

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-35S

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
REPEALING SITKA GENERAL CODE CHAPTER 4.09 "SALES TAX" SECTION
4.09.100Y. "EXEMPTION FOR PERSONS WHO HAVE REACHED THE AGE OF
SIXTY-FIVE" AND ESTABLISHING SECTION 4.09.130 "REBATE OF A PORTION
OF SALES TAX FOR CERTAIN PERSONS WHO HAVE REACHED THE AGE OF
SIXTY-FIVE AND ARE EXPERIENCING FINANCIAL HARDSHIP"

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 thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to eliminate the sales tax exemption for persons who have reached the age of sixty-five, and, to establish an annual sales tax rebate for persons who have reached the age of sixty five and are experiencing financial hardship.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby repeals, in its entirety, Section 4.09.100 Y. "Exemption for Persons Who Have Reached the Age of Sixty-Five", and establishes Section 4.09.130, "Rebate of a Portion of Sales Tax for Certain Persons Who Have Reached the Age of Sixty-Five and are Experiencing Financial Hardship", to read as follows (new language underlined, deleted language stricken):

**Chapter 4.09
SALES TAX**

Sections:

4.09.010 Levy of sales tax.

4.09.020 Collection of tax.

4.09.030 Presumption of taxability—Sales price and purchase price.

4.09.040 Separate statement of tax—No advertising to absorb or refund tax.

4.09.100 Exemptions.

4.09.110 Residence construction tax refund.

4.09.120 Exemption from seasonal sales tax increase.

4.09.130 Rebate of a Portion of Sales Tax for Certain Persons Who Have Reached the Age of Sixty-Five and are Experiencing Financial Hardship

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49 **4.09.100 Exemptions.**

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~~Y.—Exemption for Persons Who Have Reached the Age of Sixty-Five.~~

~~1.—Any person, sixty five years of age or older, who is a resident of the state of Alaska may apply for and be issued by the finance director a senior citizen sales tax exemption certificate which entitles the person, person’s spouse, or the person’s qualified domestic partner to be exempt from sales tax for the purchase of goods, services or rentals which are solely for the personal use or consumption of the person, person’s spouse, or the person’s qualified domestic partner. This exemption does not apply for purchases for the person, person’s spouse, or the person’s qualified domestic partner:~~

~~a.—For use in any trade or business, including but not limited to commercial fishing, or~~

~~b.—For purchase of alcoholic beverages, cigarettes, or other tobacco products.~~

~~2.—Definitions.~~

~~“Alcoholic beverage” includes beer, wine, and all other spirituous, vinous, malt and other fermented or distilled liquid intended for human consumption and contains one-half of one percent or more of alcohol by volume, for which a license or permit for its sale or barter is required by AS 04, entitled “Alcoholic Beverages.”~~

~~“Cigarette” shall have the same meaning as defined in Section 4.26.190.~~

~~“Other tobacco products” shall have the same meaning as defined in Section 4.26.190.~~

~~“Resident of the state of Alaska” means a person who is physically present in the state with the intent to remain in the state indefinitely and to make a home in the state.~~

~~3.—Verification.~~

~~a.—The applicant, at the time of application for a senior citizen sales tax exemption card, will provide a minimum of two pieces of identification to prove Alaska residency. One of the identification documents must show birth date.~~

~~b.—The applicant shall fill out a formal application which will include a verification of their “intent to reside in Alaska.”~~

~~4.—A resident at least sixty years old, who otherwise qualifies for the exemption, and is the widow, widower, or qualified domestic partner of a deceased person who qualified~~

93 ~~for the exemption under subsection (Y)(1) of this section, may apply for and be issued a~~
94 ~~senior citizen sales tax exemption certificate.~~

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96 ZY. Youth Camps. Fees charged for nonprofit youth camps primarily serving persons under
97 eighteen years of age are exempt.

98 AAZ. Residential Rent. Rent paid for residential housing for thirty or more consecutive days or
99 an entire calendar month by a person or persons for a room, set of rooms, structure, or suite is
100 exempt from sales taxes. This exemption does not apply to any transaction taxable under Chapter
101 4.24 regarding the hotel, motel, and bed and breakfast transient room tax.

