

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

CITY OF BETHEL, ALASKA

Ordinance #20-06

AN ORDINANCE BY THE BETHEL CITY COUNCIL AMENDING CHAPTER 4.16 AND CREATING 4.16A OF THE BETHEL MUNICIPAL CODE ADOPTING THE UNIFORM ALASKA REMOTE SELLER SALES TAX CODE

WHEREAS; the inability to effectively collect sales tax on sales of property, products or services transferred or delivered into Alaska is seriously eroding the sales tax base of communities, causing revenue losses and imminent harm to residents through the loss of critical funding for local public services and infrastructure;

WHEREAS; the harm from the loss of revenue is especially serious in Alaska because the State has no income tax, and sales tax revenues are one of the primary sources of funding from services provided by local governments;

WHEREAS; the failure to collect sales tax on remote sales creates market distortions by creating an unfair tax advantage for business that limit their physical presence in the taxing jurisdictions but still sell goods and services to consumers, which becomes easier and more prevalent as technology advances;

WHEREAS, the failure to tax remote sales results in the creation of incentives for businesses to avoid a physical presence in the state and its respective communities, resulting in fewer jobs and increasing the share of taxes to those consumers who buy from competitors with a physical presence in the state and its cities;

WHEREAS, the structural advantages for remote sellers, including the absence of point-of-sale tax collection, along with the general growth of online retail, make clear that erosion of the sales tax base is and has been occurring;

WHEREAS, remote sellers who make a substantial number of deliveries into or have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy as well as burdening local infrastructure and services;

WHEREAS, given modern computing and software options, it is neither unusually

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39 difficult nor burdensome for remote sellers to collect and remit sales
40 taxes associated with sales into Alaska taxing jurisdictions;

41 **WHEREAS,** due to a recent decision by the United States Supreme Court and the
42 lack of a state sales tax it is appropriate for the municipalities to
43 collectively amend their sales tax codes to account for remote sellers
44 who do not have a physical presence either in the State of Alaska or in
45 a specific taxing jurisdiction, but do have a taxable connection with the
46 State of Alaska or taxing jurisdiction;

47
48 **WHEREAS,** this ordinance is not retroactive in its application;

49
50 **WHEREAS,** amending local sales tax codes reflects the 2018 Supreme Court
51 "*Wayfair*" decision to allow for the application of the taxing
52 jurisdiction's sales tax code requirements to sellers without a physical
53 presence in the State of Alaska or taxing jurisdiction;

54
55 **WHEREAS,** the intent is to levy municipal sales tax to the maximum limit of federal
56 and state constitutional doctrines; and

57 **WHEREAS,** the City of Bethel through Resolution 20-02 has entered into a
58 cooperative agreement with other local governments called the Alaska
59 Intergovernmental Remote Seller Sales Tax Agreement ("the
60 Agreement");

61 **WHEREAS,** the terms of the Agreement require adoption of certain uniform
62 provisions for collection and remittance of municipal sales tax
63 applicable to sales made by remote sellers similar to the Streamlined
64 Sales and Use Tax Agreement.

65
66 **THEREFORE BE IT ORDAINED** by the City Council of Bethel, Alaska, as follows:

67
68 **SECTION 1. Classification.** This is a codified Ordinance and shall become part of the
69 Bethel Municipal Code.

70
71 **Section 2. Amendment 1:** Bethel Municipal Code 4.16 is amended as follows, new
72 language is underlined old language is ~~stricken~~.

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73 **4.16.040 Presumption of taxability.**

74 A. In order to prevent evasion of the sales tax and to aid in its administration, it is
75 presumed that all sales by a person engaging in business are subject to the sales tax;
76 and

77 B. There is levied by the city a sales tax on all retail sales, services and rentals which
78 commence within the city, or which are in any part rendered, supplied or provided within
79 the city, except as expressly provided otherwise in this chapter.

80 C. A sales tax applies to all real property within the city that is either rented or sold.
81 The tax applies to commissions on the sale or rental of real property, on the rental of
82 real property, and as limited in BMC 4.16.160, on the sale of real property. The tax
83 applies regardless of whether the seller, buyer, renter, lessee or tenant resides within or
84 outside the city of Bethel.

85 D. For the purposes of this section, any building or other place of business shall be
86 considered to be within the city if any part thereof or any substantial part of a
87 contiguous parking area or other supporting facility is within the city.

88 E. For purposes of this chapter, the sales price or purchase price of property must be
89 determined as of the time of acquisition.

90 F. For purposes of this chapter, a sale of services occurs at the time the services are
91 provided.

92
93 G. Remote sales, marketplace facilitators and remote sellers as defined in 4.16A shall
94 comply with the provisions of BMC 4.16A.
95

96 **4.16.160 Tax exemptions.**

97 The following sales and services are exempt from the tax levied under this chapter only
98 in accordance with the limitations provided for in this section:

99 G. *Compliance with Laws.*

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- 100 1. Gross receipts or proceeds derived from sales or services which the city is
101 prohibited from taxing under the laws of the state or under the laws and the
102 Constitution of the United States, including, but not limited to:
- 103 a. Sales by the U.S. Postal Service;
- 104 b. Purchases made under the authority of or made with any type of certificate
105 issued pursuant to 42 USC Sections 1771 through 1789 (Child Nutrition Act of
106 1966);
- 107 ~~c. Interstate sales;~~
- 108 d. Air transportation including that portion of any chartered fishing or hunting
109 expedition which covers the cost of air transportation;
- 110 e. Gross receipts or proceeds derived from sales to the United States
111 Government, the state, a city or any political department thereof. However, the
112 exemption shall not apply to the sale of materials and supplies to contractors for
113 the manufacture or production of property or rendering services for sale to such
114 government units or agencies on a contract bid award, in which event the
115 contractor shall be deemed the buyer, subject to the payment of the tax;
- 116 2. A sale or rental to an employee of the state, its political subdivisions, or the
117 federal government is only exempt when the government employee provides proof
118 that the sale is for government business by paying for the sale with a government
119 voucher, purchase order, check, credit card, or warrant, or providing other verifiable
120 documentation to the seller to allow the seller to readily determine that the sale is
121 for government business;
- 122 3. A sale or rental to a federally recognized tribe when the tribal employee provides
123 proof that the sale is for tribal government business by paying for the sale with a
124 tribal voucher, purchase order, check, credit card, or warrant, or providing other
125 verifiable documentation to the seller to allow the seller to readily determine that the
126 sale is for tribal government business.

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127 **Section 3. Amendment 2:** Adoption on new chapter 4.16A, Alaska Remote Seller
128 Sales Tax Code.

129
130

ALASKA REMOTE SELLER SALES TAX CODE

131 4.16A.010 Interpretation

- 132 A. In order to prevent evasion of the sales taxes and to aid in its administration, it
133 is presumed that all sales and services by a person or entity engaging in
134 business are subject to the sales tax.
135 B. The application of the tax levied under this Code shall be broadly construed
136 and shall favor inclusion rather than exclusion.
137 C. Exemptions from the tax levied under this Code or from the taxing jurisdiction
138 shall be narrowly construed against the claimant and allowed only when such
139 exemption clearly falls within an exemption defined in this Code or the taxing
140 jurisdiction's Code.
141 D. The scope of this Code shall apply to remote sellers or marketplace facilitators,
142 delivering products or services to Member municipalities adopting this Code,
143 within the state of Alaska.

144

145 4.16A.020 Title to Collected Sales Tax

146 Upon collection by the remote seller or marketplace facilitator, title to collected sales tax
147 vests in the Commission for remittance to the taxing jurisdiction. The remote seller or
148 marketplace facilitator remits collected sales tax to the Commission on behalf of the
149 taxing jurisdiction, from whom that power is delegated, in trust for the taxing
150 jurisdiction and is accountable to the Commission and taxing jurisdiction.

151

152 4.16A.030 – Imposition – Rate

- 153 A. To the fullest extent permitted by law, a sales tax is levied and assessed on
154 all remote sales where delivery is made within the local taxing
155 jurisdiction(s) that is a Member, within the state of Alaska.
156 B. The applicable tax shall be added to the sales price.
157 C. The tax rate added to the sale price shall be the tax rate for the taxing
158 jurisdiction(s) where the property or product is sold, or service that was
159 rendered is received, and based on the date the property or product was sold
160 or the date the service rendered was received.
161 D. An Address and Tax Rate Database will be made available to remote
162 sellers and marketplace facilitators, indicating the appropriate tax rate
163 to be applied.
164 E. The tax assessed shall be consistent with relevant jurisdictional tax caps,
165 single unit sales, and exemptions.
166 F. When a sale is made on an installment basis, the applicable sales tax shall be

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167 collected at each payment, calculated at the sales tax rate in effect, and with
168 the cap applied, at the time of the original sale or the date the service is
169 rendered, based on the local jurisdictions' Code(s).

170 G. When a sales transaction involves placement of a single order with multiple
171 deliveries made at different points in time that are separately invoiced, the
172 applicable sales tax shall be collected on each separately invoiced delivery,
173 calculated at the sales tax rate in effect, and with the cap applied, at the time
174 of the original sale or the date the service is rendered.

175
176 4.16A.040 – Obligation to Collect Tax - Threshold Criteria

177 A. Any remote seller or marketplace facilitator must collect and remit sales tax in
178 compliance with all applicable procedures and requirements of law, provided
179 the remote seller or marketplace facilitator has met one of the following
180 Threshold Criteria ("Threshold Criteria") in the previous calendar year:

- 181 1. The remote seller's statewide gross sales, including the seller's
182 marketplace facilitator's statewide gross sales, from the sale(s) of
183 property, products or services delivered into the state meets or exceeds
184 one hundred thousand dollars (\$100,000); or
- 185 2. The remote seller, including the seller's marketplace facilitator, sold
186 property, products, or services delivered into the state in two hundred
187 (200) or more separate transactions.

