

CODE ORDINANCE

Prepared by: Finance/Attorney/Clerk
Requested by: Finance
Introduced: June 11, 2001
Public Hearing: June 25, 2001
Amended by Substitution: June 25, 2001
Adopted: June 25, 2001
Vote: Unanimous

**CITY OF WASILLA
ORDINANCE SERIAL NO. 01-38(SUB)**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING CHAPTER 5.16,
SALES TAX.

BE IT ENACTED:

* **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.** WMC 5.16, Sales Tax, is amended to read as follows:

Chapter 5.16 SALES TAX

Sections:

5.16.010 Statutory authority.

5.16.020 Definitions.

5.16.030 Levy of tax [LEVIED—RATE].

5.16.035 Maximum tax per transaction.

5.16.040 [EXAMPLES OF TAXED] I[T]ransactions **in the city.**

5.16.050 Exemptions.

[5.16.060 SPECIAL COLLECTION FOR BUILDING CONSTRUCTION.]

[5.16.070 SELLER ACCOUNTABILITY.]

5.16.120[080] Tax returns—Contents—Penalty for delinquency.

5.16.160[090] **Use of information on tax returns**[TO BE CONFIDENTIAL].

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

- [5.16.100 TAX RECORDS—FINAL TAX RETURN.]
- [5.16.110 COLLECTION UPON SALE.]
- 5.16.100[120] Collection of sales tax-addition and separate statement[RATE].
- [5.16.130 CITY MAYOR OR MANAGER REGULATION PROMULGATION AUTHORITY.]
- [5.16.140 BUSINESS LICENSE.]
- [5.16.150 PUBLIC STATEMENT OF TAX REQUIRED—EXCEPTION FOR COIN-OPERATED MACHINES.]
- 5.16.090[160] Determination whether transaction is exempt[LIABILITY FOR PAYMENT—CERTIFICATE OF PROTEST.]
- 5.16.150[170] Tax return—Extension of time.
- 5.16.180 Estimated tax.
- [5.16.190 DELINQUENT TAXES—NOTICE.]
- [5.16.200 DELINQUENT TAXES—APPEAL.]
- [5.16.210 LIEN FOR TAX, INTEREST AND PENALTY.]
- [5.16.220 DELINQUENT TAXES—FORECLOSURE—TIME LIMIT.]
- 5.16.190[230] Violations—Remedies.
- [5.16.240 IMPLEMENTATION.]
- 5.16.025 Interpretation.
- 5.16.045 Rules applicable to particular businesses or occupations.
- 5.16.080 Certificate of exemption.
- 5.16.110 Title to collected sales tax.
- 5.16.130 Duties upon cessation or transfer of business.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

5.16.140 Amended returns.

5.16.170 Tax records; additional information from seller; audits.

5.16.200 Regulations.

5.16.210 Property tax limit–use of sales tax.

5.16.010 Statutory authority.

This chapter [SALES TAX] is adopted pursuant to [IMPOSED AND COLLECTED PURSUANT TO THE AUTHORITY GRANTED BY] Alaska Statutes [(SECTION] 29.45.700[ET. SEQ.). THIS SALES TAX IS TO BE LIBERALLY CONSTRUED TO INCLUDE WITHIN THE TAX ALL RETAIL SALES, RENTAL AND SERVICE ACTIVITIES DESCRIBED AS WITHIN THE SCOPE OF THE SALES TAX PURSUANT TO THE TERMS OF THIS CHAPTER AND ONLY THOSE EXEMPTIONS AND EXCEPTIONS ARE TO BE PERMITTED WHICH ARE EXPRESSLY AND CLEARLY SET FORTH BY THE TERMS OF THIS CHAPTER. THE TAX PAYER BEARS THE BURDEN OF SHOWING ELIGIBILITY FOR ANY EXEMPTION. AN EXEMPTION SHALL BE ALLOWED ONLY WHEN THE RENTAL, SALES OR SERVICE EXPRESSLY AND CLEARLY FALLS WITHIN AN EXEMPTION AS DEFINED BY THIS CHAPTER].

5.16.020 Definitions.

As used in this chapter:

"Business day" means any day which is not a Saturday, Sunday or other day on which city offices are authorized or required by law to be closed.

["BULK SALES" MEANS SALE OF UNPACKAGED ITEMS IN LARGE QUANTITIES.]

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

"Buyer" means a [INCLUDES] person[S] who **acquires** [ARE PURCHASERS OF] property, **or the right to use or occupy property, or who receives a service, for consideration**[AND SERVICES AND LESSEES OF PROPERTY].

"Gaming property" means a right to participate in a game of chance regulated under Alaska Statutes Chapter 5.15, including without limitation a right to participate that is represented by a pull-tab, bingo card, or raffle or lottery ticket.

"Price" means the amount of money, and the fair market value of consideration other than money, that the buyer gives to the seller in exchange for property, the right to use or occupy property, or the rendering of services.

"Rental" means any transfer of the right to use or occupy property for consideration.

[“DESIGNATED INTANGIBLE PERSONAL PROPERTY” INCLUDES GAMING SALES, SERVICES, OR OTHER RELATED ACTIVITIES OR SALES AUTHORIZED BY A.S. 5.15.010—5.15.995.]

[“DISTRRAINT” MEANS TO SEIZE AND HOLD PROPERTY AS SECURITY FOR A DEBT.]

[“MAIL ORDER SALES” (GENERALLY NOT SUBJECT TO THE SALES TAX IMPOSED HEREIN) ARE STRICTLY LIMITED TO SALES TO CONSUMER MADE BY MAIL ORDER HOUSES OR OTHER SELLERS WHO DO NOT HAVE A PLACE OF BUSINESS WITHIN THE CITY AND WHO ALSO DO NOT HAVE AN ONGOING PRESENCE WITHIN THE CITY LIMITS OF WASILLA, SUCH AS THE ONGOING PRESENCE INVOLVING PERSONAL SOLICITATION OR REGULAR PROMOTIONAL

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

EVENTS. "MAIL ORDER SALES" IS GENERALLY LIMITED TO THOSE BUSINESSES WHO RECEIVE AND RESPOND TO ORDERS BY MAIL AND WHO DELIVER THE PRODUCT WHICH IS THE SUBJECT OF THE SALE TO THE CONSUMER BY USE OF THE MAILS OR COMMON CARRIER WITHOUT FURTHER ACTIVITY WITHIN THE CITY LIMITS.]

["PERSON" INCLUDES INDIVIDUALS AND EVERY PERSON RECOGNIZED IN LAW, AND EVERY GROUP OF THE AFORESAID WHO ACT AS A UNIT. "PERSON" IS INCLUSIVE OF, WITHOUT LIMITATION, EVERY INDIVIDUAL, RECEIVER, ASSIGNEE, TRUSTEE IN BANKRUPTCY, TRUST ESTATE, FIRM, CO-PARTNERSHIP, JOINT VENTURE, CLUB, COMPANY, BUSINESS TRUST, CORPORATION, ASSOCIATION, SOCIETY OR ANY GROUP OF INDIVIDUALS ACTING AS A UNIT, WHETHER MUTUAL, COOPERATIVE, CORPORATE, FRATERNAL, NONPROFIT, OR OTHERWISE.]

["RENTS" INCLUDES EVERY LETTING OR RENTING OF PROPERTY FOR CONSIDERATION.]

["RETAIL SALE" MEANS THE TRANSFER OF TITLE TO TANGIBLE OR DESIGNATED INTANGIBLE PERSONAL PROPERTY FOR CONSUMPTION OR USE, AND NOT FOR RESALE, IN SUBSTANTIALLY THE SAME FORM OR CONDITION. "RETAIL SALE" INCLUDES EVERY SALE OF PROPERTY, REGARDLESS OF QUANTITY OR PRICE, EXCEPT THE FOLLOWING:

1. SALES TO WHOLESALE AND RETAIL DEALERS IN THE PROPERTY SOLD, FOR THE PURPOSE OF RESALE BY SUCH DEALER;

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

2. SALES OF TANGIBLE PERSONAL PROPERTY AS RAW MATERIALS TO A PERSON ENGAGED IN MANUFACTURING FOR SALE, WHICH PROPERTY BECOMES AN INGREDIENT OR COMPONENT PART OF THE MANUFACTURED PRODUCT OR A CONTAINER THEREOF, OR ENTERS DIRECTLY INTO THE MANUFACTURING PROCESS;

3. SALES OF TANGIBLE PERSONAL PROPERTY AND EQUIPMENT RENTALS TO AN ALASKA STATE LICENSED AND BONDED GENERAL OR SPECIALTY CONTRACTOR FOR THE PURPOSE OF CONSTRUCTING BUILDINGS, CONSTRUCTING IMPROVEMENTS TO BUILDINGS OR LAND, TO BE RESOLD BY SUCH CONTRACTOR.]

"Sale" means any transfer of property for consideration[INCLUDES ALL RETAIL SALES, RENTALS, SALE OF SERVICES AND RETAIL SALE OF DESIGNATED INTANGIBLE PERSONAL PROPERTY AND ALL SERVICES. INSTALLMENT, CREDIT AND CONDITIONAL SALES ARE INCLUDED WITHIN THE TERM.]

["SALES PRICE" MEANS CONSIDERATION PAID BY THE BUYER IN TERMS OF MONEY AND, IN THE CASE OF SALE INVOLVING AN EXCHANGE OF PROPERTY, THE FAIR MARKET VALUE OF THE PROPERTY EXCHANGED, ALL WITHOUT ANY DEDUCTION FOR DELIVERY COSTS, TAXES OR ANY OTHER EXPENSES WHATSOEVER.]

"Sales tax" means the tax levied by this chapter.

"Seller" means a [INCLUDES] person who, as principal or agent, transfers property, or the right to use or occupy property, or provides a service, for

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

consideration[S OR THEIR AGENTS WHO ARE VENDORS OF AND LESSORS OF PROPERTY, AND PERSONS FURNISHING SERVICES, AND EVERY PERSON MAKING SALES].

"Service[S]" means any application of labor, skill or knowledge to produce value in exchange for consideration, and may include the provision of property or the right to use or occupy property, but does not include services rendered to an employer by an employee[INCLUDE ALL SERVICES OF EVERY MANNER AND DESCRIPTION WHICH ARE PERFORMED OR FURNISHED FOR COMPENSATION AND, BY WAY OF ILLUSTRATION, INCLUDES THE FOLLOWING:

1. PROFESSIONAL SERVICES;
2. SERVICES IN WHICH A PRODUCT OR SALE OF PROPERTY MAY ALSO BE INVOLVED, INCLUDING PERSONAL PROPERTY MADE TO ORDER;
3. UTILITIES, REPAIR, CONSTRUCTION, TRANSPORTATION, BANKING, ADVERTISING, MAINTENANCE, RECREATION, AMUSEMENT, CONTRACTING AND CRAFTS PERSON'S SERVICES;
4. SERVICES WHEREIN LABOR AND MATERIALS ARE USED TO ACCOMPLISH A SPECIFIED RESULT;
5. SERVICES DISPENSED BY MACHINES AND AMUSEMENT DEVICES INCLUDING THOSE WHICH ARE COIN-OPERATED.]

[“SERVICES” DOES NOT INCLUDE SERVICES RENDERED TO AN EMPLOYER BY HIS OR HER EMPLOYEE.]

“Transaction” means any transfer of property, or the right to use or occupy property, or the rendering of a service, for consideration.

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5.16.030 Levy of tax[LEVIED—RATE].

[A.] A [RETAIL SALES] tax of two percent of the [SALES] price [OR CHARGE RECEIVED] is levied on all [RETAIL] sales, rentals and services made in [WITHIN] the city, subject to the remainder of this chapter. [THE BUYER SHALL PAY THE TAX TO THE SELLER FOR THE USE AND BENEFIT OF THE CITY.]

