

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2013-41

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SECTION 4.09.100 OF THE SITKA GENERAL CODE TO IDENTIFY POSSIBLE SALES TAX HOLIDAYS FOR CERTAIN SALES IN 2013

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not 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 circumstances shall not be affected.

3. PURPOSE. This ordinance is intended to allow sales made on particular days to be free from sales tax. This ordinance is not intended to affect any sale of fuel. This ordinance is not intended to affect any sale which is part of a continuing obligation of the buyer to pay the seller over time. Given the temporary nature of this exemption, it is not codified.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska that sales made on November 29 and 30, 2013 are exempt from the sales tax set out at Chapter 4.09 of the Sitka General Code if such sales are not part of a continuing obligation on the buyer to pay the seller over time, and if such sales are not sales of fuel.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage. This ordinance will expire on December 31, 2013.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 26th of November, 2013.

Mim McConnell
Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk

Sara Peterson

From: Mike Middleton
Sent: Wednesday, November 13, 2013 8:46 AM
To: assembly; Jay Sweeney
Subject: Sales Tax Receipts
Attachments: FY14 Sales tax 10-31-13.pdf

Assembly Members,

As promised at the Assembly meeting last night, here is the information on the sales tax receipts as of 10/31/13.

Total sales tax revenue expected (budgeted) for the year is \$8,928,000, as of 10/31/13 \$4,798,901 has been collected. This amounts to 54% of the budgeted amount – last year at this time the amount collected was 52% of expected revenues. This means we are on a similar path for the sales tax revenue. The bigger difference is in comparison of the dollar values between fiscal years. Collections for FY14 are \$476,537 greater than the same time in FY13 – this is an 11% increase.

Currently, budgeted sales tax revenue is about \$24,000 more than the final sales tax revenue in FY13. If the trend continues – or even declines but remains above 0.5% - we will exceed the budgeted amount for sales tax by more than enough to cover the missed sales tax revenue due to a sales tax holiday. Historically, the missed revenue has been just under \$20,000 per day.

The attached PDF file shows the information above.

Mike Middleton, CPA
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City and Borough of Sitka
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FY14 Sales tax

	Budget	As of 10/31/13	vs Budget	\$ to PY	% to PY
1st qtr Calendar Year	1,559,000.00	889.52	0.1%	266.24	42.7%
2nd qtr Calendar Year	2,692,000.00	2,208,017.18	82.0%	149,999.98	7.3%
3rd qtr Calendar Year	3,029,000.00	2,527,743.97	83.5%	324,917.01	14.8%
4th qtr Calendar Year	1,648,000.00	62,270.30	3.8%	1,353.29	2.2%
	<u>8,928,000.00</u>	<u>4,798,920.97</u>	<u>53.8%</u>	<u>476,536.52</u>	<u>11.0%</u>

FY13 Sales tax to date

	Budget	As of 10/31/12	
1st qtr Calendar Year	1,428,000.00	623.28	0.0%
2nd qtr Calendar Year	2,516,940.00	2,058,017.20	81.8%
3rd qtr Calendar Year	2,857,620.00	2,202,826.96	77.1%
4th qtr Calendar Year	1,509,600.00	60,917.01	4.0%
	<u>8,312,160.00</u>	<u>4,322,384.45</u>	<u>52.0%</u>

FY13 Final Sales tax amounts

	Budget	As of 6/30/13	
1st qtr Calendar Year	1,428,000.00	1,584,362.72	110.9%
2nd qtr Calendar Year	2,516,940.00	2,865,659.48	113.9%
3rd qtr Calendar Year	2,857,620.00	2,848,871.12	99.7%
4th qtr Calendar Year	1,509,600.00	1,605,059.72	106.3%
	<u>8,312,160.00</u>	<u>8,903,953.04</u>	<u>107.1%</u>