188 B. For purposes of determining whether the Threshold Criteria are met, remote
189 sellers or marketplace facilitators shall include all gross sales, from all sales
190 of goods, property, products, or services rendered within the state of Alaska.

191
192 4.16A.050. – No Retroactive Application

193 The obligations to collect and remit sales tax required by this chapter are applicable at
194 the effective date of the ordinance adopting the Alaska Remote Seller Sales Tax Code.

195
196 4.16A.060 – Payment and Collection

197 Pursuant to this Code, taxes imposed shall be due and paid by the buyer to the remote
198 seller or marketplace facilitator at the time of the sale of property or product or date
199 service is rendered, or with respect to credit transactions, at the time of collection. It
200 shall be the duty of each remote seller or marketplace facilitator to collect the taxes
201 from the buyer and to hold those taxes in trust for the taxing authority of the taxing
202 jurisdiction. Failure by the remote seller or marketplace facilitator to collect the tax
203 shall not affect the remote seller's, or marketplace facilitator's, responsibility for
204 payment to the Commission.

205
206 4.16A.070 – Remote Seller and Marketplace Facilitator Registration Requirement

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- 207 A. If a remote seller's gross statewide sales within the last calendar year meets
208 or exceeds the Threshold Criteria, the remote seller shall register with the
209 Commission. If a marketplace facilitator's gross statewide sales within the
210 last calendar year meets or exceeds the Threshold Criteria, the marketplace
211 facilitator shall register with the Commission.
- 212 B. A remote seller or marketplace facilitator meeting the Threshold Criteria shall
213 apply for a certificate of sales tax registration within thirty (30) calendar days
214 of the effective date of this Code or within thirty (30) calendar days of meeting
215 the Threshold Criteria whichever occurs second. Registration shall be to the
216 Commission on forms prescribed by the Commission.
- 217 C. An extension may be applied for and granted based on criteria established by
218 the Commission, based on evidence produced to describe time necessary to
219 update software or other technical needs, not to exceed ninety (90) days.
- 220 D. Upon receipt of a properly executed application, the Commission shall
221 confirm registration, stating the legal name of the remote seller or
222 marketplace facilitator, the primary address, and the primary sales tax
223 contact name and corresponding title. The failure of the Commission to
224 confirm registration does not relieve the remote seller or marketplace
225 facilitator of its duty to collect and remit sales tax. Each business entity shall
226 have a sales tax registration under the advertised name.
- 227 E. The sales tax certificate is non-assignable and non-transferable.

228
229 4.16A.080 – Tax Filing Schedule

- 230 A. All remote sellers or marketplace facilitators subject to this Code shall file a
231 return on a form or in a format prescribed by the Commission and shall pay
232 the tax due.
- 233 B. Filing of sales tax returns are due monthly; quarterly filing is optional upon
234 application and approval by the Commission, consistent with the code of the
235 local jurisdiction.
- 236 C. A remote seller or marketplace facilitator who has filed a sales tax return
237 will be presumed to be making sales in successive periods unless the
238 remote seller or marketplace facilitator files a return showing a
239 termination or sale of the business in accordance with this Code.
- 240 D. The completed and executed return, together with the remittance in full for
241 the tax due, shall be transmitted to and must be received by the Commission
242 on or before midnight Alaska Standard Time on the due date. Monthly
243 returns are due the last day of the immediate subsequent month. Quarterly
244 returns are due as follows:
 - 245 Quarter 1 (January – March) April 30
 - 246 Quarter 2 (April – June) July 31

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247 Quarter 3 (July – September) October 31
248 Quarter 4 (October – December) January 31
249

- 250 E. If the last day of the month following the end of the filing period falls on a
251 Saturday, Sunday, federal holiday or Alaska state holiday, the due date will
252 be extended until the next business day immediately following.
- 253 F. Any remote seller or marketplace facilitator holding a remote seller registration
254 shall file a sales tax return even though no tax may be due. This return shall
255 show why no tax is due. If the remote seller or marketplace facilitator intends
256 to continue doing business a return shall be filed reflecting no sales and a
257 confirmation of the intent to continue doing business and shall continue to do
258 so each filing period until the entity ceases doing business or sells the
259 business. If the remote seller or marketplace facilitator intends to cease
260 doing business, a final return shall be filed along with a statement of business
261 closure.
- 262 G. The remote seller or marketplace facilitator shall prepare the return and remit
263 sales tax to the Commission on the same basis, cash or accrual, which the
264 remote seller or marketplace facilitator uses in preparing its federal income tax
265 return. The remote seller or marketplace facilitator shall sign the return, and
266 transmit the return, with the amount of sales tax and any applicable penalty,
267 interest or fees that it shows to be due, to the Commission.
- 268 H. Remote sellers and marketplace facilitators failing to comply with the
269 provisions of this Code shall, if required by the Commission and if quarterly
270 filing has been chosen, file and transmit collected sales taxes more frequently
271 until such time as they have demonstrated to the Commission that they are
272 or will be able to comply with the provisions of this Code. Six (6) consecutive
273 on-time sales tax filings, with full remittance of the sales taxes collected,
274 shall establish the presumption of compliance and return to quarterly filing.
- 275 I. The preparer of the sales tax return shall keep and maintain all documentation
276 supporting any and all claims of exempted sales and purchases.
277 Documentation for exempted sales should include the number of the
278 exemption authorization card presented by the buyer at the time of the
279 purchase; the date of the purchase; the name of the person making the
280 purchase; the organization making the purchase; the total amount of the
281 purchase; and the amount of sales tax exempted. This documentation shall be
282 made available to the Commission upon request. Failure to provide such
283 documentation may invalidate that portion of the claim of exemption for
284 which no documentation is provided.

285
286 4.16A.090 – Estimated Tax

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- 287 A. In the event the Commission is unable to ascertain the tax due from a remote
288 seller or marketplace facilitator by reason of the failure of the remote seller or
289 marketplace facilitator to keep accurate books, allow inspection, or file a
290 return, or by reason of the remote seller or marketplace facilitator filing a false
291 or inaccurate return, the Commission may make an estimate of the tax due
292 based on any evidence in their possession.
- 293 B. Sales taxes may also be estimated, based on any information available,
294 whenever the Commission has reasonable cause to believe that any
295 information on a sales tax return is not accurate.
- 296 C. A remote seller's or marketplace facilitator's tax liability under this Code may be
297 determined and assessed for a period of six (6) years after the date the return
298 was filed or due to be filed with the Commission. No civil action for the
299 collection of such tax may be commenced after the expiration of the six- (6-)
300 year period except an action for taxes, penalties and interest due from those
301 filing periods that are the subject of a written demand or assessment made
302 within the six- (6-) year period, unless the remote seller or marketplace
303 facilitator waives the protection of this section.
- 304 D. The Commission shall notify the remote seller or marketplace facilitator, in
305 writing, that the Commission has estimated the amount of sales tax that is
306 due from the remote seller or marketplace facilitator. The Commission shall
307 serve the notice on the remote seller or marketplace facilitator by delivering
308 the notice to the remote seller's or marketplace facilitator's place of business,
309 or by mailing the notice by certified mail, return receipt requested, to the
310 remote seller's or marketplace facilitator's last known mailing address. A
311 remote seller or marketplace facilitator who refuses the certified mail will be
312 considered to have accepted the certified mail for purposes of service.
- 313 E. The Commission's estimate of the amount of sales tax that is due from a
314 remote seller or marketplace facilitator shall become a final determination of
315 the amount that is due unless the remote seller or marketplace facilitator,
316 within thirty (30) calendar days after service of notice of the estimated tax:
317 1. Files a complete and accurate sales tax return for the delinquent periods
318 supported by satisfactory records and accompanied by a full remittance of
319 all taxes, interest, penalties, costs and other charges due; or
320 2. Files a written notice with the Commission appealing the estimated tax
321 amount in accordance with the appeal procedures.
322 3. Arguments or reasons for failure to timely file a return and remit taxes
323 collected shall not be considered a valid basis or grounds for granting an
324 appeal. The basis and grounds for granting an appeal of an assessment
325 are:
326 a. The identity of the remote seller or marketplace facilitator is in error;

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- 327 b. The amount of the debt is erroneous due to a clerical error (and the
328 nature and extent of the error is specified in the request for appeal);
329 or
330 c. The remote seller or marketplace facilitator disputes the denial of
331 exemption(s) for certain sales.
332 F. The amount of sales tax finally determined to be due under this section shall
333 bear interest and penalty from the date that the sales tax originally was due,
334 plus an additional civil penalty of fifty dollars (\$50) for each calendar month or
335 partial month for which the amount of sales tax that is due has been
336 determined.

337
338 4.16A.100 – Returns – Filing Contents

- 339 A. Every remote seller or marketplace facilitator required by this chapter to collect
340 sales tax shall file with the Commission upon forms furnished by the
341 Commission a return setting forth the following information with totals
342 rounded to the nearest dollar:
343 1. Gross sales;
344 2. The nontaxable portions separately stating the amount of sales revenue
345 attributable to each class of exemption;
346 3. Computation of taxes to be remitted;
347 4. Calculated discount (if applicable) based on taxing jurisdiction's code; and
348 5. Such other information as may be required by the Commission.
349 B. Each tax return remitted by a remote seller or marketplace facilitator shall
350 be signed (digital or otherwise) by a responsible individual who shall attest
351 to the completeness and accuracy of the information on the tax return.
352 C. The Commission reserves the right to reject a filed return for failure to
353 comply with the requirements of this Code for up to three (3) months from
354 the date of filing. The Commission shall give written notice to a remote seller
355 or marketplace facilitator that a return has been rejected, including the
356 reason for the rejection.

