

POSSIBLE MOTION

I MOVE TO approve Ordinance 2014-12 on first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-12

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SGC
4.09.010 ENTITLED "LEVY OF SALES TAX" WHICH REMOVES THE
REQUIREMENT OF REGISTRATION AND FILING OF TAX RETURNS FOR TAX-
EXEMPT LONG TERM RESIDENTIAL RENTALS

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

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.** On June 12, 2007, Ordinance 2007-12 was passed to include rent paid for residential housing as exempt from sales tax. Although exempt from sales tax, long term residential rentals in a personal home or a single duplex were required to prepare and submit sales tax returns showing \$0 tax. The purpose of this ordinance is to eliminate the unnecessary paperwork and alleviate the administrative burdens on landlords with minimal rental activity along no other business activity and sales tax staff by removing such a requirement.

4. **ENACTMENT. NOW THEREFORE BE IT ENACTED** by the Assembly of the City and Borough of Sitka that SGC 4.09.010 is amended to read as follows (new language underlined; deleted language stricken):

4.09.010 Levy of sales tax.

A. There is levied a consumer's sales tax on sales, rents, and leases made in the city and borough of Sitka. This tax applies to sales, rentals, and leases of tangible personal property; sales of services sold within the city and borough of Sitka; sales of services performed wholly or partially within the city and borough of Sitka when the provision of such services originates or terminates within the city and borough of Sitka; and rentals and leases of real property located within the city and borough of Sitka except for as provided in that long term residential rentals in your personal home or a single duplex will not need to be registered or file a return with the city and borough of Sitka for sales tax. Notwithstanding any provision of law, air or sea charter services, provided a person or entity in the business of providing such charter services, are exempt from sales tax by the city and borough of Sitka if the charter does not commence and end within the city and borough of Sitka.

B.A. The rate of levy of the sales tax levied under subsection A of this section is five percent on sales made during the months of October, November, December, January,

47 February, and March. The rate of levy of the sales tax levied under subsection A of this
48 section is six percent on sales made during the months of April, May, June, July, August, and
49 September.¹

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5. **EFFECTIVE DATE.** This ordinance shall become effective on January 1,
2014.

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PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of
Sitka, Alaska on this 10th day of June, 2014.

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Mim McConnell, Mayor

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ATTEST:

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Colleen Ingman, MMC

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Municipal Clerk

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