty are paid in full; provided that the amount of penalty shall not exceed twenty-five (25) percent of the amount of the delinquent sales tax. The penalty does not bear interest. [ALL PAYMENTS OF SALES TAX RECEIVED FROM A SELLER OWING DELINQUENT SALES TAX SHALL BE APPLIED FIRST TO ACCRUED PENALTY, SECOND TO ACCRUED INTEREST AND THEN TO SALES TAX PAYMENTS OWED BY THE SELLER IN THE ORDER OF THEIR DUE DATES.]

- * Section 3. Adoption of section. WMC 5.16.125, Application of sales tax payments, is adopted to read as follows:
- 5.16.125 Application of sales tax payments.
- A. Payments on sales tax accounts shall be applied first to accrued penalty, second to accrued interest and then to sales tax payments owed by the seller in the order of their due dates, except as this section provides otherwise.
- B. Payments on sales tax accounts submitted with sales tax returns shall be applied to the most current return period, first to accrued penalty, second to accrued interest and then to sales tax payable under the return. Any remaining moneys shall be applied as provided in subsection A of this section.
- C. Amounts of delinquent sales tax, interest or penalty that have been reduced to judgment, are the subject of a confession of judgment, or are the subject of a written payment agreement between the City and the seller, are payable as provided in the judgment, confession of judgment or payment agreement, respectively, and, except as provided otherwise in the judgment, confession of judgment or payment agreement, thereafter cease to be subject to the further accrual of interest or penalty under this chapter.
- * Section 4. Amendment of section. WMC 5.16.150, Tax return Extension of time, is amended to read as follows:
- 5.16.150 Tax return--Extension of time—Waiver or reduction of penalty.
- A. Upon written application of a seller, stating the reasons therefor, the finance director may extend the time to file a sales tax return, if the finance director finds each of the following:

- 1. For reasons beyond the seller's reasonable control, the seller has been unable to maintain in a current condition the books and records that contain the information required to complete the return;
- 2. The seller has a reasonable plan to cure the problem that caused the seller to apply for an extension, the seller will commence and proceed with diligence to cure the problem, and the problem will be cured within a reasonable time; and
- 3. At the time of the application, the seller is not delinquent in filing any other sales tax return or in remitting sales tax to the city.
- B. A penalty assessed under Section 5.16.120.D for the delinquent remittance of sales tax or under Section 5.16.180.F for failure to file a sales tax return:
- 1. May be waived by the finance director, upon written application of the seller accompanied by a payment of all delinquent sales tax, interest and penalty otherwise owed by the seller to the city, within five (5) business days after the date of delinquency. A seller may not be granted more than one waiver of penalty under this paragraph in any period of 24 consecutive months. The finance director shall report all such waivers of penalty to the council in writing, at least once each calendar quarter.
- 2. May be waived or reduced by the council, upon written application of the seller accompanied by a payment of all delinquent sales tax, interest and penalty otherwise owed by the seller to the city. In determining whether to waive or reduce a penalty, and the amount of a reduction, the council shall consider the following:

- a. The seller's history of compliance with the requirements of this chapter;
- b. The degree of the seller's responsibility for the delinquency for which the penalty was assessed:
- c. The amount of the penalty in relation to the amount of delinquent sales tax and interest owed by the seller;
- d. Whether waiving or reducing the penalty will contribute to the prompt payment of the delinquent sales tax, interest and remaining penalty;
- e. The reasonableness of the seller's efforts to assure timely filing of sales tax returns and remission of sales tax in the future; and
- f. The effect that waiving or reducing the penalty will have on the deterrence of future delinquencies by the seller and others.
- * Section 5. Effective date. This ordinance shall take effect upon adoption of the Wasilla City Council.

ADOPTED by the Wasilla City Council, Alaska, on February 28, 2005.

DIANNE M. KELLER, Mayor

ATTEST:

KRISTIE SMITHERS, MMC

City Clerk

[SEAL]

City of Wasilla (907) 373-9088 (907) 373-9085 fax Request to Waive Sales Tax Penalty (WMC 5.16.150 B 1, 2)



Today's	Date:1/25/2007	95 /
Busines	s Name:Echostar Satellite LLC	
	are that by exercising this option the amount of the sales tax penalty wa mowledge.	iver becomes
I am aw	are that my sales tax account must be current before this request of wai	ver will be approved.
I am reg	mesting that the sales tax penalty for the month and year of November 2	2 <u>006</u> be waived.
The tota paid in f	al penalty, interest and loss of prompt pay credit that I owe for this montfull.	th is \$11.27and must be
The amo	ount we are requesting to be waived is \$ 11.27.	
Please c	check <u>one</u> of the following that applies:	
the Fina Finance	m paying the sales tax penalty, interest and balance due within 5 days once Director approve this request per WMC 5.16.150 B 1. I understand Director waive a sales tax penalty only once in a 24 month period and current.	l that I may request that the
	am paying the sales tax penalty, interest and any balance due <u>after the sales</u> City Council consider this request per WMC 5.16.150 B 2.	5 day grace period and asking
Owner o	or Business Representative Name (Please Print):	(
Owner	or Business Representative Signature:	
	FOR OFFICE USE ONLY	
D	ate sales tax return was due:December 29, 2006	
1	ate sales tax return was received: _January 3, 2007(attach copy)	
D	ate sales tax, penalty, interest was paid in full: 2/26/07\$ //.27	_Cash/Check)/284/605
A	mount to be refunded: \$_11.27	
A	pproved by Finance Director:N/A	_(Within 5 days)
A	pproved by City Council:ate Approved:	_(After 5 days)
	. The second of	

Vendo, 222256		VASILLA, CITY OF (AK)		Date	12-FEB-07 Check #	1284605
Invoice Number	Date	Invoice Description	Cross Ami		Disc Amt	
31-JAN-2007111	31-JAN-07	'S/H' SALES TAX	Gross Amt 11 27		0.00	Net Amt
			11.21		0.00	11.27



Page Total: 11.27 0.00 11.27 Check Total:11 27

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