

Jay,

Listed below is the amount of revenue that was exempted from collecting Sales Tax per ordinance for a sales tax holiday...you requested a quick glance, so I picked the years that I had at my fingertips to give you a quick look at the progression of this exemption...

2006 - \$773,469

2007 - \$766,566

2010 - \$696,851

In lost revenue to the City, this does not necessarily equate to multiplying this times 5% because other exemptions could come into play such as the senior exemption or the over 1,000 cap exemption...also as a reminder, fuel and recurring charges are not subject to the sales tax holiday exemption.

To analyze, in 2010, the most revenue the city lost was \$34,843 however taking into consideration that other exemptions could easily come into consideration if the sales tax holiday was removed this figure would likely be lower, we just can't determine how much lower.

Brenda

Brenda Calkins

Sales Tax Auditor

City and Borough of Sitka

Dear Assembly Members

Now that I am a free man I want to make a note of these figures that jumped right out at me. Not that we lost app \$35,000 tax revenue (high end)

But that sales on a tax free day are \$70,000 down from 2006. That scares me as a business owner and should scare you also. These businesses

are the very ones that are here in town to collect YOUR sales tax revenues to fund government.

The sales tax holiday is not a priority to me and probably a lot of other business but supporting our local business is.

We all know that it is very hard to attract other businesses to Sitka so let's really work to keep and develop the ones we have.

Larry Crews

Dear Assembly Member,

This letter is written to express our support for two Tax Free Days to occur in Sitka on the Friday and Saturday immediately following Thanksgiving, commonly known as Black Friday and Black Saturday.

In a recent article in the Sentinel there was noted concern on the part of the assembly in granting this tax free incentive. As merchants of over 20 years in Sitka, we feel as if we can address this with some insight that may help in your decision-making process.

We find it interesting that the Sentinel stated that by giving a tax free day, the city "lost" \$67,000.00 in revenue from sales tax. Firstly, there is an assumption that without that tax incentive there would still have been those sales made. In our estimation that is not likely. We keep track of our daily sales from year to year. We recently checked our sales figures for those dates and previous to this incentive being offered to the shoppers of Sitka, our sales for those two days was less than \$1000 combined total. This total was for two retail locations. Since the inception of the tax free day, our sales for those two days have increased by more than 15 times for one retail location. We are more than happy to invite any assembly member to visit our store and we will personally show them those reports.

We are convinced that previous to the tax free days, Sitka had nothing to offer the shopper to cause them to shop locally. There was a statement made by an assembly member that there

should not be a need to incentivize the shopper to spend their money locally. We would ask, "Why not?" The two days following Thanksgiving are the two biggest shopping days of the year, nationally. There are sales in every store in the "Lower 48". There are sales now on the internet, often including free shipping. Note, that internet sales are "tax free". Note that if one goes to Seattle and shops, they can shop tax free. Why would our own city be unwilling to offer the same thing to its residence on two days out of the year?

The quotes in the Sentinel caused some concern on our part in that it was stated that the sales would not be significant from those days. Well, if the city believes that they lost \$67,000.00 in tax revenue, then that would translate into \$1,400,000.00 in possible sales made during those two days.

That is a very significant amount of money put into our local economy. And every one of those dollars is spent at least twice over within Sitka, if not more. Let's not forget that we do not seek to live off of tax dollars, but the health and welfare of our citizens financially contributes far more to our community.

If Sitka does not offer those incentives to the local shopper, they will simply shop elsewhere. If the Assembly wants to maintain a viable and healthy business community, they must support that community. Tax free days after Thanksgiving not only support those businesses, but Sitka shoppers as well. People must make their shopping dollar go farther these days and the citizens are the ones who directly benefit from tax free days.

Please vote to institute the two business days following Thanksgiving as "Tax Free Days" in Sitka. Thank you for our kind consideration and for taking the time to serve our city.

Sincerely,

Chris Fondell and Tamara Fondell

Owners, Goldsmith Gallery

Tam Fondell
Goldsmith Gallery