5.16.035 Maximum tax per transaction.

[B.] [MAXIMUM TAX. A TWO PERCENT RETAIL SALES TAX SHALL BE APPLIED ONLY] Only [TO] the first five hundred dollars (\$500.00) of the price in each [SEPARATE SALE OF AN ITEM OR ITEMS, RENT OR SERVICE] transaction shall be subject to sales tax; provided that a single payment for the sale or rental of property, or the rendering of a service, over a period exceeding one month shall be allocated pro rata to each one-month period or part thereof during the term of the transaction, and the first five hundred dollars (\$500.00) of the price allocated to each such period shall be subject to sales tax. [THE PAYMENT OF RENT, WHETHER FOR REAL OR PERSONAL PROPERTY, IN EXCESS OF FIVE HUNDRED DOLLARS (\$500.00) AND FOR MORE THAN ONE MONTH SHALL BE TREATED AS SEVERAL SEPARATE TRANSACTIONS COVERING THE RENTAL FOR ONE MONTH EACH. A TRANSACTION INVOLVING PAYMENT FOR SERVICES OR PERSONAL PROPERTY TO BE RENDERED OR DELIVERED OVER A PERIOD OF MORE THAN ONE MONTH FOR A CONSIDERATION IN EXCESS OF FIVE HUNDRED DOLLARS (\$500.00) SHALL BE TREATED AS SEVERAL SEPARATE TRANSACTIONS OCCURRING ONE EACH MONTH OVER THE PERIOD OF TIME THAT THE SERVICE OR PROPERTY IS RENDERED OR DELIVERED.

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C. FOR PURPOSES OF THE TAX LEVIED BY THIS SECTION, A SALE OF DESIGNATED INTANGIBLE OR TANGIBLE PERSONAL PROPERTY IS MADE WITHIN THE CITY IF:

1. THE SALE IS MADE BY A BUSINESS LOCATED WITHIN THE CITY AND DELIVERY OCCURS WITHIN THE CITY; OR

2. THE SALE IS MADE BY A BUSINESS LOCATED OUTSIDE OF THE CITY AND: (A) DELIVERY OCCURS WITHIN THE CITY; AND (B) THE SELLER MAINTAINS REPEATED OR REGULAR PERSONAL PRESENCE WITHIN THE CITY LIMITS FOR THE PURPOSES OF PROMOTING AND ENCOURAGING THE SALE OF SELLER'S GOODS. ACTIVITY LIMITED TO THE DELIVERY OF GOODS BY USE OF COMMON CARRIER OR THE MAIL IS NOT CONSIDERED MAINTENANCE OF A REGULAR PRESENCE WITHIN THE CITY AS REFERRED TO HEREIN. CONDUCTING REGULAR PROMOTIONAL EVENTS OR REPEATED SOLICITATION OF SALES BY PERSONAL PRESENCE WOULD BE ACTIVITIES THAT WOULD MAKE SALES BY SUCH A SELLER WITHIN THE SCOPE OF LIABILITY FOR THE PAYMENT OF THE SALES TAX.

D. THE TAX LEVIED BY THIS SECTION IS APPLICABLE TO ALL SERVICES RENDERED WITHIN THE CITY, EXCEPT THOSE SERVICES THAT ARE: (A) UNUSUAL; (B) OCCASIONAL (AS OPPOSED TO REGULAR OR CONSISTENT); AND (C) MERELY INCIDENTAL TO THE PRIMARY SERVICE GIVEN BY THE SELLER TO THE BUYER. SERVICES RENDERED WITHIN THE CITY THAT ARE SUBJECT TO THE TAX ARE THOSE SERVICES WHICH ARE REGULARLY AND CONSISTENTLY PERFORMED BY THE SELLER AS PART OF THE SELLER'S

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

ORDINARY COURSE OF BUSINESS. A SERVICE THAT WOULD NOT BE SUBJECT TO THE TAX IS WHERE THE SELLER OF THE SERVICE MAKES A MERELY INCIDENTAL APPEARANCE WITHIN THE CITY LIMITS OF WASILLA, RELATED TO THE PURPOSES OF THE SERVICE BEING OFFERED, BUT THE PRIMARY SERVICE TO THE BUYER IS PERFORMED IN A LOCATION OUTSIDE THE CITY LIMITS.

E. THE SALES TAX ON RENTALS IS APPLICABLE TO RENTALS FOR ALL REAL PROPERTY LOCATED WITHIN THE CITY AND TO RENTALS OF PERSONAL PROPERTY FROM A BUSINESS LOCATED OUTSIDE THE CITY WHEN THE PERSONAL PROPERTY IS USED IN THE CITY.]

5.16.040 [EXAMPLES OF TAXED] T[T]ransaction in the city[S].

A. The [ILLUSTRATIVE EXAMPLES OF TRANSFERS OF OWNERSHIP OR POSSESSIONS, AND RENDERING OF SERVICES, WHICH ARE TAXED UNDER THIS CHAPTER INCLUDE, BUT ARE NOT LIMITED TO, THE] following rules determine whether a transaction is made within the city:

1. A sale or rental is made within the city if delivery occurs in the city, and the seller either:

a. Maintains a place of business, or an agent or employee, in the city;

or

b. Regularly or repeatedly promotes sales or rentals in the city by means such as advertising, promotional events or solicitation of sales.

2. A service is made within the city if:

a. All or a substantial part of the service is rendered in the city; or

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

b. The seller maintains a place of business, or an agent or employee, in the city, the service benefits a person or property in the city, and either the order for the service is received or solicited in the city, or payment for the service is received in the city.

3. A rental of real property is made in the city if the real property is located in the city.

4. A service involving the construction, repair, renovation, improvement, sale or rental of real property is made in the city if the real property is located in the city.

[A. RENTALS OF ALL TANGIBLE PERSONAL PROPERTY, INCLUDING VENDING MACHINES, TYPEWRITERS, OFFICE FURNITURE AND EQUIPMENT, TOOLS, AUTOMOBILES, CONSTRUCTION EQUIPMENT AND AIRCRAFT, INCLUDING ALL MAINTENANCE AND REPAIR CONTRACTS IN CONNECTION THEREWITH;

B. SUPPLYING NATURAL OR ARTIFICIAL GAS, CABLE TV, ELECTRICITY, ICE, TELEPHONE, GARBAGE REMOVAL, SEWER SERVICE, STEAM, WATER AND ALL SERVICES BY A PUBLIC OR PRIVATE UTILITY. ANY AND ALL SUCH PUBLIC UTILITY SERVICES AND/OR RESOURCES SHALL INCLUDE THE APPLICABLE SALES TAX ON THE MONTHLY OR REGULAR BILLS SUBMITTED BY THE UTILITY TO A CONSUMER WHO USES THE SERVICE OR CONSUMES THE DELIVERED RESOURCE WITHIN THE CITY LIMITS OF WASILLA;

C. TRANSPORTATION FOR HIRE OF PERSONS BY COMMON CARRIER, INCLUDING MOTOR TRANSPORTATION, TAXICAB COMPANIES AND ALL OTHER

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

MEANS OF TRANSPORTATION FOR HIRE SUBJECT TO EXCEPTIONS IN SECTION 5.16.050(L);

D. SERVICE BY TELEPHONE AND ELECTRIC COMPANIES TO SUBSCRIBERS OR USERS, INCLUDING TRANSMISSION OF MESSAGES, WHETHER LOCAL OR LONG DISTANCE. THIS SHALL INCLUDE ALL SERVICES AND RENTAL CHARGES HAVING ANY CONNECTION WITH TELEPHONE SERVICE, BUT SHALL NOT INCLUDE DEPOSITS;

E. PRINTING OR PRINTED MATTER OF ALL TYPES, KINDS AND CHARACTERS AND THE SERVICE OF PRINTING OR OVERPRINTING;

F. RENTING ROOMS OR LIVING QUARTERS OR OFFICES OR OTHER COMMERCIAL SPACE OF WHATEVER NAME OR NATURE BY HOTELS, APARTMENTS, ROOMING HOUSES, PUBLIC LODGING HOUSES OR BY FIRMS OR INDIVIDUALS RENTING SINGLE OR MULTIPLE-UNIT RESIDENCES OR OFFICES OR OTHER COMMERCIAL SPACE, INCLUDING STATE OR FEDERALLY SUBSIDIZED RENTALS. HOWEVER, SEE THE EXEMPTION DEFINED BY SECTION 5.16.050(R), EXCLUDING RENTALS OF THIRTY (30) OR MORE CONSECUTIVE DAYS WHEN USED FOR THE PURPOSE OF RESIDENTIAL HABITATION. FOR PURPOSES OF COMPUTING THE MAXIMUM TAX, A RENTAL OF PROPERTY FOR A PERIOD IN EXCESS OF ONE MONTH SHALL BE DEEMED AS A SERIES OF RENTALS WITH EACH RENTAL TRANSACTION TERMINATING AS A RENTAL PAYMENT IS MADE. THE MAXIMUM SALES TAX PAYABLE SHALL BE PAYABLE AT THE TIME OF FILING THE NEXT MONTHLY RETURN TO BE SUBMITTED FOLLOWING RECEIPT OF THE RENTAL;

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

G. FOODS, CONFECTIONS, AND ALL LIQUORS, BEVERAGES AND DRINKS SOLD AND DISPENSED BY RETAIL STORES, RESTAURANTS OR OTHER DISPENSERS, AND SOLD FOR IMMEDIATE CONSUMPTION UPON THE PREMISES OR DELIVERED OR CARRIED AWAY FROM THE PREMISES FOR CONSUMPTION ELSEWHERE;

H. ADVERTISING OF ALL KINDS, TYPES AND CHARACTERS CONTRACTED FOR OR SOLD IN THE CITY, INCLUDING ANY AND ALL DEVICES USED FOR ADVERTISING PURPOSES AND THE SERVICING OF ADVERTISING DEVICES;

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 DRY-CLEANING MACHINES AND SIMILAR DEVICES;

J. THE SALE OF TICKETS OR ADMISSIONS TO PLACES OF AMUSEMENT, ENTERTAINMENT, RECREATIONAL OR ATHLETIC EVENTS, OR DUES OR FEES FOR THE PRIVILEGE OF HAVING ACCESS TO OR USE OF AMUSEMENT, ENTERTAINMENT, ATHLETIC OR RECREATIONAL FACILITIES, INCLUDING FREE OR COMPLIMENTARY PASSES AND TICKETS, ADMISSIONS DUE OR FEES. SUCH FREE OR COMPLIMENTARY PASSES AND TICKETS, DUES OR FEES ARE DECLARED TO HAVE A VALUE EQUIVALENT TO THE SALE PRICE OR VALUE OF THE TICKETS, PASSES, ADMISSIONS DUES OR FEES;

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

K. SALES OF TANGIBLE PERSONAL PROPERTY AND SERVICES MADE FOR THE PURPOSE OF DEVELOPING AND IMPROVING REAL ESTATE, EVEN THOUGH SUCH REAL ESTATE IS INTENDED FOR RESALE AS REAL PROPERTY, SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 5.16.060;

L. SERVICES OF DRY-CLEANERS, LAUNDRIES, GARAGES, BARBERSHOPS, BEAUTY SHOPS AND COLD STORAGE AND LOCKER PLANTS;

M. RETAIL SALES OF MOTOR FUELS, OILS AND LUBRICANTS;

N. SERVICES RENDERED BY LAWYERS, ACCOUNTANTS, SHOE REPAIR SHOPS, CARPENTERS AND CABINETMAKERS, HOUSE PAINTERS AND DECORATORS, TINSMITHS AND SHEET IRON WORKERS, WATCHMAKERS, RADIO AND TELEVISION ADVERTISING, PHOTOGRAPHERS (INCLUDING ALL FILM DEVELOPMENT), PRINTING ESTABLISHMENTS, GARAGES, MECHANICS AND MACHINISTS, PLUMBERS AND ELECTRICIANS, WELDERS AND STOVE CLEANERS, AND SERVICES OF ALL OTHER TRADE PERSONS, CRAFTS PERSONS AND PROFESSIONAL PRACTITIONERS;

O. THE IDEAL NET OF PULL-TABS, BINGO GAMES AND SIMILAR GAMING DEVICES AS MORE FULLY SET FORTH IN SECTION 5.16.060.]

5.16.050 Exemptions.

A. The [TAX LEVIED SHALL NOT APPLY TO THE] following **transactions** **are exempt from sales tax:**

1. Sales of real property, and interests in real property. Whether a transaction is a sale of real property is determined as of the time of the

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

transaction, and without reference to whether what is sold later will be incorporated into real property.

2[A]. Casual and isolated sales, rentals or [OF PERSONAL PROPERTY AND/OR PERFORMANCE OF] services, not made in the ordinary [AND USUAL] course of business.[:]

3. Sales to a dealer in the property sold, for the purpose of resale by the dealer.

4. Sales of raw material to a manufacturer, which raw material becomes an ingredient or component part of a manufactured product or a container thereof, or is consumed in the manufacturing process.

5. Sales of tangible personal property and equipment rentals to a person licensed as a contractor under Chapter 8.18 of the Alaska Statutes, which property or rented equipment is to be used in the construction of improvements to real property.

