

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2012-09

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE SITKA GENERAL CODE BY REPEALING THE SALES TAX EXEMPTION PROVISION CURRENTLY AT SITKA GENERAL CODE SUBSECTION 4.09.100Y FOR "EXEMPTION FOR RETIRED PERSONS WHO HAVE REACHED THE AGE OF SIXTY-FIVE," AND ADDING A NEW SECTION 4.09.105 ENTITLED "TAX REBATE FOR SITKA SENIOR CITIZEN RESIDENTS"

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 circumstances shall not be affected.

3. PURPOSE. This ordinance repeals the current sales tax exemption provision at SGC 4.09.100Y entitled "Exemption for Retired Persons Who Have Reached the Age of Sixty-Five," and adds instead a sales tax rebate program at SGC 4.09.105 entitled "Tax Rebate for Sitka Senior Citizen Residents." This change in the sales tax provisions allows for senior citizens who are sixty-five years of age or older and residents of the City and Borough of Sitka to be compensated for sales taxes they may have paid, while removing the requirement that the senior citizen be retired.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Chapter 4.09 is amended by repealing the provisions in SGC 4.09.100Y entitled "Exemption for Retired Persons Who Have Reached the Age of Sixty-Five," and adding SGC 4.09.105 entitled "Tax Rebate for Sitka Senior Citizen Residents" 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.
4.09.105 Tax rebate for Sitka senior citizen residents.
4.09.110 Residence construction tax refund.
4.09.120 Exemption from seasonal sales tax increase.
4.09.210 Exempt sales.

- 47 **4.09.220 Exempt certificate—Form.**
- 48 **4.09.230 Exemption certificate—Requirements.**
- 49 **4.09.240 Improper use of subject of purchase obtained with exemption certificate—**
- 50 **Penalty.**
- 51 **4.09.250 Liability for payment of tax—Security for retailer without place of**
- 52 **business—Penalty.**
- 53 **4.09.260 Method of accounting.**
- 54 **4.09.270 Returns—Payment—Authority of city and borough of Sitka.**
- 55 **4.09.280 Form of return.**
- 56 **4.09.285 Additional information required from holders of conditional use permits**
- 57 **for short-term rentals in residential zones.**
- 58 **4.09.290 Substantiation of sales and exemptions.**
- 59 **4.09.300 Methods.**
- 60 **4.09.310 Deduction for bad debts.**
- 61 **4.09.320 Timely filing allowance.**
- 62 **4.09.330 Security—Limitations—Sales of security deposit at auction—Bond.**
- 63 **4.09.340 Taxpayer quitting business— Liability of successor.**
- 64 **4.09.350 Procedures on delinquencies.**
- 65 **4.09.360 Tax as debt.**
- 66 **4.09.370 Refunds and credits.**
- 67 **4.09.380 Period of limitation.**
- 68 **4.09.390 Taxes lien.**
- 69 **4.09.400 Rules and regulations.**
- 70 **4.09.405 Confidential and nonconfidential tax information.**
- 71 **4.09.410 Sales tax audits.**
- 72 **4.09.420 Definitions.**

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75 **4.09.100 Exemptions.**

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77 The following sales are exempt from taxation:

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79 \* \* \*

80 Y. RESERVED. ~~Exemption for Retired Persons Who Have Reached the Age of~~

81 ~~Sixty Five.~~

82

83 1. ~~Any retired person, sixty five years of age or older, who is a resident of~~

84 ~~the state of Alaska, may apply for and be issued by the finance director a senior~~

85 ~~citizen sales tax exemption card which entitles the cardholder and the~~

86 ~~cardholder's spouse to be exempt from sales tax for the purchase of goods,~~

87 ~~services or rentals which are solely for the personal use or consumption of the~~

88 ~~cardholder or the cardholder's spouse. This exemption does not apply for~~

89 ~~purchases for the cardholder or the cardholder's spouse business venture(s),~~

