



CITY OF WASILLA

290 E. HERNING AVE.

WASILLA, ALASKA 99654-7091

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CODE ORDINANCE

REQUESTED BY: COUNCILMAN MCCARTHY
PREPARED BY: MUNICIPAL SERVICES

ORDINANCE SERIAL NO. 93-18

AN ORDINANCE OF THE CITY OF WASILLA, ALASKA AMENDING CHAPTER 6.50, SALES TAX, OF THE WASILLA MUNICIPAL CODE.

BE IT ORDAINED AND ENACTED BY THE CITY OF WASILLA, ALASKA AS FOLLOWS:

SECTION I. Classification. This ordinance is of a general and permanent nature and shall become a part of the Wasilla Municipal Code.

SECTION II. Purpose. To exempt State permitted charitable gaming from Sales Tax.

SECTION III. Amendment.

6.50.040 Examples of Taxable Transactions is amended as follows:

I. Gross proceeds derived from the operation of ~~punchboards, slot machines, marble machines,~~ jukeboxes, merchandise-vending machines or amusement devices of any kind, and self-service laundry and drycleaning machines ~~and pull tabs~~ and similar ~~gaming~~ devices.

6.50.050 Exemptions is amended to add new paragraph:

X. Receipts from charitable gaming conducted under permit from the State of Alaska pursuant to AS 05.15.

SECTION IV. Effective Date. This ordinance becomes effective upon adoption by the Wasilla City Council.

Introduction Date: 04/12/93


Public Hearing Date: 04/26/93

ADOPTED by the Council of the City of Wasilla on this _____ day of _____, 1993.

ATTEST:

ERLING P. NELSON, CMC
City Clerk

JOHN C. STEIN, Mayor

VETOED

Signature
5/25/93
Date



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COUNCIL MEMORANDUM NO. 93-51

From: Mayor Stein
Date: May 25, 1993
Subject: VETO MESSAGE
Ordinance No. 93-18 - Charitable Gaming Sales Tax Exemption

I am vetoing the action taken at last night's City Council meeting adopting Ordinance No. 93-18 to exempt all charitable gaming from the responsibility of collecting sales tax. I was the deciding vote on that question. After overnight consideration I believe that the action was at least premature and at most set poor policy by exempting an activity that clearly is near the bottom of society's needs list.

While the revenue provided by charitable gaming in many cases provides valuable community benefits such as senior programs, the consumer side merits no special exemption of Wasilla's general sales tax.

The challenge to the City and the charities is to find a reasonable method to collect the sales tax from game players that has the least impact on the benefiting charities.

Wasilla's sales tax code wisely allows exemptions for charities who provide general community benefits. Those are the non-profits classified by the IRS as 501(c)(3) and (4) organizations. Other non-profits enjoying State of Alaska charitable gaming permits may not deserve such exemptions. Those organizations who have not established their legitimate non-profit status as an IRS 501(c) organization should do so before local exemptions are granted.

This veto continues the present taxable status of charitable gaming run by contract operators and organizations who are not classified 501(c)(3) or (4).

This issue will again be on the City Council agenda June 14. I understand that this veto action will generate some consternation. I hope that a clear majority of the Council and charities can agree on a better solution to the problem of collecting sales tax.


John C. Stein, Mayor