6[B]. Sales of securities, insurance and bonds of guaranty and fidelity.[:]

7. The following fees charged by banks, savings and loan associations, credit unions and investment banks:

a. Fees associated with deposit accounts, including service fees, monthly account fees, NSF fees, and attachment fees.

b. Fees for the purchase of bank checks, money orders, travelers checks, foreign currency and similar products for payments.

c. Fees for, or commissions on, the sale, exchange or transfer of currency, stocks, bonds and other securities.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

d. Fees for the use of automatic teller machines and for transactions made through automatic teller machines, notary fees and overdraft protection fees.

8[C]. Contracts to transport elementary or secondary school [GROSS RECEIPTS OR PROCEEDS DERIVED FROM THE TRANSPORTATION OF] students to and from [GRADE OR HIGH] school[S IN MOTOR OR OTHER VEHICLES.];]

9[D]. Sales, rentals and services [AND RENTALS] to a person [BUYER OR MADE BY A SELLER, ORGANIZED AND ADMINISTERED SOLELY BY THE EXEMPT ORGANIZATION] that the Internal Revenue Service recognizes as an organization described in Section [HAS OBTAINED A] 501(c)(3) or 501(c)(4) of [EXEMPTION CERTIFICATE FROM] the Internal Revenue Code, and which holds a current [SERVICE AND AN EXEMPTION CERTIFICATE FROM THE CITY; PROVIDED THIS] exemption certificate from the city; provided that the sale, rental or service is not for use in an "unrelated trade or business" of the person, as that term is defined in the Internal Revenue Code.[APPLIES TO SELLERS ONLY IF THE INCOME FROM THE EXEMPT SALE IS EXEMPT FROM FEDERAL INCOME TAXATION;]

10. Sales, rentals and services by a person that the Internal Revenue Service recognizes as an organization described in Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code, and which holds a current exemption certificate from the city; provided that the sale, rental or service is not part of an "unrelated trade or business" of the person, as that term is defined in the Internal Revenue Code.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

11[E]. Sales of food in[GROSS RECEIPTS OR PROCEEDS DERIVED FROM THE SALE OF FOOD IN PUBLIC, COMMON, HIGH SCHOOL OR COLLEGE CAFETERIAS OR] lunchrooms **or cafeterias in elementary, secondary or post-secondary schools that are** operated primarily for the **convenience of school students and faculty,** [PUBLIC] and not operated for profit.[:;]

12. Sales, rentals or services which the city is prohibited from taxing by the constitution or statutes of the United States or the State of Alaska.

[F. GROSS RECEIPTS OR PROCEEDS DERIVED FROM SALES OR SERVICES WHICH THE MUNICIPALITY IS PROHIBITED FROM TAXING UNDER THE LAWS OF THE STATE OR UNDER THE LAWS OF THE UNITED STATES; OR GROSS RECEIPTS OF PROCEEDS FROM THE TRANSPORTATION, LOADING, UNLOADING OR STORING OF CARGO FROM VESSELS OR AIRCRAFT IN FOREIGN OR INTERSTATE COMMERCE, OR ON GOODS IN TRANSIT OR AWAITING AND BEING PROCESSED FOR SHIPMENT;]

13[G]. Sales of newspapers and other periodicals that are [GROSS RECEIPTS OR PROCEEDS DERIVED FROM CARRIER SALES] made directly **by carriers** to consumers or users, [OF NEWSPAPER OR ANY OTHER PERIODICALS;]

14[H]. Sales, rentals and services[GROSS RECEIPTS OR PROCEEDS DERIVED FROM SALES] to the United States, **the state of Alaska, and any of their agencies, instrumentalities,** [GOVERNMENT OR THE STATE] or [ANY] political subdivisions. [THEREOF, INCLUDING THE CITY;]

15[I]. Dues or fees to clubs, labor unions or fraternal organizations.[:;]

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

[J. REAL ESTATE AGENTS GROSS RECEIPTS RECEIVED ON BEHALF OF THE OWNER AND DERIVED FROM SALE OF REAL PROPERTY, BUT EXCEPTING THE REAL ESTATE AGENT'S FEE EARNED AS COMMISSION FOR SALE OF SUCH PROPERTY WHICH FEE OR COMMISSION SHALL BE TAXABLE UP TO THE FIRST FIVE HUNDRED DOLLARS (\$500.00) OF THE COMMISSION;]

16[K]. Sales of admission to [TICKETS FOR] school entertainments, school athletic events, and events [ACTIVITIES] conducted for the benefit of charitable [PURPOSES] or community organizations. This exemption does not apply to sales of gaming property. [BENEFITS. HOWEVER, THIS EXCEPTION IS SPECIFICALLY NOT INTENDED TO EXCEPT THOSE SALES OF PULL-TABS, BINGO GAMES, OR OTHER GAMING ACTIVITIES WITHIN THE SCOPE OF DESIGNATED INTANGIBLE PERSONAL PROPERTY AS DEFINED AND AS TAXED WITHIN THE SCOPE OF THIS CHAPTER;]

17[L]. Sales of [TICKETS AND SERVICE ACTIVITIES RELATED TO] air, train, boat, cruise line or bus tour transportation, car rentals, [BUS TOUR, DINNER SHOW, THEATER AND OTHER SIMILAR TICKETED TRAVEL,] accommodations, or admission to entertainment events, where the service is provided [SUCH TRAVEL, ACCOMMODATIONS OR ENTERTAINMENT EVENTS OCCUR] outside the city, and fees or commissions related to such sales. [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;]

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

18[M] Sales of food supplies to food service [CAFES, RESTAURANTS AND OTHER] establishments for incorporation into food products to be [WHERE FOOD IS] sold to the public, [FOR USE IN THE NORMAL COURSE OF BUSINESS OF CAFES, RESTAURANTS AND OTHER SUCH ESTABLISHMENTS;]

19[N]. Sale of food supplies to hospitals, institutions housing [INSTITUTIONAL HOMES HAVING] six or more residents, [CHARGES,] recreational camps and schools, provided a certificate authorizing such exemption is first obtained from the city.[:;]

[O. THE MAXIMUM TAX ON CONTRACTS FOR THE ORIGINAL CONSTRUCTION OF PRIVATE BUILDINGS OR PRIVATE RESIDENCES OR SALE OF EQUIPMENT SHALL BE TEN DOLLARS (\$10.00); AND EVEN THOUGH THE SINGLE SALE OF THOSE ARTICLES OF TANGIBLE PERSONAL PROPERTY MAY RUN TO SEVERAL THOUSAND DOLLARS, ONLY THE FIRST FIVE HUNDRED DOLLARS (\$500.00) SHALL BE SUBJECT TO TAX AS SET FORTH IN SECTION 5.16.060;]

20[P]. Sales related to orbital [AND] space [PROPULSION] facilities, space propulsion systems, space vehicles, satellites or stations, to the extent of the exemption required by AS 29.45.650(h).[:;]

21[Q]. Sales of property [FOOD SUPPLIES OR OTHER GOODS] purchased with food coupons, food stamps, or other certificates issued under 7 U.S.C. 2011-2025 (Food Stamp Act) or food instruments, food vouchers, or other certificates issued under 42 U.S.C. 1786 (Special Supplemental Food Program for Women, Infants and Children).[:;]

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

22[R]. Residential rentals for a term of [OTHER THAN RENTALS TO TRANSIENTS WHO OCCUPY OR RENT A SUITE, ROOM OR ROOMS IN A HOTEL-MOTEL FOR FEWER THAN] thirty (30) or more consecutive days. [FOR THE PURPOSE OF HABITATION;]

23[S]. Child day care, pre-elementary school and baby-sitting services.[:]

24[T]. Sales of cemetery plots, and sales of caskets, funeral and burial related goods[ITEMS] and services by a funeral home.[:]

25[U]. Sales of property [THE SALE OF GOODS] and services required [PERFORMED] in the course of [AND NECESSARY IN THE] mental or physical treatment by a health care provider[S] licensed by the state of Alaska, [INCLUDING MIDWIVES,] and [THE] sales of property [GOODS] and services [PERFORMED] pursuant to a prescription or written order from such a person.[ANY OF THE ABOVE;]

26[V]. Sales and rentals of hearing aids, crutches, wheelchairs and personal apparatus specifically manufactured for a patient.[:]

[W. SALES BY MAIL ORDER, AS EARLIER DEFINED IN SECTION 5.16.020.]

[5.16.060 SPECIAL COLLECTION FOR BUILDING CONSTRUCTION.

TO AVOID THE PAYMENT OF MULTIPLE TAXES THE BUYER WHO UNDERTAKES AN ORIGINAL PROJECT FOR CONSTRUCTION OF A BUILDING, AN IMPROVEMENT TO A BUILDING OR AN IMPROVEMENT TO LAND, WHICH REQUIRES MISCELLANEOUS PURCHASING FROM MORE THAN ONE SELLER, MAY PAY THE MAXIMUM TAX ON THE AGGREGATE PROJECT PURCHASES.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

A. UPON PAYMENT, THE CITY SHALL ISSUE A BUILDING EXEMPTION CERTIFICATE SHOWING THE PAYMENT OF THE MAXIMUM TAX AND SPECIFYING THE PROJECT, ITS LOCATION, THE OWNER'S NAME, AND THE BUYER'S NAME. THE CERTIFICATE SHALL EXEMPT THE BUYER FOR A PERIOD NOT TO EXCEED ONE YEAR AND IS NOT TRANSFERABLE.

B. SHOWING OF THE BUILDING EXEMPTION CERTIFICATE AT THE TIME OF PURCHASE OF GOODS, RENTALS OF EQUIPMENT, MATERIALS, ARTICLES OR SUBCONTRACTING CHARGES WILL EXEMPT THE PURCHASER FROM FURTHER SALES TAX AND WILL RELIEVE THE SELLER FROM THE OBLIGATION TO COLLECT THE TAX.

C. TAX APPLIED TO IDEAL NET OF GAMING PROCEEDS. THE PURCHASE OF PULL-TABS, BINGO GAMES, OR ANY OTHER DESIGNATED INTANGIBLE PERSONAL PROPERTY SHALL REQUIRE THE SELLER OF SUCH DESIGNATED INTANGIBLE PERSONAL PROPERTY TO REMIT THE SALES TAX ON ONLY AN EQUIVALENT CALCULATION OF THE IDEAL NET PORTION OF THE GROSS PROCEEDS OR TOTAL TRANSACTION PRICE. AS USED HEREIN, THE TERM "IDEAL NET" IS INTENDED TO REFER TO THAT TERM AS DEFINED BY 12 A.A.C. 34.09.90(1) MEANING THE TOTAL AMOUNTS OF RECEIPTS THAT WOULD BE RECEIVED IF EVERY INDIVIDUAL PULL-TAB TICKET IN A SERIES WERE SOLD AT ITS FACE VALUE LESS THE TOTAL PREDETERMINED PRIZES AVAILABLE TO BE PAID OUT IN THE SERIES. AS APPLIED TO THE SALE OF BINGO GAMES OR OTHER DESIGNATED INTANGIBLE PERSONAL PROPERTY, THE TAX IS TO APPLY TO AN EQUIVALENT CALCULATION OF IDEAL NET SO AS TO MAKE THE

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TAX APPLICABLE TO THE GROSS RECEIPTS RECEIVED BY THE SELLER ON THE DESIGNATED INTANGIBLE PERSONAL PROPERTY, LESS PRIZES AWARDED ON THE SERIES, SET OF GAMES, OR CONTEST FOR WHICH CHANCES TO RECEIVE A SPECIFIED PRIZE OR SPECIFIED PRIZES HAVE BEEN SOLD. TO FACILITATE THE COLLECTION AND PAYMENT OF THE SALES TAX UPON THE IDEAL NET PORTION OF THE GROSS PROCEEDS OR TOTAL AMOUNT OF THE SEPARABLE TRANSACTION PRICES, THE SELLER OF DESIGNATED INTANGIBLE PERSONAL PROPERTY MAY, IF THE SELLER SO CHOOSES, ASSUME OR ABSORB THE AMOUNT OF THE SALES TAX PAYABLE BY THE PURCHASER OF THE DESIGNATED INTANGIBLE PERSONAL PROPERTY.]

[5.16.070 SELLER ACCOUNTABILITY.