102 ABAA. Sale of Service Costs or Commission. That part of the sales price paid by the buyer for
103 Sitka travel and adventure services purchased outside the city and borough of Sitka which is not
104 remitted, directly or indirectly, to the person providing or performing the service, and which is a
105 selling cost or commission or similar charge.

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108 **4.09.130 Refund of a Portion of Sales Tax for Certain Persons Who Have Reached the Age**
109 **of Sixty-Five and are Experiencing Financial Hardship**

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111 Upon proper application the City and Borough will annually refund a portion of sales tax paid by
112 certain persons who have reached the age of sixty-five and are experiencing financial hardship,
113 in accordance with the following guidelines and procedures:

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115 A. Any household consisting of two or more individuals, who as of July 1 each year are
116 sixty-five years of age or older; experiencing financial hardship, residents of the State
117 of Alaska and Sitka; and who are eligible to receive an Alaska Permanent Fund
118 Dividend check for the current year shall receive an annual rebate of sales taxes paid in
119 the prior 12 months in an amount not to exceed Five Hundred Forty One Dollars
120 (\$541.00) upon application.
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122 B. Any household consisting of an individual, who as of July 1 each year is sixty-five
123 years of age or older; experiencing financial hardship, is a resident of the State of
124 Alaska and Sitka; who was a resident of Alaska and maintained a residence in Sitka for
125 the previous 12 months; and who is eligible to receive an Alaska Permanent Fund
126 Dividend check for the current year shall receive an annual rebate of sales taxes paid in
127 the prior 12 months in an amount not to exceed Four Hundred Dollars (\$400.00) upon
128 application.
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130 C. Only one application per household may be submitted.
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132 D. Any person residing in an assisted living home or skilled nursing facility and who
133 otherwise is eligible for the rebate, shall be eligible for the individual household rebate.
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- 135 E. The total amount of the annual rebate shall not exceed three hundred thousand dollars
136 and shall be prorated among all of the applications received in order to arrive at
137 recommended rebate amounts for the current calendar year. Recommended rebate
138 amounts shall be submitted to the Assembly for approval. Unspent funds allocated to
139 the rebate program will be transferred to the Public Infrastructure Sinking Fund at the
140 end of each fiscal year.
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- 142 F. Verification.
- 143 1. The applicant household will provide a minimum of two pieces of identification to
144 prove Alaska and Sitka residency for at least two individuals if applying for a multiple
145 individual household, and one individual if applying for a single individual household.
146 One of the documents to be provided must be an Alaska Permanent Fund Application.
147 Age, Residency, and physical location of the applicant household must be established
148 by the submitted documents for the application to be valid and complete.
- 149 2. The applicant household shall prepare and submit a formal application which will
150 include an affidavit stating the applicant's intention to maintain a residence in Sitka,
151 and that the applicant is experiencing unavoidable financial hardship and requests
152 financial assistance from the taxpayers of Sitka.
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- 154 G. The Finance Director shall develop and implement applicable forms, policies, and
155 procedures for the administrative processing of, and issuance of sales tax rebates to
156 senior citizens under this subsection.
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- 158 H. All applications must be physically received or postmarked by 5 pm on March 31st of
159 each year. Rebates for all properly submitted applications shall be paid by June 30th of
160 each year.
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- 162 I. Knowingly submitting a fraudulent application for a senior citizen sales tax rebate shall
163 result in being permanently barred from applying for future rebates.
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- 165 J. Applicants have the right to appeal the rejection of a rebate to the City Administrator.
166 Any subsequent appeals of the Administrator's decision will go before the Assembly.
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- 168 K. The City and Borough shall have the right to offset any past due debts owed by an
169 applicant to the City and Borough in any capacity.
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- 171 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date
172 of its passage.
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174 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
175 Sitka, Alaska this 14th day of July, 2015.

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ATTEST:

Sara Peterson, CMC
Municipal Clerk

Mim McConnell, Mayor