357
358 4.16A.110 – Refunds

- 359 A. Upon request from a buyer or remote seller or marketplace facilitator the
360 Commission shall provide a determination of correct tax rate and amount
361 applicable to the transaction. In the case of an overpayment of taxes, the
362 remote seller or marketplace facilitator shall process the refund and amend
363 any returns accordingly.
364 B. If the claimant is a remote seller or marketplace facilitator, and the tax refund
365 is owed to any buyer, the remote seller or marketplace facilitator submits, and
366 the Commission approves, a refund plan to all affected buyers.
367 C. The Taxing Jurisdictions may allow a buyer to request a refund directly from

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Vote: 7-0

368 the Taxing Jurisdiction.

369

370 4.16A.120 – Amended Returns

- 371 A. A remote seller or marketplace facilitator may file an amended sales tax
372 return, with supporting documentation, and the Commission may accept
373 the amended return, but only in the following circumstances:
374 i. The amended return is filed within one (1) year of the original due date for
375 the return; and
376 ii. The remote seller or marketplace facilitator provides a written
377 justification for requesting approval of the amended return; and
378 iii. The remote seller or marketplace facilitator agrees to submit to an audit upon
379 request of the Commission.
380 B. The Commission shall notify the remote seller or marketplace facilitator in
381 writing (by email or otherwise) whether the Commission accepts or rejects
382 an amended return, including the reasons for any rejection.
383 C. The Commission may adjust a return for a remote seller or marketplace
384 facilitator if, after investigation, the Commission determines the figure
385 included in the original returns are incorrect; and the Commission adjusts
386 the return within two (2) years of the original due date for the return.
387 D. A remote seller or marketplace facilitator may file a supplemental sales tax
388 return, with supporting documentation, and the Commission may accept the
389 supplemental return, but only in the following circumstances:
390 i. The remote seller or marketplace facilitator provides a written
391 justification for requesting approval of the supplemental return; and
392 ii. The remote seller or marketplace facilitator agrees to submit to an audit
393 upon request of the Commission.

394

395 4.16A.130 – Extension of Time to File Tax Return

396 Upon written application of a remote seller or marketplace facilitator, stating the
397 reasons therefor, the Commission may extend the time to file a sales tax return but
398 only if the Commission finds each of the following:

- 399 1. For reasons beyond the remote seller's or marketplace facilitator's control,
400 the remote seller or marketplace facilitator has been unable to maintain in a
401 current condition the books and records that contain the information
402 required to complete the return;
403 2. Such extension is a dire necessity for bookkeeping reasons and would
404 avert undue hardship upon the remote seller or marketplace facilitator;
405 3. The remote seller or marketplace facilitator has a plan to cure the problem that
406 caused the remote seller or marketplace facilitator to apply for an extension
407 and the remote seller or marketplace facilitator agrees to proceed with

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- 408 diligence to cure the problem;
409 4. At the time of the application, the remote seller or marketplace facilitator is not
410 delinquent in filing any other sales tax return, in remitting sales tax to the
411 Commission or otherwise in violation of this chapter;
412 5. No such extension shall be made retroactively to cover existing delinquencies.
413

414 4.16A.140 – Audits

- 415 A. Any remote seller or marketplace facilitator who has registered with the
416 Commission, who is required to collect and remit sales tax, or who is required
417 to submit a sales tax return is subject to a discretionary sales tax audit at any
418 time. The purpose of such an audit is to examine the business records of the
419 remote seller or marketplace facilitator in order to determine whether
420 appropriate amounts of sales tax revenue have been collected by the remote
421 seller or marketplace facilitator and remitted to the Commission.
422 B. The Commission is not bound to accept a sales tax return as correct. The
423 Commission may make an independent investigation of all retail sales or
424 transactions conducted within the State or taxing jurisdiction.
425 C. The records that a remote seller or marketplace facilitator is required to
426 maintain under this chapter shall be subject to inspection and copying by
427 authorized employees or agents of the Commission for the purpose of auditing
428 any return filed under this chapter, or to determine the remote seller's or
429 marketplace facilitator's liability for sales tax where no return has been filed.
430 D. In addition to the information required on returns, the Commission may
431 request, and the remote seller or marketplace facilitator must furnish, any
432 reasonable information deemed necessary for a correct computation of the
433 tax.
434 E. The Commission may adjust a return for a remote seller or marketplace
435 facilitator if, after investigation or audit, the Commission determines that the
436 figures included in the original return are incorrect, and that additional sales
437 taxes are due; and the Commission adjusts the return within two (2) years of
438 the original due date for the return.
439 F. For the purpose of ascertaining the correctness of a return or the amount of
440 taxes owed when a return has not been filed, the Commission may conduct
441 investigations, hearings and audits and may examine any relevant books,
442 papers, statements, memoranda, records, accounts or other writings of any
443 remote seller or marketplace facilitator at any reasonable hour on the
444 premises of the remote seller or marketplace facilitator and may require the
445 attendance of any officer or employee of the remote seller or marketplace
446 facilitator. Upon written demand by the Commission, the remote seller or
447 marketplace facilitator shall present for examination, in the office of the

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448 Commission, such books, papers, statements, memoranda, records, accounts
449 and other written material as may be set out in the demand unless the
450 Commission and the person upon whom the demand is made agree to
451 presentation of such materials at a different place.

- 452 G. The Commission may issue subpoenas to compel attendance or to require
453 production of relevant books, papers, records or memoranda. If any remote
454 seller or marketplace facilitator refuses to obey any such subpoena, the
455 Commissioner may refer the matter to the Commission's attorney for an
456 application to the superior court for an order requiring the remote seller or
457 marketplace facilitator to comply therewith.
- 458 H. Any remote seller, marketplace facilitator, or person engaged in business who
459 is unable or unwilling to submit their records to the Commission shall be
460 required to pay the Commission for all necessary expenses incurred for the
461 examination and inspection of their records maintained outside the
462 Commission.
- 463 I. After the completion of a sales tax audit, the results of the audit will be
464 sent to the business owner's address of record.
- 465 J. In the event the Commission, upon completion of an audit, discovers more
466 than five hundred dollars (\$500) in additional sales tax due from a remote
467 seller or marketplace facilitator resulting from a remote seller's or marketplace
468 facilitator's failure to accurately report sales and taxes due thereupon, the
469 remote seller or marketplace facilitator shall bear responsibility for the full
470 cost of the audit. The audit fee assessment will be in addition to interest and
471 penalties applicable to amounts deemed to be delinquent by the Commission
472 at the time of the conclusion of the audit.

473
474 4.16A.150 Audit protest

- 475 A. If the remote seller or marketplace facilitator wishes to dispute the amount of
476 the estimate, or the results of an examination or audit, the remote seller or
477 marketplace facilitator must file a written protest with the Commission, within
478 thirty (30) calendar days of the date of the notice of estimated tax or results
479 of an audit or examination. The protest must set forth:
- 480 1. The remote seller's or marketplace facilitator's justification for reducing or
481 increasing the estimated tax amount, including any missing sales tax returns
482 for the periods estimated; or
 - 483 2. The remote seller's or marketplace facilitator's reasons for
484 challenging the examination or audit results.
- 485 B. In processing the protest, the Commission may hold an informal meeting or
486 hearing with the remote seller or marketplace facilitator, either on its own or
487 upon request of the remote seller or marketplace facilitator, and may also

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488 require that the remote seller or marketplace facilitator submit to an audit, if
489 one was not previously conducted or a more formal audit, if an estimation
490 audit was previously performed.

- 491 C. The Commission shall make a final written determination on the remote
492 seller's or marketplace facilitator's protest and mail a copy of the
493 determination to the remote seller or marketplace facilitator.
494 D. If a written protest is not filed within thirty (30) days of the date of the
495 notice of estimated tax or the result of a review, audit or examination, then
496 the estimated tax, review, audit or examination result shall be final, due
497 and payable to the Commission.

498
499 4.16A.160 – Penalties and Interest for Late Filing

- 500 A. A late filing fee of twenty-five dollars (\$25) per month (or quarter) shall be
501 added to all late-filed sales tax reports in addition to interest and penalties.
502 B. Delinquent sales tax bear interest at the rate of fifteen percent (15%) per
503 annum until paid.
504 C. In addition, delinquent sales tax shall be subject to an additional penalty of
505 5% per month, or fraction thereof, until a total of 20% of delinquent tax has
506 been reached. The penalty does not bear interest.
507 D. Fees, penalties and interest shall be assessed and collected in the same
508 manner as the tax is assessed and collected, and applied first to fees,
509 penalties and interest, second to past due sales tax.
510 E. The filing of an incomplete return, or the failure to remit all tax, shall be
511 treated as the filing of no return.
512 F. A penalty assessed under this section for the delinquent remittance of sales
513 tax or failure to file a sales tax return may be waived by the Commission,
514 upon written application of the remote seller or marketplace facilitator
515 accompanied by a payment of all delinquent sales tax, interest and penalty
516 otherwise owed by the remote seller or marketplace facilitator, within forty-
517 five (45) calendar days after the date of delinquency. A remote seller or
518 marketplace facilitator may not be granted more than one (1) waiver of
519 penalty under this subsection in any one calendar year. The Commission shall
520 report such waivers of penalty to the taxing jurisdiction, in writing.