UPON COLLECTION BY THE SELLER OF THE TAXES IMPOSED IN THIS CHAPTER, TITLE TO THE COLLECTED TAXES SHALL VEST IN THE CITY. ALL TAXES COLLECTED ARE CITY MONEYS, AND THE SELLER IS AT ALL TIMES ACCOUNTABLE TO THE CITY FOR SUCH MONEYS. COLLECTION OF ANY TAX OR TAXES, INTEREST AND PENALTIES DUE AND PAYABLE TO THE CITY UNDER THIS CHAPTER MAY BE ENFORCED THROUGH CIVIL ACTION BROUGHT IN ANY COURT OF COMPETENT JURISDICTION. EVERY SALE WHICH IS MADE WITHIN THE CITY, UNLESS EXPLICITLY EXEMPTED BY THIS CHAPTER OR A SUBSEQUENT ORDINANCE, SHALL BE PRESUMED TO BE SUBJECT TO THE TAX IMPOSED UNDER THIS CHAPTER IN ANY ACTION TO ENFORCE THE PROVISIONS OF THIS CHAPTER.]

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

5.16.120[080] Tax Returns—Contents—Penalty For Delinquency.

A. A[EVERY] seller shall prepare a sales tax return for, ON OR BEFORE THE TWENTIETH DAY OF] each calendar month. The sales tax return shall state the total amount of the seller's sales, rentals and services; the amounts of the seller's exempt and taxable sales, rentals and services; and the amount of sales tax that is due from the seller. The seller shall submit on or with the return such additional information as the city may require to determine the amount of sales tax due for the month. The seller shall prepare the return and remit sales tax to the city on the same basis, cash or accrual, that the seller uses in preparing its federal income tax return. The seller shall sign the return, and transmit the return, with the amount of sales tax that it shows to be due, to the city, SHALL MAKE OUT A RETURN FOR THE PRECEDING MONTH, UPON FORMS TO BE PROVIDED BY THE CITY, SETTING FORTH THE AMOUNT OF ALL SALES, RENTALS AND SERVICES, ALL NONTAXABLE SALES, RENTALS AND SERVICES, AND ALL TAXABLE SALES, RENTALS AND SERVICES FOR THE PRECEDING MONTH, THE AMOUNT OF TAX THEREON, AND SUCH OTHER INFORMATION AS THE CITY MAY REQUIRE, AND SIGN AND TRANSMIT THE SAME TO THE CITY. THE TAX LEVIED SHALL BE PAID BY THE SELLER TO THE CITY AT THE TIME OF TRANSMITTING THE RETURN AND, IF NOT SO PAID, SUCH TAX SHALL FORTHWITH BECOME DELINQUENT. INTEREST AT THE RATE OF FIFTEEN (15) PERCENT PER ANNUM ON THE DELINQUENT TAX FROM THE DATE OF DELINQUENCY UNTIL PAID SHALL ACCRUE AND BE COLLECTED IN THE SAME MANNER AS THE DELINQUENT TAX IS COLLECTED. THE MONTHLY TAX

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RETURN REFERRED TO HEREIN IS TO BE RECEIVED OR POSTMARKED ON OR BEFORE THE TWENTIETH DAY OF EACH MONTH. THE TAX PAYABLE SHALL BE DELINQUENT IF NOT RECEIVED ON OR BEFORE THE TWENTIETH DAY OF THE MONTH IN WHICH THE TAX FORM, WITH PAYMENT, IS TO BE TRANSMITTED. THE US POSTAL SERVICE POSTMARK SHALL DETERMINE THE DATE OF FILING MAILED RETURNS FOR PURPOSES OF DETERMINING DELINQUENCY INTEREST PAYABLE ON DELINQUENT TAX AMOUNTS AS SET FORTH ABOVE. IN ADDITION, A LATE PAYMENT PENALTY EQUAL TO FIVE PERCENT PER MONTH ON THE AMOUNT OF SALES TAX DUE SHALL BE ADDED TO ALL SALES TAX RETURNS UNTIL THE TAX, INTEREST, AND PENALTY HAS BEEN PAID. THE PENALTY SET FORTH HEREIN SHALL BE ASSESSED AND COLLECTED IN THE SAME MANNER AS THE TAX IS ASSESSED AND COLLECTED. THE LATE PAYMENT PENALTY SHALL BE EQUAL TO FIVE PERCENT PER MONTH, APPLICABLE TO ANY FULL MONTH OF DELINQUENCY AND FURTHER APPLICABLE TO ANY PARTIAL MONTH OF DELINQUENCY. HOWEVER, THE LATE PAYMENT PENALTY OF FIVE PERCENT PER PARTIAL OR FULL MONTH SHALL NOT EXCEED A CUMULATIVE LATE PENALTY OF TWENTY-FIVE (25) PERCENT. FOR EXAMPLE: JANUARY SALES TAXES ARE DUE ON FEBRUARY 20TH, ON FEBRUARY 21ST A FIVE PERCENT LATE PENALTY WOULD BE ASSESSED ON ANY DELINQUENT TAXES. ON MARCH 21ST ANOTHER FIVE PERCENT LATE PENALTY WOULD BE ASSESSED, UNTIL A MAXIMUM CUMULATIVE LATE PENALTY OF TWENTY-FIVE (25) PERCENT IS REACHED OR THE SALES TAX, INTEREST AND PENALTIES ARE PAID IN FULL].

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B. A seller that filed or should have filed a sales tax return for the prior month shall file a return for the current month even though no tax may be due. The return shall show why no tax is due[ALL TAX RETURNS SHALL SHOW SUCH FURTHER INFORMATION AS THE CITY MAY REQUIRE TO ENABLE IT TO COMPUTE CORRECTLY AND COLLECT THE TAX LEVIED IN THIS CHAPTER. IN ADDITION TO THE INFORMATION REQUIRED ON RETURNS, THE CITY MAY REQUEST, AND THE SELLER MUST FURNISH, ANY INFORMATION DEEMED NECESSARY FOR A CORRECT COMPUTATION OF THE TAX. THE SELLER SHALL COMPUTE AND REMIT TO THE CITY THE REQUIRED TAX DUE FOR THE PRECEDING MONTH, AND THE REMITTANCE OF THE TAX MUST ACCOMPANY THE RETURNS HEREIN REQUIRED. IF NOT PAID WHEN DUE, THE TAX SHALL BE DELINQUENT FROM SUCH DATE, AND COLLECTION SHALL BE ENFORCED UNDER THE TERMS OF THIS CHAPTER, AS SET FORTH IN THIS CHAPTER].

C. A sales tax return, and the related remittance of sales tax, is due, and must be received by the city, not later than 5:00 p.m. on the last business day of the month immediately following the month for which the return was prepared. The failure of the U.S. Postal Service or any private delivery service to make timely delivery of a sales tax return or the related remittance of sales tax shall not excuse an untimely filing or remittance[SELLERS WHO TIMELY COMPLY WITH SUBMISSION OF A CORRECT MONTHLY SALES TAX RETURN, AS REQUIRED IN THIS SECTION SHALL BE ENTITLED TO RETAIN TWO PERCENT OF THE AMOUNT OF THE TAX MONEYS TO BE REMITTED TO THE CITY TO A MAXIMUM RETAINAGE OF ONE HUNDRED DOLLARS (\$100.00). THIS RIGHT TO

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RETAIN A PORTION OF THE TAX MONEYS TO BE REMITTED IS NOT AVAILABLE UNLESS A COMPLETE AND CORRECT TAX RETURN IS SUBMITTED BY NO LATER THAN THE TWENTIETH DAY OF EACH MONTH (FOR SALES TAX COLLECTED IN THE PRECEDING MONTH). SUBMISSION OF A RETURN IS DEFINED AS ACTUAL DELIVERY TO THE CITY OR PLACING THE RETURN IN THE MAIL FOR DELIVERY TO THE CITY. SHOULD THE TWENTIETH DAY OF THE MONTH FALL ON A WEEKEND OR HOLIDAY, THE FOLLOWING BUSINESS DAY SHALL BE DEEMED THE TWENTIETH DAY OF THE MONTH FOR THE PURPOSES OF THIS SUBSECTION. SIMILARLY, THE DATE OF DELINQUENCY ESTABLISHED ABOVE, THE TWENTIETH DAY OF THE MONTH, SHALL BE EXTENDED TO THE FOLLOWING BUSINESS DAY IF THE TWENTIETH OF THE MONTH FALLS ON A WEEKEND OR HOLIDAY].

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 percent (15%) per annum until paid. In addition, delinquent sales tax shall be subject to a late payment penalty equal to five percent (5%) 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 percent (25%) of the amount of the delinquent sales tax. The penalty does not bear interest.

E. A seller who timely files a correctly completed sales tax return, and the related remittance of sales tax, may retain two percent (2%) of the amount of

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the sales tax to be remitted, up to a maximum retainage of one hundred dollars (\$100.00).

F. The finance director may require a seller that fails to submit a sales tax return or remit taxes when due, to submit tax returns and remit taxes more frequently than monthly.

5.16.160[090] Use of information on tax returns[TO BE CONFIDENTIAL].

A. Except as otherwise provided in this chapter, all returns, reports and information required to be filed with the city under this chapter, and all information contained therein, shall be kept confidential and shall be subject to inspection only by:

1. Employees and agents of the city whose job responsibilities are directly related to such returns, reports and information;

2. The person supplying such returns, reports and information; and

3. Persons authorized in writing by the person supplying such returns, reports and information[DEDUCTIBLE FROM SUCH FILED RETURNS, REPORTS

AND INFORMATION SHALL BE KEPT CONFIDENTIAL AND ARE NOT SUBJECT TO PUBLIC INSPECTION. EXCEPT UPON COURT ORDER, SUCH RETURNS, REPORTS AND INFORMATION SHALL BE MADE AVAILABLE ONLY TO EMPLOYEES AND AGENTS OF THE CITY WHOSE JOB RESPONSIBILITIES ARE DIRECTLY RELATED TO SUCH RETURNS, REPORTS AND INFORMATION; TO THE PERSON SUPPLYING SUCH RETURNS, REPORTS AND INFORMATION AND TO PERSONS AUTHORIZED IN WRITING BY THE PERSON SUPPLYING SUCH RETURNS, REPORTS AND INFORMATION. THE FOLLOWING INFORMATION

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SHALL BE MADE AVAILABLE TO THE PUBLIC: THE NAME AND ADDRESS OF CURRENT BUSINESS LICENSE HOLDERS; WHETHER A BUSINESS LICENSE HOLDER IS MORE THAN THIRTY (30) DAYS DELINQUENT IN FILING RETURNS AND IN REMITTING SALES TAX; AND IF SO DELINQUENT, THE NUMBER OF RETURNS NOT FILED. THE MAYOR OR HIS OR HER DESIGNEE MAY, FROM TIME TO TIME, PUBLISH THE NAMES OF SELLERS DELINQUENT IN REMITTING SALES TAXES AND THE AMOUNT THEREOF. INFORMATION MAY ALSO BE MADE AVAILABLE TO THE PUBLIC IN THE FORM OF STATISTICAL REPORTS IF THE IDENTITY OF PARTICULAR SELLERS IS NOT REVEALED BY THE REPORTS].

B. The city will release information described in subsection A of this section pursuant to subpoena, order of a court or administrative agency of competent jurisdiction, and where otherwise required by law to do so.

C. Notwithstanding subsection A of this section, the following information is available for public inspection:

1. The name and address of a person who holds a current city business license; and

2. Whether a holder of a city business license is more than thirty (30) days delinquent in filing a return or remitting sales tax; and, if so, the number of returns not filed.

D. The city may publish the name of any seller that is delinquent in remitting sales tax, and the delinquent amount thereof. The city also may provide the public statistical information related to sales tax collections, provided that no information identifiable to a particular seller is disclosed.

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[5.16.100 TAX RECORDS—FINAL TAX RETURN.

