

# CITY AND BOROUGH OF SITKA

## ORDINANCE NO. 2012-07S

### AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE SALES TAX EXEMPTION AT SITKA GENERAL CODE SUBSECTION 4.09.100N ENTITLED "OVER ONE THOUSAND DOLLARS ON SALES AND RENTS OF TANGIBLE PERSONAL PROPERTY AND ON SALES OF SERVICES, AND OVER ONE THOUSAND DOLLARS IN RENT OR LEASE OF REAL PROPERTY ON A MONTHLY BASIS."

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.** The purpose of this ordinance is to amend the sales tax exemption at SGC 4.09.100N entitled "Over One Thousand Dollars on Sales and Rents of Tangible Personal Property and on Sales of Services, and Over One Thousand Dollars in Rent or Lease of Real Property on a Monthly Basis." This ordinance concerns the "sales tax cap" beyond which sales are exempt from taxation. It increases the dollar threshold over which sales are exempt from \$1,000 to \$1,500. ~~which is still far less than the \$7,500 tax cap for City and Borough of Juneau.~~ It also adds domestic partners to the definition of "members of immediate family" regarding "bundled" services.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC4.09.100N is amended as follows (new language underlined; deleted language stricken):

#### Chapter 4.09 Sales Tax

\* \* \*

#### 4.09.100 Exemptions.

The following sales are exempt from taxation:

\* \* \*

N. Over One Thousand Five Hundred Dollars on Sales and Rents of Tangible Personal Property and on Sales of Services, and Over One Thousand Five Hundred Dollars in Rent or Lease of Real Property on a Monthly Basis. That portion of a selling price for a single

piece of equipment or tangible personal property or sale unit in excess of one thousand five hundred dollars (\$1,500) is exempt. A single sale unit is:

1. Any retail merchandise sale where the selling price is totaled on one invoice or any sales slip, although this exemption does not apply if any portion of the invoice or sales slip refers to more than one business day;
2. Any sale of services sold by an individual unit price; or
3. Any liquor sale by lodges that hold an outdoor recreation lodge liquor license.

Notwithstanding any other provision of law, the exemption described in this subsection does not apply to any "running" invoice or sales slip representing the sale of items or commodities which are not services. The exemption described in this subsection applies to any sales of services in which services provided to more than one individual are packaged together or "bundled" for purposes of payment on one invoice or sales slip to the extent that such individuals are members of the immediate family of the person making the payment and the person making the payment provides to the seller a certification of such relationship on a form provided by the city and borough. For purposes of this subsection, "members of the immediate family" are the individual's spouse, children, parents, parents-in-law, siblings, grandparents, and grandchildren, and domestic partners. ~~Notwithstanding any other provision of law, if a seller can provide an invoice prepared no later than March 31, 2004, and evidence of an accompanying deposit of money that was received by the seller no later than March 31, 2004, as a down payment on the selling price for a single piece of equipment or tangible personal property or a single sale unit, the changes enacted by this subsection do not apply.~~

5. **EFFECTIVE DATE.** This ordinance shall become effective on ~~September~~ October 1, 2012.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 26 day of June, 2012.

  
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Cheryl Westover, Mayor

ATTEST:

  
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Colleen Ingman, MMC  
Municipal Clerk