521
522 4.16A.170 – Repayment Plans

- 523 A. The Commission may agree to enter into a repayment plan with a
524 delinquent remote seller or marketplace facilitator. No repayment plan shall
525 be valid unless agreed to by both parties in writing.
526 B. A remote seller or marketplace facilitator shall not be eligible to enter into a
527 repayment plan with the Commission if the remote seller or marketplace
528 facilitator has defaulted on a repayment plan in the previous two (2) calendar

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

- 529 years.
- 530 C. The repayment plan shall include a secured promissory note that substantially
- 531 complies with the following terms:
- 532 i. The remote seller or marketplace facilitator agrees to pay a
- 533 minimum of ten percent (10%) down payment on the tax, interest
- 534 and penalty amount due. The down payment shall be applied first
- 535 to penalty, then to accumulated interest, and then to the tax
- 536 owed.
- 537 ii. The remote seller or marketplace facilitator agrees to pay the
- 538 balance of the tax, penalty and interest owed in monthly
- 539 installments over a period not to exceed two (2) years.
- 540 iii. Interest at a rate of fifteen percent (15%) per annum shall
- 541 accrue on the principal sum due. Interest shall not apply to
- 542 penalties owed or to interest accrued at the time the repayment
- 543 plan is executed or accruing during the term of the repayment
- 544 plan.
- 545 iv. If the remote seller or marketplace facilitator is a corporation or a
- 546 limited liability entity the remote seller or marketplace facilitator
- 547 agrees to provide a personal guarantee of the obligations under the
- 548 repayment plan.
- 549 v. The remote seller or marketplace facilitator agrees to pay all future
- 550 tax bills in accordance with the provisions of this chapter.
- 551 vi. The remote seller or marketplace facilitator agrees to provide a
- 552 security interest in the form of a sales tax lien for the entire unpaid
- 553 balance of the promissory note to be recorded by the Commission
- 554 at the time the repayment plan is signed. The remote seller or
- 555 marketplace facilitator shall be responsible for the cost of recording
- 556 the tax lien.
- 557 D. If a remote seller or marketplace facilitator fails to pay two (2) or more
- 558 payments as required by the repayment plan agreement, the remote seller or
- 559 marketplace facilitator shall be in default and the entire amount owed at the
- 560 time of default shall become immediately due. The Commission will send the
- 561 remote seller or marketplace facilitator a notice of default. The Commission
- 562 may immediately foreclose on the sales tax lien or take any other remedy
- 563 available under the law.

564

565 4.16A.180 – Remote Seller or Marketplace Facilitator Record Retention

566 Remote sellers or marketplace facilitators shall keep and preserve suitable records of all

567 sales made and such other books or accounts as may be necessary to determine the

568 amount of tax which the remote seller or marketplace facilitator is obliged to collect.

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

569 Remote sellers or marketplace facilitators shall preserve suitable records of sales for a
570 period of six (6) years from the date of the return reporting such sales, and shall
571 preserve for a period of six (6) years all invoices of goods and merchandise purchased
572 for resale, and all such other books, invoices and records as may be necessary to
573 accurately determine the amount of taxes which the remote seller or marketplace
574 facilitator was obliged to collect under this chapter.

575

576 4.16A.190 – Cessation or Transfer of Business

577 A. A remote seller or marketplace facilitator who sells, leases, conveys, forfeits,
578 transfers or assigns the majority of their business interest, including a creditor
579 or secured party, shall make a final sales tax return within thirty (30) days
580 after the date of such conveyance.

581 B. At least ten (10) business days before any such sale is completed, the remote
582 seller or marketplace facilitator shall send to the Commission, by approved
583 communication (email confirmation, certified first-class mail, postage prepaid)
584 a notice that the remote seller's or marketplace facilitator's interest is to be
585 conveyed and shall include the name, address and telephone number of the
586 person or entity to whom the interest is to be conveyed.

587 C. Upon notice of sale and disclosure of buyer, the Commission shall be authorized
588 to disclose the status of the remote seller's or marketplace facilitator's sales tax
589 account to the named buyer or assignee.

590 D. Upon receipt of notice of a sale or transfer, the Commission shall send the
591 transferee a copy of this Code with this section highlighted.

592 E. Neither the Commission's failure to give the notice nor the transferee's failure to
593 receive the notice shall relieve the transferee of any obligations under this
594 section.

595 F. Following receipt of the notice, the Commission shall have sixty (60) days in
596 which to perform a final sales tax audit and assess sales tax liability against the
597 seller of the business. If the notice is not mailed at least ten (10) business days
598 before the sale is completed, the Commission shall have twelve (12) months
599 from the date of the completion of the sale or the Commission's knowledge of
600 the completion of the sale within which to begin a final sales tax audit and
601 assess sales tax liability against the seller of the business. The Commission may
602 also initiate an estimated assessment if the requirements for such an
603 assessment exist.

604 G. A person acquiring any interest of a remote seller or marketplace facilitator in a
605 business required to collect the tax under this chapter assumes the liability of the
606 remote seller or marketplace facilitator for all taxes due the Commission, whether
607 current or delinquent, whether known to the Commission or discovered later, and
608 for all interest, penalties, costs and charges on such taxes.

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

- 609 H. Before the effective date of the transfer, the transferee of a business shall obtain
610 from the Commission an estimate of the delinquent sales tax, penalty and
611 interest, if any, owed by the remote seller or marketplace facilitator as of the
612 date of the transfer, and shall withhold that amount from the consideration
613 payable for the transfer, until the remote seller or marketplace facilitator has
614 produced a receipt from the Commission showing that all tax obligations
615 imposed by this chapter have been paid. A transferee that fails to withhold the
616 amount required under this subsection shall be liable to the Commission and
617 taxing jurisdiction for the lesser of the amount of delinquent sales tax, penalty
618 and interest due from the remote seller or marketplace facilitator as of the date
619 of transfer, and the amount that the transferee was required to withhold.
- 620 I. In this section, the term "transfer" includes the following:
621 1. A change in voting control, or in more than fifty percent (50%) of the
622 ownership interest in a remote seller or marketplace facilitator that is a
623 corporation, limited liability company or partnership; or
624 2. A sale of all or substantially all the assets used in the business of the remote
625 seller or marketplace facilitator; or
626 3. The initiation of a lease, management agreement or other arrangement under
627 which another person becomes entitled to the remote seller's or marketplace
628 facilitator's gross receipts from sales, rentals or services.
- 629 J. Subsection H of this section shall not apply to any person who acquires their
630 ownership interest in the ongoing business as a result of the foreclosure of a lien that
631 has priority over the Commission's sales tax lien.
- 632 K. Upon termination, dissolution or abandonment of a corporate business, any officer
633 having control or supervision of sales tax funds collected, or who is charged with
634 responsibility for the filing of returns or the payment of sales tax funds collected, shall
635 be personally liable for any unpaid taxes, interest, administrative costs and penalties
636 on those taxes if such officer willfully fails to pay or cause to be paid any taxes due
637 from the corporation. In addition, regardless of willfulness, each director of the
638 corporation shall be jointly and severally liable for unpaid amounts. The officer shall
639 be liable only for taxes collected which became due during the period he or she had
640 the control, supervision, responsibility or duty to act for the corporation. This section
641 does not relieve the corporation of other tax liabilities or otherwise impair other tax
642 collection remedies afforded by law.
- 643 L. A remote seller or marketplace facilitator who terminates the business without the
644 benefit of a purchaser, successor or assign shall make a final tax return and
645 settlement of tax obligations within thirty (30) days after such termination. If a final
646 return and settlement are not received within thirty (30) days of the termination, the
647 remote seller or marketplace facilitator shall pay a penalty of one hundred dollars
648 (\$100), plus an additional penalty of twenty-five dollars (\$25) for each additional
649 thirty- (30-) day period, or part of such a period, during which the final return and

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

650 settlement have not been made, for a maximum of six (6) additional periods.

651

652 4.16A.200 – Use of Information on Tax Returns

653 A. Except as otherwise provided in this chapter, all returns, reports and information
654 required to be filed with the Commission under this Code, and all information
655 contained therein, shall be kept confidential and shall be subject to inspection
656 only by:

657 1. Employees and agents of the Commission and taxing jurisdiction
658 whose job responsibilities are directly related to such returns,
659 reports and information;

660 2. The person supplying such returns, reports and information; and

661 3. Persons authorized in writing by the person supplying such returns,
662 reports and information.

663 B. The Commission will release information described in subsection A of this
664 section pursuant to subpoena, order of a court or administrative agency of
665 competent jurisdiction, and where otherwise required by law to do so.

666 C. Notwithstanding subsection A of this section, the following information is
667 available for public inspection:

668 1. The name and address of sellers;

669 2. Whether a business is registered to collect taxes under this chapter;

670 3. The name and address of businesses that are sixty (60) days or more
671 delinquent in filing returns or in remitting sales tax, or both filing returns
672 and remitting sales tax; and, if so delinquent, the amount of estimated
673 sales tax due, and the number of returns not filed.

674 D. The Commission may provide the public statistical information related to
675 sales tax collections, provided that no information identifiable to a
676 particular remote seller or marketplace facilitator is disclosed.

677 E. Nothing contained in this section shall be construed to prohibit the delivery to a
678 person, or their duly authorized representative, of a copy of any return or
679 report filed by them, nor to prohibit the publication of statistics so classified as
680 to prevent the identification of particular buyers, remote sellers, or marketplace
681 facilitators, nor to prohibit the furnishing of information on a reciprocal basis to
682 other agencies or political subdivisions of the state or the United States
683 concerned with the enforcement of tax laws.

