

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-33

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 4 "REVENUE AND FINANCE" OF THE SITKA GENERAL CODE BY REVISING CHAPTER 4.09 "SALES TAX" RELATING TO EXEMPTION CERTIFICATE

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 circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to clarify the process for obtaining and the implementation of a resale exemption certificate. In addition, the purpose of this ordinance is to eliminate the fee for obtaining an exemption certificate or a replacement certificate. The Assembly's intent is to promote understanding and compliance with the code and to be business friendly by reducing the cost of doing business in Sitka.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 4, entitled "Revenue and Finance", be amended at Chapter 4.09, entitled "Sales Tax", at section 4.09.220 entitled "Exemption certificate - Form" and section 4.09.230 entitled "Exemption certificate - Requirements" to read as follows (deleted language stricken, new language underlined):

Title 4
REVENUE AND FINANCE

Chapters:

4.09 Sales Tax

Chapter 4.09
SALES TAX

Sections:

- 4.09.220 Exemption certificate—Form.
4.09.230 Exemption certificate—Requirements.

4.09.220 Exemption certificate—Form.
A. A purchaser seeking an exemption from sales tax must apply for and be issued an exemption certificate from the city and borough of Sitka. The city and borough of Sitka The finance department shall provide an application for an exemption certificate. Upon approval of the application and issuance of the certificate, a purchaser shall present or provide the valid

54 authorized exemption number of the certificate when purchasing goods or services for resale,
55 for purchases by a government, approved government supported nonprofit agency, or by an
56 authorized senior citizen.

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58 B. The certificate must include:

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60 1. For resale:

61 a. General character of property or service sold by the purchaser in the regular
62 course of business intended for resale;

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64 b. Name and address of the purchaser;

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66 c. Signature or electronic signature of the purchaser;

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68 d. Expiration date; and

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70 e. City and borough of Sitka's authorized exemption number.

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72 2. For senior citizen:

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74 a. Name and address of the purchaser or purchaser's designee;

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76 b. Signature or electronic signature of the purchaser or purchaser's designee;

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78 c. Expiration date as appropriate for the authorized exemption; and

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80 d. City and borough of Sitka's authorized exemption number.

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82 3. For all others:

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84 a. Name and address of the purchaser;

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86 b. Expiration date as appropriate for the authorized exemption; and

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88 c. City and borough of Sitka's authorized exemption number.

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90 **4.09.230 Exemption certificate—Requirements.**

91 A. An exemption certificate issued by the city and borough of Sitka and executed by a
92 purchaser or lessee must either (1) be in the possession of and presented by the purchaser or
93 lessee or (2) the valid authorized exemption number provided to the seller or lessor by the
94 purchaser or lessee, at the time that an exempt transaction occurs.

95

96 B. An exemption certificate must contain the information and be in a format prescribed by the
97 city and borough of Sitka.

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99 C. If the seller or lessor accepts an exemption certificate or a valid authorized exemption

100 number and believes in good faith that the purchaser or lessee will employ the property or

101 service transferred in an exempt manner, the properly executed exemption certificate or valid

102 authorized exemption number is considered conclusive evidence, as to the seller or lessor, that
103 the sale is exempt.

104
105 D. Resale exemption certificates ~~may~~shall be issued annually to businesses that are
106 approved upon application and ~~who~~ are current in filing and remitting sales tax, valid for the
107 balance of the ~~one~~ calendar year upon issuance.

108
109 E. Senior citizen exemption certificate is valid for life.

110
111 F. ~~The fee of~~ There is no fee for an exemption certificate ~~is twenty-five dollars, and five dollars~~
112 ~~for~~ or a replacement certificate.

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114 G. The exemption certificate shall be surrendered and is void when the holder no longer
115 qualifies for the exemption.

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117 * * *

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119 **5. EFFECTIVE DATE.** This ordinance shall become effective the day after the date
120 of its passage.

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122 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
123 Sitka, Alaska, this 23rd day of June, 2020.

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125
126 _____
127 Gary L. Paxton, Mayor

128 ATTEST:
129
130 _____
131 Melissa Henshaw, CMC
132 Acting Municipal Clerk

133
134 1st reading 6/9/2020
135 2nd and final reading 6/23/2020

136
137 Sponsor: Administrator