

**CITY AND BOROUGH OF SITKA**

**ORDINANCE NO. 2020-33**

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 4  
"REVENUE AND FINANCE" OF THE SITKA GENERAL CODE BY REVISING CHAPTER  
4.09 "SALES TAX" RELATING TO EXEMPTION CERTIFICATE**

**1. CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

**2. SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

**3. PURPOSE.** The purpose of this ordinance is to clarify the process for obtaining and the implementation of a resale exemption certificate. In addition, the purpose of this ordinance is to eliminate the fee for obtaining an exemption certificate or a replacement certificate. The Assembly's intent is to promote understanding and compliance with the code and to be business friendly by reducing the cost of doing business in Sitka.

**4. ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 4, entitled "Revenue and Finance", be amended at Chapter 4.09, entitled "Sales Tax", at section 4.09.220 entitled "Exemption certificate - Form" and section 4.09.230 entitled "Exemption certificate - Requirements" to read as follows (deleted language stricken, new language underlined):

**Title 4  
REVENUE AND FINANCE**

**Chapters:**

\* \* \*

**4.09 Sales Tax**

\* \* \*

**Chapter 4.09  
SALES TAX**

**Sections:**

\* \* \*

- 4.09.220 Exemption certificate—Form.
- 4.09.230 Exemption certificate—Requirements.

\* \* \*

**4.09.220 Exemption certificate—Form.**

A. A purchaser seeking an exemption from sales tax must apply for and be issued an exemption certificate from the city and borough of Sitka. ~~The city and borough of Sitka~~ The finance department shall provide an application for an exemption certificate. Upon approval of the application and issuance of the certificate, a purchaser shall present or provide the valid authorized exemption number of the certificate when purchasing goods or services for resale,

for purchases by a government, approved government supported nonprofit agency, or by an authorized senior citizen.

B. The certificate must include:

1. For resale:

- a. General character of property or service sold by the purchaser in the regular course of business intended for resale;
- b. Name and address of the purchaser;
- c. Signature or electronic signature of the purchaser;
- d. Expiration date; and
- e. City and borough of Sitka's authorized exemption number.

2. For senior citizen:

- a. Name and address of the purchaser or purchaser's designee;
- b. Signature or electronic signature of the purchaser or purchaser's designee;
- c. Expiration date as appropriate for the authorized exemption; and
- d. City and borough of Sitka's authorized exemption number.

3. For all others:

- a. Name and address of the purchaser;
- b. Expiration date as appropriate for the authorized exemption; and
- c. City and borough of Sitka's authorized exemption number.

**4.09.230 Exemption certificate—Requirements.**

A. An exemption certificate issued by the city and borough of Sitka and executed by a purchaser or lessee must either (1) be in the possession of and presented by the purchaser or lessee or (2) the valid authorized exemption number provided to the seller or lessor by the purchaser or lessee, at the time that an exempt transaction occurs.

B. An exemption certificate must contain the information and be in a format prescribed by the city and borough of Sitka.

C. If the seller or lessor accepts an exemption certificate or a valid authorized exemption number and believes in good faith that the purchaser or lessee will employ the property or service transferred in an exempt manner, the properly executed exemption certificate or valid authorized exemption number is considered conclusive evidence, as to the seller or lessor, that the sale is exempt.

D. Resale exemption certificates ~~may shall~~ be issued annually to businesses that are approved upon application and ~~who~~ are current in filing and remitting sales tax, valid for the balance of the one calendar year upon issuance.

E. Senior citizen exemption certificate is valid for life.

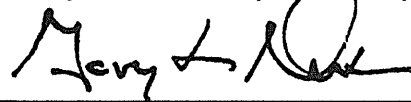
F. ~~The fee of~~ There is no fee for an exemption certificate is ~~twenty-five dollars, and five dollars for~~ a replacement certificate.

G. The exemption certificate shall be surrendered and is void when the holder no longer qualifies for the exemption.

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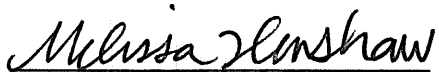
**5. EFFECTIVE DATE.** This ordinance shall become effective the day after the date of its passage.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska, this 23<sup>rd</sup> day of June, 2020.



\_\_\_\_\_  
Gary L. Paxton, Mayor

ATTEST:



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Melissa Henshaw, CMC  
Acting Municipal Clerk

1<sup>st</sup> reading 6/9/2020

2<sup>nd</sup> and final reading 6/23/2020

Sponsor: Mosher / Nelson