684 F. Nothing contained in this section shall be construed to prohibit the disclosure
685 through enforcement action proceedings or by public inspection or publication
686 of the name, estimated balance due, and current status of payments, and
687 filings of any remote seller or marketplace facilitator or agent of any remote
688 seller or marketplace facilitator required to collect sales taxes or file returns
689 under this chapter, who fails to file any return and/or remit in full all sales

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

- 690 taxes due within thirty (30) days after the required date for that business.
691 Entry into any agreement whether pursuant to the provisions of this chapter or
692 otherwise shall not act as any prohibition to disclosure of the records of that
693 remote seller or marketplace facilitator as otherwise provided in this chapter.
694 G. A prospective lessee or purchaser of any business or business interest may
695 inquire as to the obligation or tax status of any business upon presenting to
696 the Commission a release of tax information request signed by the authorized
697 agent of the business.
698 H. All returns referred to in this chapter, and all data taken therefrom, shall be
699 kept secure from public inspection, and from all private inspection.
700

701 4.16A.210 – Violations

- 702 A. A remote seller or marketplace facilitator that fails to file a sales tax return or
703 remit sales tax when due, in addition to any other liability imposed by this
704 Code, shall pay to the Commission all costs incurred by the Commission to
705 determine the amount of the remote seller's or marketplace facilitator's liability
706 or to collect the sales tax, including, without limitation, reviewing and auditing
707 the remote seller's or marketplace facilitator's business records, collection
708 agency fees, and actual reasonable attorney's fees.
709 B. A person who causes or permits a corporation of which the person is an officer
710 or director, a limited liability company of which the person is a member or
711 manager, or a partnership of which the person is a partner, to fail to collect
712 sales tax or to remit sales tax to the Commission as required by this Code
713 shall be liable to the Commission for the amount that should have been
714 collected or remitted, plus any applicable interest and penalty.
715 C. Notwithstanding any other provision of law, and whether or not the Commission
716 initiates an audit or other tax collection procedure, the Commission may
717 bring a declaratory judgment action against a remote seller or marketplace
718 facilitator believed to meet the criteria to establish that the obligation to
719 remit sales tax is applicable and valid under local, state and federal law. The
720 action shall be brought in the judicial district of the taxing jurisdiction.
721 D. The Commission may cause a sales tax lien to be filed and recorded against all
722 real and personal property of a remote seller or marketplace facilitator where
723 the remote seller or marketplace facilitator has:
724 1. Failed to file sales tax returns for two (2) consecutive filing periods as
725 required by the Code; or
726 2. Failed within sixty (60) days of the end of the filing period from which
727 taxes were due to either (a) remit all amounts due or (b) to enter into a
728 secured payment agreement as provided in this Code.
729 E. Prior to filing a sales tax lien, the Commission shall cause a written notice of

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

730 intent to file to be mailed to the last known address of the delinquent remote
731 seller or marketplace facilitator.

732 F. In addition to other remedies discussed in this Code, the Commission may
733 bring a civil action to:

734 1. Enjoin a violation of this Code. On application for injunctive relief and a
735 finding of a violation or threatened violation, the superior court shall
736 enjoin the violation.

737 2. Collect delinquent sales tax, penalty, interest and costs of collection, either
738 before or after estimating the amount of sales tax due.

739 3. Foreclose a recorded sales tax lien as provided by law.

740 G. All remedies hereunder are cumulative and are in addition to those existing
741 at law or equity.

742
743 4.16A.220 Penalties for Violations

744 A. A buyer, remote seller, or marketplace facilitator who knowingly or negligently
745 submits false information in a document filed with the Commission pursuant
746 to this Code is subject to a penalty of five hundred dollars (\$500).

747 B. A remote seller or marketplace facilitator who knowingly or negligently
748 falsifies or conceals information related to its business activities with the
749 Commission or taxing jurisdiction is subject to a penalty of five hundred
750 dollars (\$500).

751 C. A person who knowingly or negligently provides false information when
752 applying for a certificate of exemption is subject to a penalty of five hundred
753 dollars (\$500).

754 D. Any remote seller or marketplace facilitator who fails to file a return by the
755 due date required under this chapter, regardless of whether any taxes were
756 due for the reporting period for which the return was required, shall be
757 subject to a penalty of twenty-five dollars (\$25) for the first sales tax return
758 not timely filed. The filing of an incomplete return shall be treated as the
759 filing of no return.

760 E. A remote seller or marketplace facilitator who fails or refuses to produce
761 requested records or to allow inspection of their books and records shall pay
762 to the Commission a penalty equal to three (3) times any deficiency found or
763 estimated by the Commission with a minimum penalty of five hundred dollars
764 (\$500).

765 F. A remote seller or marketplace facilitator who falsifies or misrepresents any
766 record filed with the Commission is guilty of an infraction and subject to a
767 penalty of five hundred dollars (\$500) per record.

768 G. Misuse of an exemption card is a violation and subject to a penalty of fifty
769 dollars (\$50) per incident of misuse;

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

770 H. Nothing in this chapter shall be construed as preventing the Commission from
771 filing and maintaining an action at law to recover any taxes, penalties, interest
772 and/or fees due from a remote seller or marketplace facilitator. The
773 Commission may also recover attorney's fees in any action against a
774 delinquent remote seller or marketplace facilitator.
775

776 4.16A.230 Sellers with a physical presence in the taxing jurisdiction.

777 A. Sellers with a physical presence in a Taxing Jurisdiction and no remote or
778 internet-based sales shall report, remit, and comply with standards,
779 including audit authority, of the Taxing Jurisdiction.
780

781 B. Sellers with a physical presence in a Taxing Jurisdiction that also have remote or
782 internet- based sales where the Point of Delivery is in a different Taxing
783 Jurisdictions shall

784 (i) report and remit the remote or internet sales to the Commission; and
785 (ii) report and remit the in-store sales to the Taxing Jurisdiction.
786

787 C. Sellers with a physical presence in a Taxing Jurisdiction that also have remote or
788 internet- based sales where the Point of Delivery is in the same Taxing
789 Jurisdictions shall report and remit those remote sales to the Taxing
790 Jurisdiction.
791

792 D. Sellers and marketplace facilitators that do not have a physical presence in
793 a Taxing Jurisdiction must report and remit all remote sales to the
794 Commission.
795

796 E. For all purchases the tax rate added to the sale price shall be as provided in
797 the Taxing Jurisdiction's sales tax code, based on point of delivery.
798

799 F. A marketplace facilitator is considered the remote seller for each sale facilitated
800 through its marketplace and shall collect, report, and remit sales tax to
801 the Commission. A marketplace facilitator is not considered to be the remote
802 seller for each sale or rental of lodging facilitated through its marketplace,
803 wherein the seller is considered to have a physical presence in the Taxing
804 Jurisdiction.
805

806 4.16A.240 Remittance of Tax; Remote Seller Held Harmless

807 A. Any remote seller or marketplace facilitator that collects and remits sales
808 tax to the Commission as provided by law may use an electronic database of
809 state addresses that is certified by the Commission pursuant to subsection (C)

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

- 810 of this section to determine the jurisdictions to which tax is owed.
- 811 B. Any remote seller or marketplace facilitator that uses the data contained in an
- 812 electronic database certified by the Commission pursuant to subsection
- 813 (C) of this section to determine the jurisdictions to which tax is owed shall be
- 814 held harmless for any tax, charge, or fee liability to any taxing jurisdiction that
- 815 otherwise would be due solely as a result of an error or omission in the
- 816 database.
- 817 C. Any electronic database provider may apply to the Commission to be certified
- 818 for use by remote sellers or marketplace facilitators pursuant to this section.
- 819 Such certification shall be valid for three years. In order to be certified, an
- 820 electronic database provider shall have a database that satisfies the following
- 821 criteria:
- 822 1. The database shall designate each address in the state, including, to
- 823 the extent practicable, any multiple postal address applicable to one
- 824 location and the taxing jurisdictions that have the authority to impose a
- 825 tax on purchases made by purchasers at each address in the state.
- 826 2. The information contained in the electronic database shall be updated as
- 827 necessary and maintained in an accurate condition. In order to keep the
- 828 database accurate, the database provider shall provide a convenient method
- 829 for taxing jurisdictions that may be affected by the use of the database to
- 830 inform the provider of apparent errors in the database. The provider shall
- 831 have a process in place to promptly correct any errors brought to the
- 832 provider's attention.

833

834 4.16A.250 Definitions

835

836 Adoption of definitions does not compel an individual municipality to exempt certain

837 defined items. Each municipality should specifically adopt definitions necessary for

838 consistency to implement both brick-and-mortar sales tax code and provisions related

839 to remote sellers or marketplace facilitators. For definitions that have no applicability

840 to brick-and-mortar sales tax code, municipality may choose either to include

841 definitions in the definitional section of general sales tax ordinance or adopt the

842 common definitions by reference.

843

844 **"Advertising"** means services rendered to promote a product, service, idea, concept,

845 issue, or the image of a person, including services rendered to design and produce

846 advertising materials prior to the acceptance of the advertising materials for

847 reproduction or publication, including research; design; layout; preliminary and final

848 art preparation; creative consultation, coordination, direction, and supervision; script

849 and copywriting; editing; and account management services.

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

850
851 **"Aircraft charter service"** means an air carrier operation that requires the customer
852 to hire an entire aircraft rather than book passage in whatever capacity is available on
853 a scheduled trip.

854
855 **"Alcoholic beverages"** means beverages that are suitable for human consumption
856 and contain one-half of one percent or more of alcohol by volume.

857
858 **"Arts and crafts"** mean articles produced individually by artistic or craft skill such as
859 painting, sculpture, pottery, jewelry or similar articles.

860
861 **"ATV" or "off-highway vehicle"** means a vehicle designed or adapted for cross-
862 country operation over unimproved terrain, ice or snow, and which has been declared
863 by its owner at the time of registration and determined by the department to be
864 unsuitable for general highway use, although the vehicle may make incidental use of a
865 highway as provided in this title; it does not include implements of husbandry and
866 special mobile equipment.

867
868 **"Authentic Native artwork"** means any product which is Alaska Native handcrafted
869 and is not made by machine. "Alaska Native handcrafted" means the skillful and expert
870 use of the hands in making products solely by Alaska Natives within the United States,
871 including the use of findings, hand tools and equipment for buffing, polishing,
872 grinding, drilling or sewing. "Made by machine" means the producing or reproducing
873 of a product in mass production by mechanically stamping, casting, blanking or
874 weaving.

875
876 **"Bank services" or "financial services"** means deposit account services, loan
877 transaction fees, transactions relating to the sale or exchange of currency or securities,
878 transactions for conversion of negotiable instruments, safe deposit services, escrow
879 collection services, late fees, overdraft fees, and interest charged on past due
880 accounts.

881
882 **"Boat"** means a vessel used or capable of being used as a means of transportation on
883 the water.