IT SHALL BE THE DUTY OF EVERY SELLER REQUIRED TO MAKE A RETURN AND PAY OVER ANY TAX UNDER THIS CHAPTER TO KEEP AND PRESERVE SUITABLE RECORDS OF THE GROSS DAILY SALES TOGETHER WITH INVOICES OF PURCHASES AND SALES, BILLS OF LADING, BILLS OF SALE AND OTHER PERTINENT RECORDS AND DOCUMENTS WHICH MAY BE NECESSARY TO DETERMINE THE AMOUNT OF TAX DUE UNDER THIS CHAPTER AND SUCH OTHER RECORDS OF GOODS, WARES, MERCHANDISE AND OTHER SUBJECTS OF TAXATION UNDER THIS CHAPTER AS WILL SUBSTANTIATE AND PROVE THE ACCURACY OF SUCH RETURNS. IT SHALL ALSO BE THE DUTY OF EVERY SELLER WHO MAKES EXEMPT SALES TO KEEP RECORDS OF SUCH SALES, WHICH SHALL BE SUBJECT TO EXAMINATION BY THE CITY OR ANY AUTHORIZED EMPLOYEE THEREOF ENGAGED IN CHECKING OR AUDITING THE RECORDS OF ANY SELLER REQUIRED TO MAKE A REPORT UNDER THE TERMS OF THIS CHAPTER. ALL SUCH RECORDS SHALL REMAIN IN THE CITY AND BE PRESERVED FOR A PERIOD OF THREE YEARS AFTER PAYMENT OF THE TAXES, UNLESS THE CITY HAS AUTHORIZED, IN WRITING, THEIR DESTRUCTION OR DISPOSAL AT AN EARLIER DATE, AND SHALL BE OPEN TO EXAMINATION AT ANY TIME BY THE CITY OR ANY AUTHORIZED EMPLOYEE THEREOF WHILE ENGAGED IN CHECKING SUCH RECORDS. THE BURDEN OF PROVING THAT A SALE, RENTAL OR SERVICE WAS NOT TAXABLE SHALL BE UPON THE SELLER. ANY SELLER WHO FILED OR SHOULD HAVE FILED A SALES TAX RETURN FOR THE PRIOR MONTH SHALL FILE A RETURN FOR THE

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CURRENT MONTH EVEN THOUGH NO TAX MAY BE DUE. THE RETURN SHALL SHOW WHY NO TAX IS DUE AND, IF THE BUSINESS IS SOLD, THE NAME OF THE PERSON TO WHOM IT WAS SOLD. IF ANY SELLER SELLS, LEASES OR OTHERWISE DISPOSES OF HIS OR HER BUSINESS, HE OR SHE SHALL MAKE A FINAL SALES TAX RETURN WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF SALE; AND THE PURCHASER, SUCCESSOR OR ASSIGN SHALL WITHHOLD A SUFFICIENT PORTION OF THE PURCHASE PRICE TO SAFELY COVER THE AMOUNT OF SUCH SALES TAX, PENALTIES AND INTEREST AS MAY BE DUE AND UNPAID TO THE CITY UNTIL SUCH TIME AS THE FORMER OWNER HAS PRODUCED A RECEIPT FROM THE CITY SHOWING THAT ALL TAX OBLIGATIONS IMPOSED BY THIS CHAPTER HAVE BEEN PAID; AND FURTHER PROVIDED, IF ANY PURCHASER OF A BUSINESS FAILS TO WITHHOLD FROM THE PURCHASE MONEY AS PROVIDED FOR IN THIS SECTION, HE OR SHE SHALL BE PERSONALLY LIABLE TO THE CITY ON ACCOUNT OF THE OPERATION OF THE BUSINESS BY THE FORMER OWNER, OWNERS OR ASSIGNS.]

[5.16.110 COLLECTION UPON SALE.

THE TAX LEVIED UNDER THIS CHAPTER SHALL BE PAID BY THE BUYER, AND IT SHALL BE THE DUTY OF EVERY SELLER TO COLLECT FROM THE BUYER THE FULL AMOUNT OF THE TAX, EXCEPT THAT THE TAX ON RECEIPTS OR PROCEEDS FROM VARIOUS MECHANICAL DEVICES AS PROVIDED IN SECTION 5.16.150 SHALL BE PAID BY THE OPERATOR THEREOF. EVERY SELLER SHALL ADD THE AMOUNT OF THE TAX LEVIED BY THIS CHAPTER TO THE TOTAL SALE PRICE, AND THE TAX SHALL BE STATED SEPARATELY ON ANY SALES

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RECEIPTS OR SLIPS, RENT RECEIPTS, CHARGE TICKETS, INVOICES, STATEMENTS OF ACCOUNT OR OTHER TANGIBLE EVIDENCE OF SALE. THE TAX SHALL CONSTITUTE A PART OF SUCH PRICE AND SHALL BE A DEBT FROM THE BUYER TO THE SELLER UNTIL PAID AND SHALL BE RECOVERABLE AT LAW IN THE SAME MANNER AS OTHER DEBTS. IN ADDITION, AS SET FORTH IN SECTION 5.16.060 THE SALES TAX PAYABLE ON THE SALE OF DESIGNATED INTANGIBLE PERSONAL PROPERTY MAY BE ASSUMED OR ABSORBED BY THE SELLER, IF THE SELLER OF THE DESIGNATED INTANGIBLE PERSONAL PROPERTY SO CHOOSES. THE SELLER SHALL REPORT AND REMIT SALES TAX TO THE CITY ON THE SAME BASIS, CASH OR ACCRUAL, THAT THE SELLER USES FOR REPORTING FEDERAL INCOME TAX. A SELLER REPORTING ON THE ACCRUAL BASIS SHALL BE ALLOWED A TAX CREDIT FOR SALES TAX PREVIOUSLY PAID BY THE SELLER ON ANY SALE, SERVICE OR RENTAL MADE ON CREDIT TO THE EXTENT THAT THE SELLER DECLARES SUCH DEBT TO BE UNCOLLECTIBLE AND A BAD DEBT FOR FEDERAL INCOME TAX PURPOSES. SUCH BAD DEBT CREDIT MUST BE CLAIMED ON A TIMELY FILED MONTHLY SALES TAX REPORT WITHIN TWO YEARS FROM THE DATE OF SALE IN WHICH THE BAD DEBT AROSE.]

5.16.100 [120] Collection of Sales Tax—Addition and Separate Statement[RATE].

A. Except as provided in Subsection B of this section:

1. The buyer shall pay sales tax to the seller at the time of payment for a sale, rental or service subject to sales tax. The seller shall collect sales tax

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from the buyer at the time of payment for a sale, rental or service subject to sales tax. The seller is responsible for remitting sales tax on all nonexempt sales to the city, regardless of whether the seller collects the sales tax from the buyer.

2. The seller shall add the sales tax to the price or charge for the sale, rental or service, showing the tax as a separate and distinct item on any receipt, invoice, statement of account, or other record of the transaction. The sales tax on more than one separately priced item may be shown as a total tax on the aggregate price of all items sold or rented, or services rendered, in a single transaction.

3. The amount of sales tax to be added to the price of a sale, rental or service shall be determined in accordance with the following schedule[SELLERS MAY COLLECT THE AMOUNT SHOWN IN THIS ALTERNATE SCHEDULE IF A COMPUTERIZED SYSTEM, CALCULATOR OR CASH REGISTER IS UNAVAILABLE]:

| | Tax |
|--|------------|
| Under \$.25 | None |
| \$.25 through \$.64 | \$.01 |
| \$.65 through \$1.24 | \$.02 |
| \$1.25 through \$1.64 | \$.03 |
| \$1.65 through \$2.24 | \$.04 |
| \$2.25 through \$2.64 | \$.05 |
| \$2.65 through \$3.24 | \$.06 |
| \$3.25 through \$3.64 | \$.07 |
| \$3.65 through \$4.24 | \$.08 |
| \$4.25 through \$4.64 | \$.09 |
| \$4.65 through \$5.24 | \$.10 |
| <u>Over \$5.24, continue on same scale up to five hundred dollars (\$500.00).</u> | |

[OVER \$5.24, CONTINUE ON SAME SCALE UP TO FIVE HUNDRED DOLLARS (\$500.00).]

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4. A seller may not assume, fail to add to the price or charge for a sale, rental or service, or refund to the buyer, all or part of the sales tax, or advertise or represent to any person that the seller will do so.

B. Sales tax on sales of gaming property and sales from coin operated machines is not added to the sales price and collected with each transaction, but is computed and paid as provided in Section 5.16.045.

[5.16.130 CITY MAYOR OR MANAGER REGULATION PROMULGATION AUTHORITY.

THE CITY MAYOR OR MANAGER MAY TAKE ANY ACTION NECESSARY OR APPROPRIATE TO THE IMPLEMENTATION OF THIS CHAPTER BY PROMULGATION OF REGULATIONS WHICH MAY INCLUDE THE ADOPTION OF FORMS. SUCH REGULATIONS OR ANY PROCEEDINGS ADOPTED BY THE CITY MAYOR OR MANAGER ARE EFFECTIVE AT THE TIME INDICATED BY HIM OR HER, BUT ARE SUBJECT TO REVISION OR REPEAL BY THE CITY COUNCIL AT THE NEXT MEETING FOLLOWING THEIR EFFECTIVE DATE OR AT THE TIME THAT THE COUNCIL ACTS THEREON.]

[5.16.140 BUSINESS LICENSE.

ALL SELLERS SHALL SECURE A CITY BUSINESS LICENSE AS OTHERWISE REQUIRED IN CHAPTER 6.04 OF THIS CODE IN CONNECTION WITH DOING BUSINESS IN THE CITY. BEFORE ISSUING OR RENEWING A BUSINESS LICENSE TO A SELLER, THE CITY MAY REQUIRE THE APPLICANT TO POST A BOND, FURNISH A STATEMENT OF NET WORTH, OR FURNISH ADDITIONAL SECURITY TO INSURE THE FULL AND PROMPT PAYMENT OF TAXES TO BE COLLECTED

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UNDER THIS CHAPTER WHEN IN THE JUDGMENT OF THE CITY MAYOR IT IS IN THE INTEREST OF THE CITY TO DO SO.]

[5.16.150 PUBLIC STATEMENT OF TAX REQUIRED—EXCEPTION FOR COIN-OPERATED MACHINES.

A SELLER SHALL NOT ADVERTISE OR HOLD OUT OR STATE TO THE PUBLIC OR TO ANY BUYER, DIRECTLY OR INDIRECTLY, THAT THE TAX PAYMENT OR ANY PART THEREOF IMPOSED BY THIS CHAPTER WILL BE ASSUMED OR ABSORBED BY THE SELLER OR THAT IT WILL NOT BE ADDED TO THE SALES PRICE OR THAT IT WILL BE REFUNDED OR ABSORBED IN WHOLE OR IN PART. THE SELLER SHALL, WHENEVER FEASIBLE, SEPARATELY STATE THE TAX TO THE BUYER ON EACH TAXABLE TRANSACTION. WHEN NOT FEASIBLE TO STATE SEPARATELY, THE SELLER SHALL PROMINENTLY DISPLAY A SIGN INDICATING THE IMPOSITION OF THE TAX. THE REVENUE FROM A COIN-OPERATED MACHINE SHALL BE TREATED IN GROSS ON A MONTHLY BASIS, WITHOUT REFERENCE TO THE AMOUNT PAID OR PLAYED ON A PARTICULAR TRANSACTION. IN ADDITION, AS SET FORTH IN SECTION 5.16.060 THE SALES TAX PAYABLE ON THE SALE OF DESIGNATED INTANGIBLE PERSONAL PROPERTY MAY BE ASSUMED OR ABSORBED BY THE SELLER, IF THE SELLER OF THE DESIGNATED INTANGIBLE PERSONAL PROPERTY SO CHOOSES.]

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5.16.090[160] Determination Whether Transaction is Exempt[LIABILITY FOR PAYMENT—CERTIFICATE OF PROTEST.]

A seller shall require the buyer to pay sales tax on each transaction that is not [DETERMINE IN THE FIRST INSTANCE WHETHER A SALE IS] exempt from sales tax under this chapter. If a buyer pays sales tax on a transaction that the buyer believes to be exempt, the buyer may request that the city determine whether the transaction is exempt by completing a certificate of protest in a form provided by the city. [; HOWEVER, IF THE SELLER INCORRECTLY DETERMINES THAT A SALE IS EXEMPT, THEN THE SELLER IS LIABLE TO THE CITY FOR THE TAX JUST AS IF HE OR SHE HAD COLLECTED IT. IN THE EVENT THAT THE SELLER DETERMINES THAT A TRANSACTION IS NOT EXEMPT, BUT THE BUYER BELIEVES THE TRANSACTION TO BE EXEMPT, THEN THE SELLER WILL FURNISH TO THE BUYER A FORM OF CERTIFICATE OF PROTEST, AVAILABLE AT THE CITY, WHICH SHALL BE FILLED OUT BY THE BUYER AND DELIVERED TO THE SELLER WITH THE DISPUTED TAX.] The certificate shall show the [RESPECTIVE] names and addresses of the seller and the buyer, the basis for [NATURE OF] the claim of exemption, and such other information as may be prescribed by the city. A seller shall keep a supply of certificates of protest and provide one to a buyer upon request. After completing the certificate of protest, the buyer shall give it to the seller, who shall deliver it to the city as promptly as possible, but in no event later than thirty (30) days after its receipt from the buyer. The finance director will determine whether a transaction is exempt from sales tax based on the information in the certificate of protest, and notify the buyer in

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writing of the determination, within thirty (30) days after receipt of the certificate.