90 ~~including but not limited to commercial fishing.~~

91

92 2. ~~Definitions.~~

93 a. ~~To be considered “retired” under this section, both the applicant and~~  
94 ~~spouse must be substantially out of the labor force or, if still working~~  
95 ~~nearly full time, the pay received must be at a reduced rate from what the~~  
96 ~~person earned previously.~~

97 b. ~~As used in this section, “resident of the state of Alaska” means a~~  
98 ~~person who is physically present in the state with the intent to remain in~~  
99 ~~the state indefinitely and to make a home in the state.~~

100  
101 ~~3. Verification.~~

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

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

108  
109 ~~4. No seller shall charge or collect a sales tax on such a sale from any person~~  
110 ~~who displays to the seller at the time of sale such a valid registration card unless~~  
111 ~~the seller knows or has reason to know that the card is being presented in~~  
112 ~~violation of this section.~~

113  
114 ~~5. A seller shall keep a record on any and all such exempt sales and shall~~  
115 ~~submit to the municipality quarterly totals of such sales. A seller shall pay the~~  
116 ~~sales tax on any such sale otherwise exempt but for which such exemption record~~  
117 ~~has not been thus kept and submitted.~~

118  
119 ~~6. No person who has duly applied for and received such a registration card~~  
120 ~~may use it to obtain such tax exemption unless the purchased item is used or~~  
121 ~~consumed by the person duly holding such registration card or his or her spouse.~~

122  
123 ~~7. Violation of this section and SGC 4.09.105 is a misdemeanor punishable~~  
124 ~~by a fine of not more than three hundred dollars or by imprisonment for not more~~  
125 ~~than thirty days or by both; additionally, any the court may order that a~~  
126 ~~registration card which has been used in a violation shall be surrendered to the~~  
127 ~~court, which, in turn, shall returned the card to the finance director for~~  
128 ~~cancellation and destruction. A person who has his or her tax exemption~~  
129 ~~registration card thus canceled and destroyed shall not, for period of no less than~~  
130 ~~one year after the court determination of violation, be eligible to apply for or~~  
131 ~~receive a new tax exemption registration card.~~

132  
133 ~~8. A resident at least sixty years old, who otherwise qualifies for the~~  
134 ~~exemption, and is the widow or widower of a person who qualified for the~~  
135 ~~exemption under subsection A of this section, may apply for and be issued a~~  
136 ~~senior citizen sales tax exemption card.~~

137 \* \* \*

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139 **4.09.105 Tax rebate for Sitka senior citizen residents.**  
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141 A. Any person, sixty-five years of age or older, who has been a resident of Sitka for the  
142 preceding year, may apply for an annual rebate of sales taxes paid in the prior 12 months  
143 in the amount of three hundred dollars (\$300.00).

144  
145 B. Definitions. For purposes of this section, the following words or terms shall have  
146 the following meanings:

147 1. “Resident of Sitka” or “Sitka residency” means a person who physically  
148 resides in Sitka at least one hundred eighty one (181) days per year and  
149 intends to indefinitely maintain a residence in Sitka.

150  
151 C. Verification.  
152

153 1. The applicant, at the time of application for a senior citizen sales tax rebate,  
154 shall provide a minimum of two pieces of identification to prove Sitka residency.  
155 One of the identification documents must show the applicant’s birth date.

156  
157 2. The applicant shall fill out a application which shall include a sworn  
158 verification of their “intent to maintain a residence in Sitka.”

159  
160 D. The Finance Director shall develop and implement applicable forms, policies, and  
161 procedures for the administrative processing of, and issuance of sales tax rebates to senior  
162 citizens under this subsection.

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164 5. **EFFECTIVE DATE.** This ordinance shall become effective July 1, 2012.  
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166 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of  
167 Sitka, Alaska this \_\_\_\_\_ day of \_\_\_\_\_, 2012.  
168

169 \_\_\_\_\_  
170 Cheryl Westover, Mayor

171  
172 ATTEST:

173 \_\_\_\_\_  
174 Colleen Ingman, MMC  
175 Municipal Clerk