884
885 **"Buyer or purchaser"** means a person to whom a sale of property or product is
886 made or to whom a service is furnished.

887
888 **"Child care"** means a regular service of care and education provided for
889 compensation for any part of a day less than 24 hours to a child or children under 16

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

890 years of age whose parents work outside the home, attend an educational program or
891 are otherwise unable to care for their children.

892
893 **"Church"** means a fellowship of believers, congregation, society, corporation,
894 convention, or association that is formed primarily or exclusively for religious purposes
895 and that is not formed for the private profit of any person.

896
897 **"Clothing and related products"** means all human wearing apparel suitable for
898 general use. Clothing includes: aprons, household and shop; athletic supporters; baby
899 receiving blankets; bathing suits and caps; beach capes and coats; belts and
900 suspenders; boots; coats and jackets; costumes; children and adult diapers, including
901 disposable; ear muffs; footlets; formal wear; garters and garter belts; girdles; gloves
902 and mittens for general use; hats and caps; hosiery; insoles for shoes; lab coats;
903 neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves; shoes and
904 shoe laces; slippers; sneakers; socks and stockings; steel-toed boots; underwear;
905 uniforms, athletic and nonathletic; and wedding apparel.

906
907 **"Commercial airline tickets"** means any card, pass, certificate, or paper, electronic
908 or otherwise, providing or intending to provide for the carriage or transportation of
909 any person or persons upon any airline.

910
911 **"Commission"** means the Alaska Intergovernmental Remote Sales Tax Commission
912 established by Agreement between local government taxing jurisdictions within Alaska,
913 and delegated tax collection authority.

914
915 **"Common carrier"** means an individual or a company, which is in the regular
916 business of transporting freight for hire. This is distinguished from a private carrier
917 which transports its own goods and equipment and makes deliveries of goods sold to
918 its customers.

919
920 **"Construction materials"** means an item of tangible personal property that is used
921 to construct or renovate a building, a structure, or an improvement on land and that
922 typically loses its separate identity as personal property once incorporated into the real
923 property. "Construction material" includes building materials, building systems
924 equipment, landscaping materials, and supplies.

925
926 **"Construction services"** means all labor and services provided in connection with
927 the construction, alteration, repair, demolition, reconstruction, or other improvements
928 to real property.

929
930 **"Crop production"** means purchases of seed, plants, fertilizer, pesticides, fungicides,

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

931 and other tangible personal property and agricultural machinery, tools, and
932 equipment to be directly used in the production of food or commodities that are sold
933 either for human consumption or for further food or commodity production. The
934 phrase "directly used" means that the property must be integral and essential to the
935 crop production process.

936
937 **"Disabled veteran"** means a disabled person:

- 938 A. separated from the military service of the United States under a condition
939 that is not dishonorable who is a resident of the state, whose disability was incurred
940 or aggravated in the line of duty in the military service of the United States, and
941 whose disability has been rated as 50 percent or more by the branch of service in
942 which that person served or by the United States Department of Veterans Affairs;
943 or
944 B. who served in the Alaska Territorial Guard, who is a resident of the state, whose
945 disability was incurred or aggravated in the line of duty while serving in the
946 Alaska Territorial Guard, and whose disability has been rated as 50 percent or more.

947
948 **"Drug"** means a compound, substance or preparation, and any component of a
949 compound, substance or preparation, other than "food and food ingredients,"
950 "dietary supplements" or "alcoholic beverages:"

- 951 A. Recognized in the official United State Pharmacopoeia, official Homeopathic
952 Pharmacopoeia of the United States, or official National Formulary, and supplement
953 to any of them; or
954 B. B. Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of
955 disease; or
956 C. C. Intended to affect the structure or any function of the body.

957
958 **"Drugs for animal use"** means:

- 959 A. a drug for animal use recognized in the official United States
960 Pharmacopoeia or National Formulary of the United States;
961 B. a drug intended for use in the diagnosis, cure, mitigation, treatment, or
962 prevention of disease in animals;
963 C. a drug, other than feed, medicated feed, or a growth promoting implant
964 intended to affect the structure or function of the body of an animal; or
965 D. a drug intended for use as a component of a drug in clause A., B., or C.

966
967 **"Dues, Membership and Subscription"** means monies paid for the purpose of
968 membership, or qualifying or becoming eligible for goods or services, or discounts to
969 goods or services.

970

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

971 **"Durable medical equipment"** means equipment including repair and replacement
972 parts for same, but does not include "mobility enhancing equipment," which:
973 A. Can withstand repeated use; and
974 B. Is primarily and customarily used to serve a medical purpose; and
975 C. Generally is not useful to a person in the absence of illness or injury; and
976 D. Is not worn in or on the body.

977
978 **"Delivered electronically"** means delivered to the purchaser by means other than
979 tangible storage media.

980
981 **"Electronic"** means relating to technology having electrical, digital, magnetic, wireless,
982 optical, electromagnetic, or similar capabilities.

983
984 **"Entity-based exemption"** means an exemption based on who purchases the
985 product or who sells the product. An exemption that is available to all individuals
986 shall not be considered an entity-based exemption.

987
988 **"Farming supplies"** means animal food, seed, plants, fertilizers and other
989 consumables used in an agriculture or mariculture business that sells its harvested
990 grains, produce, meats, animal products or other farm production.

991
992 **"Food"** means any food or food product for home consumption except alcoholic
993 beverages, tobacco, and prepared food. Food or food products includes property,
994 whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold
995 for ingestion or chewing by humans and are consumed for their taste or nutritional
996 value.

997
998 **"Food stamps"** means obligations of the United States government issued or
999 transferred by means of food coupons or food stamps to enable the purchase of food
1000 for the eligible household.

1001
1002 **"Funeral fees"** means those services normally performed and merchandise normally
1003 provided by funeral establishments, including the sale of burial supplies and
1004 equipment, but excluding the sale by a cemetery of lands or interests therein, services
1005 incidental thereto, markers, memorials, monuments, equipment, crypts, niches, or
1006 vaults.

1007
1008 **"Gaming"** means any game defined in AS 05.15.690, as amended or renumbered.

1009
1010 **"Gasoline, heating fuels and other consumable fuels"** means refined
1011 petroleum and petroleum-based products used for internal combustion engines and
City of Bethel, Alaska

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

1012 as the primary source for residential heating or domestic hot water. This may also
1013 include other types of fossil fuels as well as fuel sources that are renewable.

1014

1015 **“Goods for resale”** means:

1016 A. The sale of goods by a manufacturer, wholesaler or distributor to a retail
1017 vendor; sales to a wholesale or retail dealer who deals in the property sold,
1018 for the purpose of resale by the dealer.

1019 B. Sales of personal property as raw material to a person engaged in
1020 manufacturing components for sale, where the property sold is consumed
1021 in the manufacturing process of, or becomes an ingredient or component
1022 part of, a product manufactured for sale by the manufacturer.

1023 C. Sale of personal property as construction material to a licensed building
1024 contractor where the property sold becomes part of the permanent
1025 structure.

1026

1027 **“Government”** means the federal government and any agency or instrumentality
1028 thereof; any State and any agency or instrumentality thereof; any local government
1029 within a State, and any unit, agency, or instrumentality of such local government; any
1030 tribal government; any other governmental instrumentality.

1031

1032 **“Handling,” “crating,” or “packing”** means charges by the seller of personal
1033 property or services for preparation and delivery to a location designated by the
1034 purchaser including, but not limited to, transportation, shipping, postage, handling,
1035 crating, and packing.”

1036

1037 **“Insurance”** means a contract whereby one undertakes to indemnify another or pay
1038 or provide a specified or determinable amount or benefit upon determinable
1039 contingencies.

1040

1041 **“Internet service”** means a service that enables users to access proprietary and
1042 other content, information electronic mail, and the Internet as part of a package of
1043 services sold to end-user subscribers.

1044

1045 **“Loan”** means an extension of credit resulting from direct or indirect negotiations
1046 between a lender and a debtor.

1047

1048 **“Lobbying”** means the practice of promoting or opposing the introduction or
1049 enactment of legislation before the legislature or legislators and the practice of
1050 promoting or opposing official action of any public official or the legislature.

1051

1052 **“Long-term vehicle lease”** means a lease of a motor vehicle, as defined in this

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

1053 Section, for a period of 24 months or longer.

1054
1055 **"Manufacturing components"** means sales of personal property as raw material to a
1056 person engaged in manufacturing for sale, where the property sold is consumed in the
1057 manufacturing process of or becomes an ingredient or component part of a product
1058 manufactured for sale by the manufacturer.

1059
1060 **"Marijuana accessories"** means any equipment, products, or materials of any kind
1061 which are used, intended for use, or designed for use in planting, propagating,
1062 cultivating, growing, harvesting, composting, manufacturing, compounding, converting,
1063 producing, processing, preparing, testing, analyzing, packaging, repackaging, storing,
1064 vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing
1065 marijuana into the human body;

1066
1067 **"Marketplace facilitator"** means a person that contracts with remote sellers to
1068 facilitate for consideration, regardless of whether deducted as fees from the
1069 transaction, the sale of the remote seller's property or services through a physical or
1070 electronic marketplace operated by the person, and engages:

1071
1072 (a) Directly or indirectly, through one or more affiliated persons in any of the following:
1073 (i) Transmitting or otherwise communicating the offer or acceptance between
1074 the buyer and remote seller;
1075 (ii) Owning or operating the infrastructure, electronic or physical, or
1076 technology that brings buyers and remote sellers together;
1077 (iii) Providing a virtual currency that buyers are allowed or required to use to
1078 purchase products from the remote seller; or
1079 (iv) Software development or research and development activities related to
1080 any of the activities described in (b) of this subsection (3), if such activities
1081 are directly related to a physical or electronic marketplace operated by the
1082 person or an affiliated person; and

1083
1084 (b) In any of the following activities with respect to the seller's products:
1085 (i) Payment processing services;
1086 (ii) Fulfillment or storage services;
1087 (iii) Listing products for sale;
1088 (iv) Setting prices;
1089 (v) Branding sales as those of the marketplace facilitator;
1090 (vi) Order taking;
1091 (vii) Advertising or promotion; or
1092 (viii) Providing customer service or accepting or assisting with returns or

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

1093 exchanges.

