

CODE ORDINANCE

Requested by: Finance
Sponsored by: Council Member Marty Metiva
Introduced: September 24, 2007
Public Hearing: October 8, 2007
Adopted: October 8, 2007
Vote: Cox, Ewing, Holler, Massie, Menard and Metiva in favor

**CITY OF WASILLA
ORDINANCE SERIAL NO. 07-53**

**AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 5.16.150,
TAX RETURN, EXTENSION OF TIME, WAIVER OR REDUCTION OF PENALTY IN
REGARD TO THE COLLECTION OF SALES TAX.**

* **Section 1. Classification.** This ordinance is of a general and permanent nature and shall become part of the city code.

* **Section 2. Amendment of section.** WMC 5.16.150 Tax return—Extension of time—Waiver or reduction of penalty, is amended to read as follows:

5.16.150 Tax return-Extension of time[-WAIVER OR REDUCTION OF PENALTY].

A. Upon written application of a seller, stating the reasons therefore, the finance director may extend the time to file a sales tax return, if the finance director finds each of the following:

1. For reasons beyond the seller's reasonable control, the seller has been unable to maintain in a current condition the books and records that contain the information required to complete the return;

2. The seller has a reasonable plan to cure the problem that caused the seller to apply for an extension, the seller will commence and proceed with diligence to cure the problem, and the problem will be cured within a reasonable time; and

3. At the time of the application, the seller is not delinquent in filing any other sales tax return or in remitting sales tax to the city.

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

B. A penalty assessed under Section 5.16.120(D) for the delinquent remittance of sales tax or under Section 5.16.180(F) for failure to file a sales tax return[:

1. May be waived by the finance director, upon written application of the seller accompanied by a payment of all delinquent sales tax, interest and penalty otherwise owed by the seller to the city, within 45 [FIVE] business days after the date of delinquency. A seller may not be granted more than one waiver of penalty under this paragraph in any period of twenty-four (24) consecutive months. The finance director shall report all such waivers of penalty to the council in writing, at least once each calendar quarter.

[2. MAY BE WAIVED OR REDUCED BY THE COUNCIL, UPON WRITTEN APPLICATION OF THE SELLER ACCOMPANIED BY A PAYMENT OF ALL DELINQUENT SALES TAX, INTEREST AND PENALTY OTHERWISE OWED BY THE SELLER TO THE CITY. IN DETERMINING WHETHER TO WAIVE OR REDUCE A PENALTY, AND THE AMOUNT OF A REDUCTION, THE COUNCIL SHALL CONSIDER THE FOLLOWING:

A. THE SELLER'S HISTORY OF COMPLIANCE WITH THE REQUIREMENTS OF THIS CHAPTER;

B. THE DEGREE OF THE SELLER'S RESPONSIBILITY FOR THE DELINQUENCY FOR WHICH THE PENALTY WAS ASSESSED;

C. THE AMOUNT OF THE PENALTY IN RELATION TO THE AMOUNT OF DELINQUENT SALES TAX AND INTEREST OWED BY THE SELLER;

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

D. WHETHER WAIVING OR REDUCING THE PENALTY WILL CONTRIBUTE TO THE PROMPT PAYMENT OF THE DELINQUENT SALES TAX, INTEREST AND REMAINING PENALTY;

E. THE REASONABLENESS OF THE SELLER'S EFFORTS TO ASSURE TIMELY FILING OF SALES TAX RETURNS AND REMISSION OF SALES TAX IN THE FUTURE; AND

F. THE EFFECT THAT WAIVING OR REDUCING THE PENALTY WILL HAVE ON THE DETERRENCE OF FUTURE DELINQUENCIES BY THE SELLER AND OTHERS.]

* **Section 3. Effective date.** This ordinance shall take effect upon adoption of the Wasilla City Council.

ADOPTED by the Wasilla City Council on October 8, 2007.



DIANNE M. KELLER, Mayor

ATTEST:



KRISTIE SMITHERS, MMC
City Clerk

[SEAL]

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



**CITY OF WASILLA
LEGISLATION STAFF REPORT**

**RE: PROPOSED ORDINANCE AMENDING WMC 5.16.150, TAX RETURN,
EXTENSION OF TIME, WAIVER OR REDUCTION OF PENALTY IN REGARD
TO THE COLLECTION OF SALES TAX.**

Agenda of: September 24, 2007

Originator: Council Member Marty Metiva

Date: August 31, 2007

Route to:	Department	Signature/Date
X	Finance, Risk Management & MIS Director Purchasing	
X	Deputy Administrator Planning, Economic Development, Human Resources	
X	City Clerk	

REVIEWED BY MAYOR DIANNE M. KELLER: _____

FISCAL IMPACT: yes or no Funds Available yes no

Account name/number:

Attachments: Proposed Ordinance

SUMMARY STATEMENT:

The proposed ordinance will amend Wasilla Municipal Code section 5.16.150 by allowing the finance director 45 days to waive a delinquent remittance of sales tax. Currently the finance director has only five business days for this waiver.

This ordinance also strikes paragraph B.2., which currently allows the Council to waive or reduce the penalty or interest of sales tax.

I am proposing this ordinance as I believe the finance director should solely have this authority and these types of requests should no longer be brought before the City Council. Over the past several months, the amount of penalty waiver has many times been less than \$50. In many cases, the cost of bringing the matter forward to the Council is greater than the amount of the waiver request.