If the finance director determines that the transaction is exempt, the finance director shall remit a refund with the notice[THE SELLER SHALL REMIT TO THE

CITY ALL CERTIFICATES OF PROTEST DELIVERED TO HIM OR HER AS PROMPTLY AS POSSIBLE BUT IN ANY EVENT NO LATER THAN THIRTY (30) DAYS AFTER DELIVERY OF THE CERTIFICATE TO HIM OR HER, TOGETHER WITH ANY ADDITIONAL INFORMATION WHICH THE SELLER BELIEVES TO BE PERTINENT TO THE DETERMINATION OF THE ISSUE. THE CITY MAYOR OR MANAGER, AFTER CONSULTATION WITH THE CITY ATTORNEY, WILL RULE ON EACH PROTEST AND SEND TO THE BUYER A NOTICE THAT HIS OR HER CLAIM HAS BEEN ALLOWED OR DISALLOWED WITHIN THIRTY (30) DAYS OF RECEIPT OF THE CERTIFICATE BY THE CITY. IF THE CLAIM HAS BEEN ALLOWED, A REFUND WILL BE REMITTED WITH THE NOTICE. IN THE EVENT THE CLAIM IS DISALLOWED, THE BUYER MAY SEEK JUDICIAL REVIEW THEREOF WITHIN THIRTY (30) DAYS, UNLESS JUDICIAL REVIEW IS SOUGHT WITHIN SUCH TIME, THE DECISION OF THE CITY MAYOR OR MANAGER IS FINAL].

5.16.150[170]Tax Return—Extension Of Time.

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;

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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[THE CITY MAYOR OR MANAGER OR HIS OR HER DESIGNEE MAY, IN HIS OR HER DISCRETION, UPON WRITTEN APPLICATION DULY MADE, GRANT AN EXTENSION OF TIME FOR FILING RETURNS AND REMITTING THE TAX EACH MONTH TO ANY SELLER, PROVIDED:

A. THAT SUCH EXTENSION IS A DIRE NECESSITY FOR BOOKKEEPING REASONS AND WOULD AVERT UNDUE HARDSHIP UPON SUCH SELLER; AND

B. THAT SUCH SELLER IS NOT DELINQUENT IN ANY PAYMENT OF TAX OR FILING OF RETURNS OR OTHERWISE IN VIOLATION OF THIS CHAPTER].

5.16.180 Estimated tax.

A. If a seller fails to file a sales[IN THE EVENT THAT THE CITY IS UNABLE TO ASCERTAIN THE] tax return, or if the city has reasonable cause to believe that any information on a sales tax return is not accurate, the city may estimate the sales tax due based on any information available[DUE TO BE REMITTED BY A SELLER BY REASON OF THE FAILURE OF THE SELLER TO KEEP ACCURATE BOOKS, TO ALLOW INSPECTION, FAILURE TO FILE A RETURN OR FALSIFICATION OF RECORDS, THE CITY MAY MAKE AN ESTIMATE OF THE TAX DUE BASED ON ANY INFORMATION AVAILABLE TO IT. NOTICE OF THE

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

ESTIMATE OF TAXES DUE SHALL BE FURNISHED TO THE SELLER (SEE SECTION 5.16.190), AND THE AMOUNT THEREIN STATED SHALL BECOME FINAL PURSUANT TO THE PROCEDURE SET FORTH BELOW UNDER SECTION 5.16.190, UNLESS THE SELLER FILES AN ACCURATE RETURN SUPPORTED BY SATISFACTORY RECORDS, INDICATING A LESSER LIABILITY. A SELLER SHALL IMMEDIATELY NOTIFY THE CITY OF ANY FIRE, THEFT OR OTHER CASUALTY WHICH WOULD PREVENT HIS OR HER COMPLYING WITH THIS CHAPTER. SUCH CASUALTY CONSTITUTES A DEFENSE TO ANY PENALTY PROVIDED IN THIS CHAPTER, BUT DOES NOT EXCUSE THE SELLER FROM LIABILITY FOR TAXES DUE. ACCIDENTAL LOSS OF FUNDS OR RECORDS IS NOT A DEFENSE UNDER THIS SECTION].

B. The[NOTHING IN THIS SECTION SHALL PREVENT THE] city **shall notify the seller in writing that the city has estimated the amount of sales tax that is due from the seller under subsection A of this section, stating the estimated amount. The city shall serve the notice on the seller by delivering the notice to the seller's place of business, or by mailing the notice by certified mail, return receipt requested, to the seller's last known mailing address.**

C. The city's estimate of the amount of sales tax that is due from a seller shall become a final determination of the amount that is due unless the seller, within 15 days after service of notice of the estimated sales tax, gives the city a written request for a hearing.

D. A hearing requested under subsection C of this section shall be conducted before the mayor or the mayor's designee, who may be a city

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employee. At the hearing, the seller shall have the burden of proving, by testimony or documentary evidence, that the amount of sales tax that is due is less than the amount that the city estimated. After the hearing, the person conducting the hearing shall issue a decision determining the amount of sales tax that is due from the seller. The city shall serve the decision on the seller by delivering the notice to the seller's place of business, or by mailing the notice by certified mail, return receipt requested, to the seller's last known mailing address.

E. A decision under subsection D of this section determining the amount of sales tax that is due may be appealed to the superior court as provided in the Alaska Rules of Appellate Procedure.

F. The amount of sales tax finally determined to be due under this section shall bear interest and penalty as provided in Section 5.16.120, from the date that the sales tax originally was due, plus an additional civil penalty of \$250 for each calendar month for which the amount of sales tax that is due has been determined[FROM FILING AND MAINTAIN AN ACTION TO COLLECT ANY TAXES COLLECTED OR WHICH SHOULD HAVE BEEN COLLECTED IN ADDITION TO ANY PENALTY ASSESSED. IN SUCH ACTION, THE ESTIMATED TAX DUE MADE BY THE CITY SHALL BE PRIMA FACIE EVIDENCE OF THE AMOUNT PAYABLE].

[5.16.190 DELINQUENT TAXES—NOTICE.

A. WHENEVER THE CITY REASONABLY BELIEVES A RETURN CONTAINS INACCURATE REPORTING OR WHENEVER ANY SELLER HAS BECOME DELINQUENT IN THE SUBMISSION OF THE REQUIRED MONTHLY RETURN OR IN REMITTING SALES TAXES, THE CITY SHALL MAIL TO THE

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

DELINQUENT SELLER'S LAST KNOWN ADDRESS A WRITTEN DEMAND BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, FOR SUBMISSION OF THE CORRECTED OR REQUIRED SALES TAX RETURN AND REMITTANCE OF THE TAX PAYABLE WITHIN TEN DAYS. IN THE EVENT OF NONCOMPLIANCE WITH SUCH DEMAND, THE CITY MAY MAKE A SALES TAX ASSESSMENT AGAINST THE DELINQUENT SELLER, THE ASSESSMENT TO BE BASED ON AN ESTIMATE OF THE GROSS TAXABLE REVENUE RECEIVED BY THE SELLER DURING THE MONTHLY PERIOD IN QUESTION (SEE SECTION 5.16.180). A COPY OF THE ASSESSMENT SHALL BE SENT TO THE SELLER AT HIS OR HER LAST KNOWN ADDRESS BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED. THE SELLER SHALL HAVE A RIGHT TO A HEARING BEFORE A REPRESENTATIVE OF THE CITY AT WHICH TIME THE SELLER SHALL MAKE AVAILABLE FOR EXAMINATION THE BOOKS, PAPERS, RECORDS AND OTHER DOCUMENTS PERTAINING TO THE SALES AND REVENUE FOR THE PERIOD INVOLVED IN THE ASSESSMENT. THE SELLER MAY EXERCISE HIS OR HER RIGHT TO A HEARING BY DELIVERING TO THE CITY WITHIN FIFTEEN (15) DAYS OF THE DATE OF NOTICE WAS MAILED, A WRITTEN REQUEST FOR A HEARING. THE CITY SHALL ESTABLISH A DATE AND TIME FOR A HEARING TO BE HELD WITHIN TEN (10) DAYS OF RECEIPT OF THE REQUEST UNLESS A LATER TIME IS MUTUALLY AGREEABLE. THE PERSON CONDUCTING THE HEARING SHALL ISSUE AN AMENDED ASSESSMENT IF HE OR SHE DETERMINES AN AMENDMENT SHOULD BE MADE. THE AMENDED ASSESSMENT, OR THE ORIGINAL ASSESSMENT IF NO AMENDMENT IS MADE WITHIN FIVE DAYS OF THE HEARING, SHALL BE THE

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

FINAL ASSESSMENT THIRTY (30) DAYS AFTER THE MAILING OF THE NOTICE OF THE ORIGINAL ASSESSMENT UNLESS THE SELLER HAS SUBMITTED AN ACCURATE RETURN WITHIN THAT SAME THIRTY (30) DAYS.

B. THE CITY MAY FILE A CIVIL ACTION FOR COLLECTION OF ANY TAXES, PENALTY OR INTEREST DUE BEFORE OR AFTER MAKING A DEMAND OR ASSESSMENT UNDER SUBSECTION A OF THIS SECTION. ALTERNATIVELY OR IN ADDITION TO A CIVIL ACTION, THE CITY MAY RECORD A LIEN FOR THE AMOUNT OF THE SALES TAX ASSESSMENT, AS SET FORTH BELOW.

C. WHENEVER ANY SELLER FAILS TO SUBMIT THE REQUIRED MONTHLY RETURN OR REMIT TAXES AFTER NOTICE GIVEN AS PROVIDED IN SUBSECTION A OF THIS SECTION, THE CITY MAY REQUIRE SUCH SELLER TO SUBMIT RETURNS AND REMIT TAXES ON A MORE FREQUENT BASIS.

3. PRESENTATION OF EVIDENCE BY CITY;
4. PRESENTATION OF EVIDENCE BY SELLER;
5. REBUTTAL AS NECESSARY;]

[5.16.200 DELINQUENT TAXES—APPEAL.

A SELLER MAY APPEAL A DECISION OF THE CITY UNDER SECTIONS 5.16.180 AND 5.16.190 TO THE MAYOR OR HIS OR HER DESIGNEE IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

A. THE SELLER HAS THE RIGHT TO A HEARING BEFORE THE MAYOR OR HIS OR HER DESIGNEE.

B. THE SELLER'S REQUEST FOR A HEARING MUST BE IN WRITING, SIGNED BY THE SELLER (OR COUNSEL OF THE SELLER) AND DELIVERED TO

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

THE MAYOR'S OFFICE WITHIN THIRTY (30) DAYS OF RECEIPT OF THE FINAL ASSESSMENT OF DELINQUENCY AS PROVIDED FOR IN SECTION 5.16.190(A). PURSUANT TO SECTION 5.16.180 AND/OR 5.16.190 SELLER'S FAILURE TO REQUEST A HEARING WITHIN THE TIME AND MANNER PROVIDED SHALL BE DEEMED A WAIVER OF HIS OR HER APPEAL RIGHTS AND TO ANY APPELLATE REVIEW TO WHICH HE OR SHE MIGHT HAVE OTHERWISE BEEN ENTITLED AND IN SUCH EVENT THE CITY'S DECISION BECOMES FINAL.

C. IF THE SELLER DULY DELIVERS HIS OR HER REQUEST FOR HEARING, THE MAYOR OR HIS OR HER DESIGNEE WILL HOLD A HEARING WITHIN FIFTEEN (15) DAYS FROM DATE OF RECEIPT OF THE REQUEST. THE MAYOR OR HIS OR HER DESIGNEE MAY EXTEND IN WRITING THE HEARING DATE, BUT NO EXTENSION OF MORE THAN THIRTY (30) DAYS SHALL BE GRANTED. THE MAYOR OR HIS OR HER DESIGNEE SHALL DULY NOTIFY THE SELLER OF THE DATE, TIME AND PLACE OF THE HEARING.

D. THE SELLER AT HIS OR HER OWN EXPENSE, MAY BE REPRESENTED BY COUNSEL.

E. THE HEARING SHALL BE OPEN TO THE PUBLIC.

F. ALL TESTIMONY SHALL BE UNDER OATH. THE PROCEEDINGS SHALL BE TAPE RECORDED. UPON WRITTEN REQUEST, THE SELLER IS ENTITLED TO A COPY OF THE TAPE AT NO CHARGE. THE SELLER OR REPRESENTATIVE MAY EXAMINE AND CROSS-EXAMINE WITNESSES. THE MAYOR OR HIS OR HER DESIGNEE MAY ALSO QUESTION WITNESSES. EXHIBITS MAY BE INTRODUCED. THE ALASKA RULES OF EVIDENCE NEED NOT

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BE STRICTLY FOLLOWED. IRRELEVANT OR UNDULY REPETITIOUS EVIDENCE MAY BE EXCLUDED. THE FACTUAL RECORD IS CLOSED AT THE CLOSE OF THE HEARING. THE MAYOR OR HIS OR HER DESIGNEE MAY CONTINUE THE HEARING FOR GOOD CAUSE.