1094
1095 **"Medical equipment and supplies, and prescriptions"** means all medicines,
1096 medical goods or equipment prescribed by a health care provider licensed to practice
1097 in Alaska or any other state in the United States.

1098
1099 **"Medical services"** means those professional services rendered by persons duly
1100 licensed under the laws of this state to practice medicine, surgery, chiropractic,
1101 podiatry, dentistry, and other professional services rendered by a licensed midwife,
1102 certified registered nurse practitioners, and psychiatric and mental health nurse
1103 clinical specialists, and appliances, drugs, medicines, supplies, and nursing care
1104 necessary in connection with the services, or the expense indemnity for the services,
1105 appliances, drugs, medicines, supplies, and care, as may be specified in any
1106 nonprofit medical service plan. "Medical services" include hospital services.

1107
1108 **"Member"** means a taxing jurisdiction that is a signatory of the Alaska Remote Sales
1109 Tax Intergovernmental Agreement, thereby members of the Commission, and who
1110 have adopted the Remote Seller Sales Tax Code.

1111
1112 **"Mobility enhancing equipment"** means equipment including repair and
1113 replacement parts to same, but does not include "durable medical equipment," which:
1114 A. Is primarily and customarily used to provide or increase the ability to move from
1115 one place to another and which is appropriate for use either in a home or a
1116 motor vehicle; and
1117 B. Is not generally used by persons with normal mobility; and
1118 C. Does not include any motor vehicle or equipment on a motor vehicle normally
1119 provided by a motor vehicle manufacturer.

1120
1121 **"Monthly"** means occurring once per calendar month.

1122
1123 **"Motor vehicle"** means a motor vehicle, as defined in AS 28.90.990(17), that is
1124 either required to be registered under AS 28.10.011, or is exempted from registration
1125 under AS 28.10.011(6) and (11). However, "motor vehicle" does not include either an
1126 "off-highway vehicle" as defined in 13 AAC 40.010(a)(30) or a "snowmobile" as
1127 defined in 13 AAC 40.010(a)(49). "Motor vehicle" includes parts for a motor vehicle.

1128
1129 **"Newspaper"** means a publication of general circulation bearing a title, issued
1130 regularly at stated intervals at a minimum of not more than two weeks, and formed of
1131 printed paper sheets without substantial binding. It must be of general interest,
1132 containing information of current events. The word does not include publications
1133 devoted solely to a specialized field. It shall include school newspapers, regardless of
City of Bethel, Alaska

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

1134 the frequency of the publication, where such newspapers are distributed regularly to a
1135 paid subscription list.

1136
1137 **“Nonprofit organization”** means a business that has been granted tax-exempt
1138 status by the Internal Revenue Service (IRS); means an association, corporation, or
1139 other organization where no part of the net earnings of the organization inures to the
1140 benefit of any member, shareholder, or other individual, as certified by registration
1141 with the IRS.

1142
1143 **“Over the counter drug”** means a drug that contains a label that identifies the
1144 product as a drug as required by 21 C.F.R. § 201.66. The “over-the-counter-drug”
1145 label includes:
1146 A.A “Drug Facts” panel; or
1147 B.A statement of the “active ingredient(s)” with a list of those ingredients
1148 contained in the compound, substance or preparation.

1149
1150 **“Periodical”** means any bound publication other than a newspaper that appears at
1151 stated intervals, each issue of which contains news or information of general interest
1152 to the public, or to some particular organization or group of persons. Each issue must
1153 bear a relationship to prior or subsequent issues with respect to continuity of literary
1154 character or similarity of subject matter, and sufficiently similar in style and format to
1155 make it evident that it is one of a series.

1156
1157 **“Person”** means an individual, trust, estate, fiduciary, partnership, limited liability
1158 company, limited liability partnership, corporation, or any other legal entity.

1159
1160 **“Physical presence”** means a seller who establishes any one or more of the following
1161 within a local taxing jurisdiction:

- 1162 1. Has any office, distribution or sales house, warehouse, storefront, or any
1163 other place of business within the boundaries of the local taxing jurisdiction;
1164 2. Solicits business or receiving orders through any employee, agent, salesman, or
1165 other representative within the boundaries of the local taxing jurisdiction or
1166 engages in activities in this state that are significantly associated with the
1167 seller’s ability to establish or maintain a market for its products in this state.
1168 3. Provides services or holds inventory within the boundaries of the
1169 local taxing jurisdiction;
1170 4. Rents or Leases property located within the boundaries of the local taxing
1171 jurisdiction. A seller that establishes a physical presence within the local
1172 taxing jurisdiction in any calendar year will be deemed to have a physical
1173 presence within the local taxing jurisdiction for the following calendar year.

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

1174
1175 **"Point of delivery"** means the location at which property or a product is delivered or
1176 service rendered.

- 1177 A. When the product is not received or paid for by the purchaser at a business
1178 location of a remote seller in a Taxing Jurisdiction, the sale is considered
1179 delivered to the location where receipt by the purchaser (or the purchaser's
1180 recipient, designated as such by the purchaser) occurs, including the location
1181 indicated by instructions for delivery as supplied by the purchaser (or recipient)
1182 and as known to the seller.
- 1183 B. When the product is received or paid for by a purchaser who is physically
1184 present at a business location of a Remote Seller in a Taxing Jurisdiction the
1185 sale is considered to have been made in the Taxing Jurisdiction where the
1186 purchaser is present even if delivery of the product takes place in another
1187 Taxing Jurisdiction. Such sales are reported and tax remitted directly to the
1188 Taxing Jurisdiction not to the Commission.
- 1189 C. For products transferred electronically, or other sales where the remote seller
1190 or marketplace facilitator lacks a delivery address for the purchaser, the
1191 remote seller or marketplace facilitator shall consider the point of delivery the
1192 sale to the billing address of the buyer.

1193
1194 **"Precious gems and metals"** means any mineral, including but not limited to gold,
1195 silver, platinum and palladium, and any gem that is valued for its character, rarity,
1196 beauty or quality, including diamonds, rubies, emeralds, sapphire, opals, pearls or
1197 any other such precious gems or stones that has been put through a process of
1198 refining and is in such a state or condition that its value depends upon its precious
1199 metal content (such as an ingot or bar) and not its form (such as jewelry or
1200 artwork).

1201
1202 **"Prepared food"** means:

- 1203 A. Food sold in a heated state or heated by the seller;
1204 B. Two or more food ingredients mixed or combined by the seller for sale as
1205 a single item; or
1206 C. Food sold with eating utensils provided by the seller, including plates,
1207 knives, forks, spoons, glasses, cups, napkins, or straws. A plate does not
1208 include a container or packaging used to transport the food.

1209
1210 **"Prepared food"** in Subsection B. does not include food that is only cut, repackaged,
1211 or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these
1212 raw animal foods requiring cooking by the consumer as recommended by the Food
1213 and Drug Administration in Chapter 3, Part 401.11 of its Food Code so as to prevent

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

1214 food borne illnesses.

1215
1216 **"Prewritten computer software"** means "computer software," including prewritten
1217 upgrades, which is not designed and developed by the author or other creator to the
1218 specifications of a specific purchaser. The combining of two or more "prewritten
1219 computer software" programs or prewritten portions thereof does not cause the
1220 combination to be other than "prewritten computer software." "Prewritten computer
1221 software" includes software designed and developed by the author or other creator to
1222 the specifications of a specific purchaser when it is sold to a person other than the
1223 specific purchaser. Where a person modifies or enhances "computer software" of
1224 which the person is not the author or creator, the person shall be deemed to be the
1225 author or creator only of such person's modifications or enhancements. "Prewritten
1226 computer software" or a prewritten portion thereof that is modified or enhanced to
1227 any degree, where such modification or enhancement is designed and developed to
1228 the specifications of a specific purchaser, remains "prewritten computer software;"
1229 provided, however, that where there is a reasonable, separately stated charge or an
1230 invoice or other statement of the price given to the purchaser for such modification or
1231 enhancement, such modification or enhancement shall not constitute "prewritten
1232 computer software."

1233
1234 **"Printing services"** means those activities relating to the work of the printing,
1235 publishing or graphic arts industries and shall include any mechanical process
1236 whereby ink is transferred to paper or other materials.

1237
1238 **"Professional services"** means services performed by architects, attorneys-at-law,
1239 certified public accountants, dentists, engineers, land surveyors, surgeons,
1240 veterinarians, and practitioners of the healing arts (the arts and sciences dealing
1241 with the prevention, diagnosis, treatment and cure or alleviation of human physical
1242 or mental ailments, conditions, diseases, pain or infirmities) and such occupations
1243 that require a professional license under Alaska Statute.

1244
1245
1246 **"Prosthetic Device"** means replacement, corrective, or supportive device including
1247 repair and replacement parts for same worn on or in the body to:
1248 A. Artificially replace a missing portion of the body;
1249 B. Prevent or correct physical deformity or malfunction; or
1250 C. Support a weak or deformed portion of the body.

1251
1252 **"Product-based exemptions"** means an exemption based on the description of the
1253 product and not based on who purchases the product or how the purchaser intends to
1254 use the product.

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

1255
1256 **"Property"** and **"product"** means both tangible property, an item that can be seen,
1257 weighed, measured, felt, or touched, or that is in any other manner perceptible to the
1258 senses; and intangible property, anything that is not physical in nature (i.e.; intellectual
1259 property, brand recognition, goodwill, trade, copyright and patents).

