



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091
PHONE: (907) 373-9050
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INFORMATION MEMORANDUM NO. 93-05

FROM: Finance Director

DATE: January 19, 1993

SUBJECT: Sales Tax Regulations

Under Section 6.50.120 the Mayor is authorized to promulgate regulations in the administration of the Sales Tax Program. These regulations are subject to revision or repeal by the Council.

We hereby present Administration Regulations 93-01 through 93-05 for your review. Also enclosed are the current interpretations being used to administer the sales tax.



Erling P. Nelson, CMC
Finance Director

EPN/mdh



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REGULATION NO. 93-01

ORIGINAL CONSTRUCTION DEFINITION

As set forth in 6.50.060 **Original Construction** is defined simply as the first time any building or part thereof is originally constructed:

ELIGIBLE EXAMPLES:

Initial construction;
Building additions such as second story, garage, additional bedrooms, deck;
Completion of interior space, not done at time of original construction;
Outbuildings such as greenhouse, storage shed, unattached garage.

INELIGIBLE EXAMPLES:

Remodeling;
Reconstruction;
Fire Damage Repair.

AUTHORIZED PER WMC 6.50.120

APPROVED:



JOHN C. STEIN, Mayor

DATE: 12/16/92



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REGULATION NO. 93-02

CONTRACTOR

Our legal department has determined that contractors do not meet the definition of being a manufacturer or wholesaler under the City of Wasilla's Sales Tax Code.

Therefore no blanket exemptions will be issued to contractors under the manufacture/wholesale section of the Code. Contractors may apply for the construction exemption on a project by project basis and pay the \$10.00 tax.

AUTHORIZED PER WMC 6.50.020(G)

APPROVED:



JOHN C. STEIN, Mayor

DATE: 12/16/92



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REGULATION NO. 93-03

"FOOD SUPPLIES" DEFINITION

The term "Food Supplies" as used in WMC 6.50.050 means; any item consumed in the process of preparing and serving food to a customer.

ELIGIBLE EXAMPLES (CONSUMABLE ITEMS):

Food	Teabags
Spices	Coffee
Flavorings	Juices
Paper products	Placemats
"Carry out" food/beverage containers	

INELIGIBLE EXAMPLES (REUSABLE ITEMS):

Dishes, glasses, cups	Silverware
Pots & pans	Washcloths
Coffee Pots	Stoves
Icemakers	Uniforms
Cooking Utensils	Tables & Chairs

APPROVED:



John C. Stein, Mayor

DATE: 1/4/93



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Sales Tax Regulation No. 93-04

"Cellular Phone Service"

Our understanding of Cellular Phone Service is that charges are of three types.

1. Roamer Charges - Not Taxable; Service occurs outside City.
2. Airtime Charges - Taxable
3. Toll Charges - Taxable

Customers with physical addresses within the City of Wasilla should be charged sales tax on airtime and toll charges.

APPROVED:

JOHN C. STEIN, Mayor

DATE: 1/8/92



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Sales Tax Regulation No. 93-05

"Trade Shows"

The collection of sales tax related to trade shows which may include Bazaars, Crafts, Boat, Gun, Car Shows may be handled as follows:

1. Each vendor may secure a City of Wasilla Business License, collect the tax and report to the City in the standard report method.
2. The event organizer may secure a City of Wasilla Business License, collect the 2% sales tax from each vendor based on their sales and then remit the tax to the city within five (5) working days following the end of the show. The City may require an organizer to post bond for the estimated amount of sales tax proceeds.

APPROVED:

JOHN C. STEIN, Mayor

DATE: 1/8/92

SALES TAX INTERPRETATIONS

Under Authority of 6.50.120

- (1) A for-profit counseling service not licensed by the State of Alaska (no license available): do they charge sales tax?

Answer: Yes - not licensed by the State.

- (2) A law office: They see clients in Anchorage and in Wasilla (same clients). Do they charge sales tax on just Wasilla times they are there? What about phone calls from Anchorage to Wasilla (chargeable to client)?

Answer: Only professional services performed inside City limits are taxable.

- (3) An optometrist: What is/what is not taxable?

Answer Prescriptions and medical services, lenses and frames are not taxable. Everything else is taxable.

- (4) Alaska Cleaners: Plant is in Anchorage. They only pick up and deliver at the Wasilla store. Is cleaning taxable? (6.50.030(C)(2))

Answer: Allocated portion of Wasilla service is taxable.

- (5) GCI - How is tax figured, per call or per billing cycle?

Answer: Per billing cycle.

- (6) Non-profits: Are the items non-profits sell that are taxable when sold by profit organizations taxable?

Answer: No

- (7) Non-Profits: Are pull tabs sold by businesses to benefit a non-profit organization taxable?

Answer: Yes

- (8) Is the 2% tax levied on top of state and federal gas?

Answer: City tax is levied only on retail price of gas less state and federal taxes.

- (9) Boat manufacturer buys material to manufacture boats for resale. Can he get an exemption certificate for his suppliers.

Manufacturers for resale are exempt from tax (6.50.020G2).

What about a home builder?

Taxable up to a \$10 maximum (6.50.060)

- (10) Are purchases by electric and telephone utility co-ops certificated by the Alaska Public Utilities Commission taxable?

Answer: No - AS 10.25.540

- (11) Are native corporation purchases taxable?

Generally, yes although subsidiary companies may be exempt if they prove their exempt status under 501c(3) or (4).

- (12) Are condo association fees taxable?

Answer: No. This is not a retail sale or service as defined by 6.50.020(G) or (K).

- (13) Are vitamins, pads, braces, etc. taxable under a written treatment order from a health professional licensed by the state?

Answer: If the vitamins or the sale of goods is the result of a "written treatment order" by an Alaska licensed care provider then those goods and services are not taxable. See Section 6.50.050(U). Tax exempt status ends when the "written treatment order" ends.