G. THE ORDER OF PRESENTATION WILL BE:

1. BRIEF OPENING STATEMENT BY THE CITY;
2. BRIEF OPENING STATEMENT BY THE SELLER, WHICH IS OPTIONAL;
6. ARGUMENT BY CITY;
7. ARGUMENT BY SELLER;
8. REBUTTAL ARGUMENT BY CITY.

H. THE SELLER MUST PROVE BY A PREPONDERANCE OF THE EVIDENCE THE FACTUAL BASIS UPON WHICH HE OR SHE IS RELYING.

I. WITHIN TEN (10) WORKING DAYS FROM THE CONCLUSION OF THE HEARING, THE MAYOR OR HIS OR HER DESIGNEE SHALL RENDER A WRITTEN DECISION WHICH SHALL BE EFFECTIVE IMMEDIATELY OR ACCORDING TO ITS TERMS.

J. A SELLER WHO IS DISSATISFIED WITH THE MAYOR OR HIS OR HER DESIGNEE'S DECISION MAY APPEAL IT TO THE SUPERIOR COURT IN PALMER ONLY. THE APPEAL MUST BE FILED WITHIN THIRTY (30) DAYS OF THE SELLER'S RECEIPT OF THE DECISION. THE SELLER'S FAILURE TO APPEAL WITHIN THIS TIME CONSTITUTES A WAIVER OF HIS OR HER APPEAL RIGHTS AND THE MAYOR OR HIS OR HER DESIGNEE'S DECISION BECOMES FINAL.]

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

[5.16.210 LIEN FOR TAX, INTEREST AND PENALTY.

A. THE TAX, INTEREST, PENALTIES AND ADMINISTRATIVE COSTS IMPOSED UNDER THIS CHAPTER SHALL CONSTITUTE (PURSUANT TO THE PROCEDURES SET FORTH HEREIN) A LIEN IN FAVOR OF THE CITY UPON THE ASSETS, INCLUDING ALL REAL AND PERSONAL PROPERTY, OF EVERY SELLER FAILING TO REPORT AND/OR REMIT TAXES ON TAXABLE SALES WITHIN THE CITY. THE LIEN ARISES UPON RECORDATION OF AN ASSESSMENT OF DELINQUENCY AND CONTINUES UNTIL THE LIABILITY FOR THE AMOUNT IS SATISFIED OR THE PROPERTY OF THE DELINQUENT PERSON IS SOLD AT FORECLOSURE SALE. WHEN RECORDED, THE SALES TAX LIEN HAS PRIORITY OVER ALL OTHER LIENS EXCEPT:

1. LIENS FOR PROPERTY TAXES AND SPECIAL IMPROVEMENT ASSESSMENTS;

2. LIENS THAT WERE PERFECTED BEFORE THE RECORDING OF THE SALES TAX LIEN FOR AMOUNTS ACTUALLY ADVANCED BEFORE THE RECORDING OF THE SALES TAX LIEN;

3. MECHANICS' AND MATERIALMEN'S LIENS FOR WHICH CLAIMS OF LIEN UNDER A.S. 34.35.070 OR NOTICES OF RIGHT TO LIEN UNDER A.S. 34.35.064 HAVE BEEN RECORDED BEFORE THE RECORDING OF THE SALES TAX LIEN.

B. THE CITY MAY FILE A NOTICE OF LIEN IN THE PROCEDURAL MANNER PROVIDED FOR FEDERAL TAX LIENS UNDER A.S. 40.19.010—40.19.050, PROVIDED THAT, IN ADDITION TO THE RIGHTS AFFORDED THEREUNDER, THE

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

CITY'S SALES TAX LIEN SHALL ATTACH TO ALL SELLER'S PERSONAL PROPERTY, WHETHER TANGIBLE OR INTANGIBLE, LOCATED IN THE RECORDING DISTRICT IN WHICH THE LIEN IS FILED REGARDLESS OF WHERE THE SELLER RESIDES. THE CITY MAY RECORD SUBSEQUENT NOTICES OF LIEN FOR AMOUNTS DUE AFTER THE RECORDING OF A PREVIOUS NOTICE OF LIEN. THE CITY MAY ALSO RECORD AMENDED NOTICES OF LIEN TO CORRECT ANY ERRORS OR TO PROVIDE NOTICE OF THE THEN CURRENT PRINCIPAL AMOUNT OWING.

C. THE NOTICE OF LIEN FOR REAL PROPERTY SHALL SET OUT;

1. THE NAME OF THE SELLER;

2. THE PRINCIPAL AMOUNT OWING AT A STATED DATE;

3. A STATEMENT THAT PENALTY, INTEREST AND ADMINISTRATION COSTS ARE ALSO OWING.

D. WITHIN TEN (10) DAYS AFTER FILING THE NOTICE OF LIEN OR AMENDED NOTICE OF LIEN, THE CITY SHALL MAIL A COPY OF THE NOTICE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE LAST KNOWN ADDRESS OF SELLER, PROVIDED FAILURE TO SO MAIL THE COPY SHALL NOT VOID THE LIEN NOR LESSEN ITS PRIORITY.]

[5.16.220 DELINQUENT TAXES—FORECLOSURE—TIME LIMIT.

A. THE CITY MAY FILE AN ACTION TO FORECLOSE THE LIEN OF THE CITY UPON THE PROPERTY AND RIGHTS TO PROPERTY OF THE DELINQUENT SELLER, REAL OR PERSONAL, AND SELL THE SAME, APPLYING THE PROCEEDS THEREOF TO THE PAYMENT OF THE TAX, INTEREST, PENALTY,

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

ADMINISTRATIVE COSTS AND THE COSTS OF FORECLOSURE. THE ACTION SHALL BE COMMENCED AND PURSUED IN THE MANNER PROVIDED FOR THE FORECLOSURE OF LIENS BY A.S. 09.45.170 THROUGH 09.45.220; PROVIDED, HOWEVER, UPON COMMENCEMENT, THE CITY SHALL PROVIDE WRITTEN NOTICE OF THE ACTION TO ALL PERSONS HAVING AN INTEREST OF RECORD IN THE PROPERTY BEING FORECLOSED OR PERSONS IN POSSESSION OF THE PROPERTY. THE ACTION MAY BE COMMENCED AT ANY TIME WITHIN SIX YEARS AFTER THE LIEN ARISES.

B. THE CITY MAY, IN ADDITION TO OR IN PLACE OF THE REMEDIES PROVIDED IN THIS CHAPTER, INITIATE CIVIL ACTIONS TO COLLECT UNPAID TAXES, PENALTY AND INTEREST.]

5.16.190[230] Violations—Remedies.

A. Each of the following is a violation of this chapter:

1. Doing business in the city without a current business license.

2. A buyer failing to pay sales tax to a seller as required by this chapter.

3. A seller failing to collect sales tax from a buyer as required by this chapter.

4. A seller failing to file a sales tax return or remit sales tax when due.

5. A buyer or seller knowingly submitting false information in a document filed with the city under this chapter.

6. A seller falsifying or concealing information related to its business activities in the city for the purpose of avoiding payment of sales tax.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

7. A seller failing to permit the city to inspect records of the seller as required by this chapter.

8. A seller failing to maintain records as required by this chapter.

B. Each act or omission in violation of this chapter, and each day in which the act or omission occurs, is a separate violation of this chapter.

C. A seller that fails to file a sales tax return or remit sales tax when due, in addition to any other liability therefor imposed by this chapter, shall pay to the city all costs incurred by the city to determine the amount of the seller's sales tax liability or to collect the sales tax, including without limitation costs of obtaining, reviewing and auditing the seller's business records, collection agency fees, and actual reasonable attorney's fees.

D. Pursuant to AS 29.45.650 there is created a lien on the real and personal property of a seller to secure the payment of sales tax, interest, penalty and costs of collection. The finance director shall cause notice of the lien to be recorded with respect to the property of a seller when the finance director finds that the seller is delinquent in remitting sales tax to the city. The notice shall state the name of the seller; the amount of delinquent sales tax, interest, penalty and cost of collection owed by the seller as of a specified date; and that interest, penalty and costs will continue to accrue until payment is made. Within ten (10) days after recording the notice, city shall mail a copy of the notice by certified mail, return receipt requested, to the last known address of the seller; provided that failure of the city to mail the notice or of the seller to receive it shall not affect the validity or priority of the lien.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

E. The city may bring a civil action to:

1. Enjoin a violation of this chapter. On application for injunctive relief and a finding of a violation or threatened violation, the superior court shall enjoin the violation.

2. Collect delinquent sales tax, penalty, interest and costs of collection, either before or after estimating the amount of sales tax due under Section 5.16.180.

3. Recover a civil penalty of two hundred fifty dollars (\$250.00) for each violation of this chapter.

4. Foreclose a recorded sales tax lien as provided by law.

F. All remedies for violations of this chapter are cumulative and are in addition to those existing at law or inequity[IF A SELLER WHO OWES SALES TAXES TO THE CITY FAILS TO PAY THEM TIMELY, WHETHER INTENTIONALLY OR NOT, THE SELLER SHALL PAY THE CITY ALL COSTS OF COLLECTION, TO INCLUDE, WITHOUT LIMITATION, ACTUAL REASONABLE ATTORNEY'S FEES, COSTS AND AUDIT FEES INCURRED, WHETHER OR NOT COURT ACTION IS COMMENCED. THIS AMOUNT OF FEES AND COSTS IS IN ADDITION TO THE CIVIL PENALTY SET OUT IN SUBSECTION C OF THIS SECTION AND IN ADDITION TO THE INTEREST AND PENALTY AMOUNTS SET FORTH IN SECTION 5.16.080.]

B. EACH OF THE FOLLOWING ACTS OR OMISSIONS, WHEN INTENTIONAL, CONSTITUTES AN ORDINANCE VIOLATION AND SUBJECTS THE VIOLATOR TO A CIVIL PENALTY AS SET FORTH IN SUBSECTION C OF THIS SECTION. SUCH AN ACT OR OMISSION IS INTENTIONAL WHEN IT CONTINUES

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AFTER NOTICE FROM THE CITY TO THE SELLER OR SELLER'S AGENT THAT SUCH ACT OR OMISSION IS AN ORDINANCE VIOLATION. EACH ACT OR OMISSION SET FORTH IN THIS SECTION CONSTITUTES A SEPARATE VIOLATION, AND EACH DAY THAT A VIOLATION OF THIS CHAPTER CONTINUES CONSTITUTES A SEPARATE VIOLATION:

1. FAILURE TO OBTAIN A CURRENT BUSINESS LICENSE BY A SELLER;
2. MAKING SALES EITHER WITHOUT A CURRENT, VALID BUSINESS LICENSE OR WHILE THE SELLER'S BUSINESS LICENSE IS SUSPENDED;
3. FAILURE TO FILE A TAX RETURN OR FAILURE TO REMIT TAXES WHEN DUE;
4. FALSIFICATION OR MISREPRESENTATION OF ANY RECORD OR FACT PROVIDED TO THE CITY UNDER THIS CHAPTER OR REQUIRED TO BE KEPT BY THIS CHAPTER, IF USED TO MISLEAD THE CITY TAX AUTHORITIES;
5. FAILURE TO CORRECT A FALSIFICATION OR MISREPRESENTATION OF ANY RECORD OR FACT PROVIDED TO THE CITY CONCERNING SALES TAX;
6. FAILURE OF SELLER TO ALLOW THE INSPECTION AT REASONABLE TIMES OF RECORDS REQUIRED TO BE KEPT BY THIS CHAPTER; AND
7. FAILURE OF A SELLER TO KEEP AND PRESERVE RECORDS REQUIRED TO BE KEPT UNDER THIS CHAPTER.

C. FOR CONTINUING VIOLATIONS, THE CIVIL PENALTY FOR EACH VIOLATION OF THIS CHAPTER SHALL BE TWENTY-FIVE DOLLARS (\$25.00) PER DAY FOR EACH VIOLATION UP TO A CUMULATIVE TOTAL NOT TO EXCEED TEN (10) DAYS OR TWO HUNDRED FIFTY DOLLARS (\$250.00).