1260
1261 **"Quarter"** means trimonthly periods of a calendar year; January-March, April-June,
1262 July- September, and October-December.

1263
1264 **"Raw Seafood"** means uncooked marine and estuarine fauna or flora used as food or
1265 of a kind suitable for food and specifically includes, but is not limited to, shrimp taken
1266 for bait.

1267
1268 **"Receive or receipt"** means
1269 A. Taking possession of property;
1270 B. Making first use of services;
1271 C. Taking possession or making first use of digital goods, whichever comes first.
1272 The terms "receive" and "receipt" do not include temporary possession by a shipping
1273 company on behalf of the purchaser.

1274
1275 **"Remote sales"** means sales of goods or services by a remote seller or marketplace
1276 facilitator.

1277
1278 **"Remote seller"** means a seller or marketplace facilitator making sales of goods or
1279 services delivered within the State of Alaska, without having a physical presence in a
1280 taxing jurisdiction, or conducting business between taxing jurisdictions, when sales are
1281 made by internet, mail order, phone or other remote means. A marketplace facilitator
1282 shall be considered the remote seller for each sale facilitated through its marketplace.

1283
1284 **"Resale of services"** means sales of intermediate services to a business the charge
1285 for which will be passed directly by that business to a specific buyer.

1286
1287 **"Retail car rental"** means renting a rental car to a consumer. "Rental car" means a
1288 passenger car, that is used solely by a rental car business for rental to others, without
1289 a driver provided by the rental car business, for periods of not more than thirty
1290 consecutive days. "Rental car" does not include:

- 1291 A. Vehicles rented or loaned to customers by automotive repair businesses
1292 while the customer's vehicle is under repair;
1293 B. Vehicles licensed and operated as taxicabs.

1294
1295 **"Sales-Type Lease"** means at lease commencement, (1) the lease transfers

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

1296 ownership of the underlying property, goods, or services to the lessee by the end of
1297 the lease term; (2) the lease grants the lessee an option to purchase the underlying
1298 property, goods, or services that the lessee is reasonably certain to exercise; (3) the
1299 lease term is for the major part of the remaining economic life of the underlying
1300 property, goods, or services. However, if the commencement date falls at or near the
1301 end of the economic life of the underlying property, goods, or services, this criterion
1302 shall not be used for purposes of classifying the lease; (4) the present value of the
1303 sum of the lease payments and any residual value guaranteed by the lessee that is not
1304 already reflected in the lease payments equals or exceeds substantially all of the fair
1305 value of the underlying property, goods, or services; (5) the underlying property,
1306 goods, or services is of such a specialized nature that it is expected to have no
1307 alternative use to the lessor at the end of the lease term.
1308

1309 **"Sale" or "retail sale"** means any transfer of property for consideration for any
1310 purpose other than for resale.
1311

1312 **"Sales or purchase price"** means the total amount of consideration, including cash,
1313 credit, property, products, and services, for which property, products, or services are
1314 sold, leased, or rented, valued in money, whether received in money or otherwise,
1315 without any deduction for the following:

- 1316 A. The seller's cost of the property or product sold;
- 1317 B. The cost of materials used, labor or service cost, interest, losses, all costs
1318 of transportation to the seller, all taxes imposed on the seller, and any
1319 other expense of the seller;
- 1320 C. Charges by the seller for any services necessary to complete the sale,
1321 other than delivery and installation charges;
- 1322 D. Delivery charges;
- 1323 E. Installation charges; and
- 1324 F. Credit for any trade-in, as determined by state law.
1325

1326 **"School materials"** means items commonly used by a student in a course of study.
1327 "School materials" includes the following items: binders; book bags; calculators;
1328 cellophane tape; blackboard chalk; compasses; composition books; crayons; erasers;
1329 folders, expandable, pocket, plastic, and manila; glue, paste, and paste sticks;
1330 highlighters; index cards; index card boxes; legal pads; lunch boxes; markers;
1331 notebooks; paper, loose-leaf ruled notebook paper, copy paper, graph paper, tracing
1332 paper, manila paper, colored paper, poster board, and construction paper; pencil
1333 boxes and other school supply boxes; pencil sharpeners; pencils; pens; protractors;
1334 rulers; scissors; and writing tablets. "School materials" does not include any item
1335 purchased for use in a trade or business.

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

1336
1337 **"School meals"** includes breakfasts, lunches, or the serving of foods or beverages,
1338 or both, or any combination thereof, served by a school cafeteria or a school
1339 lunchroom.

1340
1341 **"School transportation"** means transportation of students to and from schools in
1342 motor or other vehicles.

1343
1344 **"Seller"** means a person making sales of property, products, or services, or a
1345 marketplace facilitator facilitating sales on behalf of a seller.

1346
1347 **"Services"** means all services of every manner and description, which are
1348 performed or furnished for compensation, and delivered electronically or otherwise
1349 outside the taxing jurisdiction (but excluding any that are rendered physically
1350 within the taxing jurisdiction, including but not limited to:

- 1351 A. Professional services;
1352 B. Services in which a sale of property or product may be involved, including
1353 property or products made to order;
1354 C. Utilities and utility services not constituting a sale of property or products,
1355 including but not limited to sewer, water, solid waste collection or disposal,
1356 electrical, telephone services and repair, natural gas, cable or satellite
1357 television, and Internet services;
1358 D. The sale of transportation services;
1359 E. Services rendered for compensation by any person who furnishes any such
1360 services in the course of his trade, business, or occupation, including all
1361 services rendered for commission;
1362 F. Advertising, maintenance, recreation, amusement, and craftsman services.

1363
1364 **"Seller"** means: a person making sales of property, products or services, or a
1365 marketplace facilitator acting on behalf of a seller

1366
1367 **"Senior citizen"** means any individual defined by a taxing jurisdiction as qualifying
1368 for an age- based exemption from sales tax.

1369
1370 **"Smoked fish"** means a freshwater or saltwater finfish that is prepared by treating it
1371 with salt (sodium chloride) and subjecting it to the direct action of the smoke from
1372 burning wood, wood sawdust, or similar burning material or from liquid smoke
1373 flavoring applied to the surface in a gaseous, liquid, or vaporized state with or
1374 without heat.

1375
1376 **"Snowmobile"** means a motor vehicle designed to travel over ice or snow, and

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

1377 supported in part by skis, belts, cleats, or low-pressure tires.

1378
1379 **"Software downloads"** means software, applications, services and other digital
1380 programming for computers, tablets, smartphones and other electronic devices. This
1381 includes online subscriptions or purchases of news services, publications, audio books
1382 and other similar electronic versions of printed materials.

1383
1384 **"Software maintenance contracts"** means a contract that obligates a vendor of
1385 computer software to provide a customer with future updates or upgrades to
1386 computer software, support services with respect to computer software or both. A
1387 "mandatory computer software maintenance contract" is a computer software
1388 maintenance contract that the customer is obligated by contract to purchase as a
1389 condition to the retail sale of computer software. An "optional computer
1390 maintenance contract" is a computer software maintenance contract that a
1391 customer is not obligated to purchase as a condition to the retail sale of computer
1392 software.

1393
1394 **"Specified digital products"** means electronically transferred:
1395 (1) digital audio works;
1396 (2) digital audiovisual works; or
1397 (3) digital books.

1398
1399 **"Streaming services"** means digital content provided online for on-demand
1400 consumption rather than downloadable consumption. This typically includes, but is
1401 not limited to, video and audio files.

1402
1403 **"Tax cap"** means a maximum taxable transaction.

1404
1405 **"Taxing jurisdiction"** means a local government in Alaska that has a sales tax and is
1406 a member of the Alaska Remote Sellers Sales Tax Commission.

1407
1408 **"Tax free days"** means a duration of time in which persons who purchase goods or
1409 services are exempt from the Sales tax of the taxing jurisdiction.

1410
1411 **"Telephone service"** means the providing by any person of access to a telephone
1412 network, telephone network switching service, toll service, or coin telephone services,
1413 or the providing of telephonic, video, data, or similar communication or transmission
1414 for hire, via a telephone network, toll line or channel, cable, microwave, or similar
1415 communication or transmission system.

1416
1417 **"Ticket admission"** means the paid right or privilege to enter into or use a place or

Introduced by: Mayor Barr
Introduction Date: February 25, 2020
Public Hearing: March 10, 2020
April 14, 2020
Action: Passed
Vote: 7-0

1418 location.

1419
1420 **"Title insurance premium"** means and includes premium, examination fees,
1421 settlement fees, closing fees, and every other charge, whether denominated
1422 premium or otherwise, made by a title insurance company, agent of a title insurance
1423 company or an approved attorney of a title insurance company, or any of them, to an
1424 insured or to an applicant for insurance, for any policy or contract for the issuance
1425 of, or an application for any class or kind of, title insurance.

1426
1427 **"Tobacco"** means cigarettes, cigars, chewing or pipe tobacco, or any other item that
1428 contains tobacco.

1429
1430 **"Transferred electronically"** means obtained by the purchaser by means other than
1431 tangible storage media.

1432
1433 **"Transportation services"** means the transportation of individuals for hire.

1434
1435 **"Travel agency"** means a person or organization who represents, directly or
1436 indirectly, that the person or organization is offering or undertaking by any means or
1437 method, to provide travel services for a fee, commission, or other valuable
1438 consideration, direct or indirect.

1439
1440 **SECTION 3. Effective Date.** This ordinance shall become effective ~~upon passage by~~
1441 ~~the Bethel City Council.~~ effective September 1, 2020.

1442
1443 **ENACTED THIS 14TH DAY OF APRIL 2020 BY A VOTE OF 7 IN FAVOR AND 0**
1444 **OPPOSED.**

1445
1446
1447
1448
1449
1450 
Perry Barr, Mayor

1451
1452
1453 ATTEST 
1454
1455 Lori Strickler, City Clerk