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D. THE CITY MAY REQUEST THE COURT TO ENJOIN A SELLER FROM VIOLATING ANY PROVISION OF THIS CHAPTER. ON APPLICATION FOR INJUNCTIVE RELIEF AND A FINDING OF A VIOLATION OR THREATENED VIOLATION, THE SUPERIOR COURT SHALL GRANT THE INJUNCTION.

E. ALL REMEDIES HEREUNDER ARE CUMULATIVE AND ARE IN ADDITION TO THOSE EXISTING AT LAW OR EQUITY.]

[5.16.240 IMPLEMENTATION.

A. THIS CHAPTER SHALL BECOME EFFECTIVE AND SHALL BE IMPLEMENTED ON JANUARY 1, 1993 IF, BEFORE THAT DATE, THE VOTERS OF THE CITY HAVE APPROVED, BY MAJORITY VOTE, A BALLOT PROPOSITION AUTHORIZING THE LEVY OF A TWO PERCENT SALES TAX ON RETAIL SALES, SERVICES, AND RENTALS WITHIN THE CITY. IN THE EVENT OF APPROVAL AND IMPLEMENTATION OF A MATANUSKA-SUSITNA BOROUGH-WIDE SALES TAX, THE TWO PERCENT SALES TAX LEVIED ON RETAIL SALES, SERVICES AND RENTS WITHIN THE CITY PURSUANT TO THIS CHAPTER SHALL:

1. BE IN ADDITION TO THE SALES TAX LEVIED BY THE BOROUGH; AND SHALL

2. BE APPLIED, REPORTED, COLLECTED AND ENFORCED ACCORDING TO THE TERMS OF THE APPROVED AND IMPLEMENTED BOROUGH-WIDE SALES TAX ORDINANCE.

THE EFFECT OF THIS SECTION IS INTENDED TO REPEAL AND REPLACE THE SUBSTANTIVE PROVISIONS OF THIS CHAPTER WITH ALL OF THE

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

SUBSTANTIVE PROVISIONS OF THE BOROUGH-WIDE SALES TAX ORDINANCE IF SUCH IS APPROVED AND IMPLEMENTED.

B. PROPERTY TAX CAP. THE TWO PERCENT CITY SALES TAX LEVY IS ON THE CONDITION THAT THE CITY PROPERTY TAX LEVY BE LIMITED TO A MAXIMUM OF TWO MILLS. PROPERTY TAX IS LEVIED BY CALENDAR YEAR BASED ON JANUARY 1ST ASSESSED VALUES, WITH THE RATE OF LEVY TO BE ESTABLISHED BEFORE JUNE 15, 1993. THE CALENDAR 1993 LEVY WILL BE SET AS PART OF THE REGULAR FY94 BUDGET PROCESS IN THE SPRING OF 1993. THEREFORE, THE CONDITION SET FORTH IN THE FIRST SENTENCE OF THIS SUBSECTION IS OPERATIVE FOR (MILL RATE) TO BE ESTABLISHED ON THE REAL PROPERTY VALUATION ASSESSMENTS OF JANUARY 1, 1993, SUCH TAX LEVY NOT TO BE ESTABLISHED UNTIL AFTER JANUARY 1, 1993. IN ALL CALENDAR YEARS SUBSEQUENT TO THE FIRST CALENDAR YEAR OF THE EFFECTIVE DATE OF THE ORDINANCE CODIFIED IN THIS CHAPTER (1993), THE RATE OF LEVY APPLICABLE TO THAT CALENDAR YEAR SHALL BE ESTABLISHED BY THE STATUTORY PROCEDURE GENERALLY SET FORTH IN A.S. 29.45.110 AND A.S. 9.45.240, GENERALLY CALLING FOR THE RATE OF LEVY TO BE ESTABLISHED BEFORE JUNE 15TH OF THE PARTICULAR CALENDAR YEAR AT ISSUE AND FURTHER GENERALLY PROVIDING FOR THE PROPERTY TAX TO BE LEVIED BY CALENDAR YEAR AND FURTHER GENERALLY PROVIDING THAT THE RATE OF LEVY IS APPLICABLE TO REAL PROPERTY ASSESSMENT VALUES EFFECTIVE JANUARY 1ST OF THE CALENDAR YEAR AT ISSUE.

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C. USE OF TAX FOR POLICE. THE TWO PERCENT CITY SALES TAX LEVY IS ON THE CONDITION THAT SALES TAX FIRST BE APPROPRIATED TO FUND A POLICE DEPARTMENT AND THE REMAINING TAX BE APPROPRIATED THROUGH THE ORDINARY PUBLIC BUDGET PROCESS.]

5.16.025 Interpretation.

A. The tax levied by this chapter applies to all sales, rentals and services except those that this chapter expressly exempts from the tax.

B. Exemptions from the tax levied by this chapter are to be construed narrowly.

5.16.045 Rules applicable to particular businesses or occupations.

A. Real estate sales commissions.

1. Commissions on sales of real property located in the city are subject to sales tax, regardless of the location of the person to whom the commission is payable.

2. Commissions on sales of real property payable to a person who maintains an office in the city are subject to sales tax, regardless of the location of the real property.

B. Building construction by property owner. When work is performed on real property by the owner of the property, employees of the owner of the property, or the owner acting as the owner's own contractor, the maximum sales tax on all materials, supplies and services purchased by the owner and incorporated in the work is \$10. Before making any purchases that are to be incorporated into the work, the owner may pay the maximum sales tax to the city.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

Upon such payment, the city shall issue a building exemption certificate showing the payment of the maximum sales tax and specifying the project, its location, and the owner's name. The certificate shall be effective for the lesser of the duration of the work and one year, and is not transferable. By exhibiting a valid building exemption certificate when purchasing materials, supplies or services to be incorporated in the work, the owner will be exempt from paying sales tax, and the seller will be exempt from collecting sales tax on the transaction.

C. Sales of gaming property. An amount equal to the gross receipts of the seller from sales of gaming property, less the cost of prizes awarded on each series, set of games, or contest for which gaming property has been sold, shall be subject to sales tax.

D. Sales from coin operated machines. An amount equal to the gross receipts from each coin operated machine that the seller operates in the city, shall be subject to sales tax.

5.16.080 Certificate of exemption.

A. A person shall apply to the finance director for a certificate of exemption that is required for an exemption from sales tax under Section 5.16.050, on a form approved by the finance director. The finance director may require additional information of the applicant as necessary to determine whether the application should be granted.

B. The finance director may revoke a certificate of exemption after notice to the holder of the certificate and a hearing, if the finance director finds that the holder of the certificate;

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

1. Gave false information when applying for the certificate of exemption;

2. Used the certificate of exemption in a transaction that was not exempt from sales tax under Section 5.16.050;

3. Permitted the use of the certificate of exemption by a person other than an authorized agent or employee of the holder of the certificate; or

4. Ceases to be entitled to exemption from sales tax under Section 5.16.050.

5.16.110 Title to collected sales tax.

Title to sales tax vests in the city upon collection by the seller. The seller holds collected sales tax in trust for the city, and is accountable to the city therefor.

5.16.130 Duties Upon Cessation Or Transfer Of Business.

A. A seller that ceases to do business in the city without a transfer of the business shall file with the city a final sales tax return, and remit any sales tax due, for the period ending on the date that the seller ceases to do business, within 15 days after that date.

B. When a seller transfers its business in the city:

1. The seller shall file with the city a final sales tax return, and remit any sales tax due, for the period ending on the effective date of the transfer, within 15 days after that effective date, and provide a copy of the return to the transferee.

2. The transferee shall obtain from the city an estimate of the delinquent sales tax, penalty and interest, if any, owed by the seller as of the date

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

of transfer, and shall withhold that amount from the consideration payable for the transfer, until the transferor has produced a receipt from the city showing that all tax obligations imposed by this chapter have been paid.

3. A transferee that fails to withhold the amount required under this section shall be liable to the city for the lesser of the amount of delinquent sales tax, penalty and interest due from the seller as of the date of transfer, and the amount that it was required to withhold.

C. In this section, the term "transfer" means any of the following with respect to a seller:

1. A change in voting control, or in more than fifty percent (50%) of the ownership interest in a seller that is a corporation, limited liability company or partnership;

2. A sale of substantially all of the assets used in the business of the seller; and

3. The initiation of a lease, management agreement or other arrangement under which another person becomes entitled to the seller's gross receipts from sales, rentals or services.

5.16.140 Amended returns.

A. A seller may file with the city an amended sales tax return with supporting documentation, and the city may accept the amended return, but only in the following circumstances:

1. The amended return is filed within one year of the original due date for the return;

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

2. The seller provides a written justification for amending the return;

3. The seller held a current city business license for the period for which the amended return was filed and filed an original return for that period;
and

4. The seller agrees to submit to an audit upon request of the city.

B. The city shall notify the seller in writing whether it accepts or rejects an amended return, including the reasons for any rejection.

5.16.170 Tax records; Additional information from seller; Audits.

A. A seller shall maintain records of transactions supporting the information that it submits on its sales tax returns, including without limitation records of daily gross receipts from sales, rentals and services, invoices of purchases and sales, bills of lading and bills of sale. A seller also shall maintain records of transactions that are exempt from sales tax, including information that will substantiate the claim of exemption. The seller shall maintain all such records at a location within the city. The seller shall maintain all such records for a period not less than three years after the date of payment of the sales tax to which they pertain, except to the extent that the city has authorized in writing their destruction or disposal at an earlier date.

B. The records that a seller is required to maintain under subsection A of this section shall be subject to inspection and copying by authorized employees or agents of the city for the purpose of auditing any return filed under this chapter, or to determine the seller's liability for sales tax where no return has been filed.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

C. In addition to the information required on returns, the city may request, and the seller must furnish, any information deemed necessary for a correct computation of the tax.

D. The city may adjust a return for a seller if, after investigation or audit, the city determines that the figures included in the original return are incorrect, and that additional sales taxes are due; and the city adjusts the return within three years of the original due date for the return.

5.16.200 Regulations.

The mayor may adopt, amend and repeal regulations to implement, interpret or make specific the provisions of this chapter, or prescribe forms to be used under this chapter.

5.16.210 Property tax limit–Use of sales tax.

A. Property Tax Limitation. The two- percent city sales tax levy is conditioned on the city property tax levy being limited to a maximum of two mills.

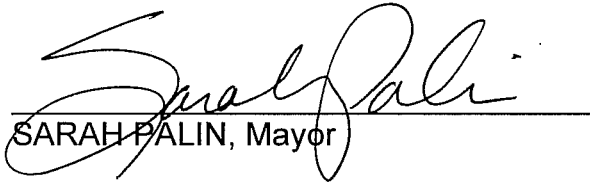
B. Use of Sales Tax for Police. The two- percent city sales tax levy is on the condition that sales tax first be appropriated to fund a police department and the remaining tax be appropriated through the ordinary public budget process.

* **Section 3. Effective date.** This ordinance shall take effect on August 1, 2001. This ordinance governs the levy and collection of city sales tax commencing August 1, 2001, and the filing of sales tax returns and remitting of sales tax for each month commencing with the month of August 2001. The filing of sales tax returns and remitting of sales tax for the month of July 2001 and prior months shall be governed by

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

the provisions of the Wasilla City Code that were in effect immediately before the enactment of this ordinance.

ADOPTED by the Wasilla City Council, Alaska, on June, 2001.


SARAH PALIN, Mayor

ATTEST:



KRISTIE L. VANGORDER, CMC
City Clerk

[SEAL]

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

SUBJECT: Amending WMC 5.16, Sales Tax

PREPARED BY: Finance

DATE: June 6, 2001

FOR AGENDA OF: June 11, 2001

SUMMARY:

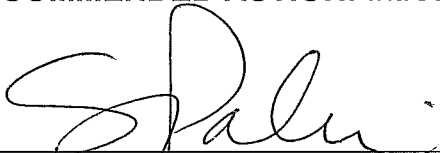
Attached please find Ordinance Serial No. 01-38, which amends WMC 5.16, Sales Tax.

This ordinance revises the code to make it more understandable to the businesses that collect the sales tax and more efficient in the way the City of Wasilla administers the collection and reporting of sales tax.

These revisions were based on advice from the City Attorney and suggestions from the staff administering the code based on their interaction with business owners and citizens.

FISCAL IMPACT: No Yes, amount requested: \$ Fund:

RECOMMENDED ACTION: Introduce ordinance and set for public hearing.



Reviewed by: SARAH PALIN, Mayor

Attachments: Ordinance 01-38

Presented with: Ord 01-38 Sub
Date: 6/25/01 **Verified by:** ZK.