CITY OF THORNE BAY

ORDINANCE 17-09-19-02

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, AMENDING TITLE 3-REVENUE AND FINANCE, CHAPTER 3.17-SALES TAX, SECTIONS 3.17.100 – EXEMPTIONS, 3.17.110-SALES TAX EXEMPTION FOR THE ELDERLY

BE IT ENACTED BY THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA

Section 1. Classification. This ordinance is of a general and permanent nature, the chapter and section hereby amended shall be added to the Thorne Bay Municipal Code.

Section 2. Severability. If any provisions of this ordinance or any application thereof to any person or circumstances is held invalid, the circumstances shall not be affected thereby.

Section 3. Amendment of Section. The title and chapter of Title 3-Revenue and Finance, Section 3.17.100 – Exemptions, Section 3.17.110 Sales Tax Exemption for the elderly; is hereby amended.

Section 4. Effective Date. This ordinance shall become effective upon adoption.

PASSED AND APPROVED September 19, 2017

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James Gould, Mayor

ATTEST:

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Teri Feibel, CMC

[Introduction: September 5, 2017]

[Public Hearing: September 19, 2017]

**Additions are in bold**

~~Deletions are stricken~~

**Title 3 – Revenue and Finance**

**Chapter 3.17 – Sales Tax**

**Sections:**

**3.17.100 – Exemptions &**

**3.17.110 – Sales tax exemption for the elderly**

***Section: 3.17.100 Exemptions****. The following sales and services are exempt from the sales tax:*

**CURRENT CODE READS:**

**y)** Gross receipts in excess of ten thousand dollars derived from sales of material and labor for the clearing of land, excavation, or fill or placement of material on real property for construction of a facility, and sales of building construction materials and labor used in constructing a permanent building within the city, provided that the improvements are constructed pursuant to a valid sales tax exemption permit issued ~~or renewed no more than one year~~ prior to ~~the sale of~~ transaction being exempted from the tax. Construction materials shall include: all structural and finish materials for a permanent building used on the lot wherein the building is being constructed, and installation of infrastructure to said building such as water, sewer, power and phone and all parts to said infrastructure. Sales, to qualify for this exemption, shall be recorded by the seller, together with the date, the purchaser's name, and the sales tax exemption permit number. Any purchaser who attempts to avoid paying sales tax by using a sales tax exemption permit number for materials or labor not actually used in the structure for which the permit was issued shall be subject to a civil penalty up to twenty-five percent of the price of the materials or labor involved in the evasive purchase. The cost of the permit will be six hundred dollars; 3.16.050. (Ordinance 05-09-06-01)(10-03-02-01)

**AMENDED CODE WILL READ:**

**y)** Gross receipts in excess of ten thousand dollars derived from sales of material and labor for the clearing of land, excavation, or fill or placement of material on real property for construction of a facility, and sales of building construction materials and labor used in constructing a permanent building within the city, provided that the improvements are constructed pursuant to a valid sales tax exemption permit issued prior to **ANY** transaction being exempted from the tax. **TAX EXEMPTION PERMITS ARE VALID FOR ONE YEAR AND FOR GOOD CAUSE MAY BE GRANTED 120 DAY EXTENSION. ANY ADDITIONAL EXTENSION REQUESTS SHALL BE CHARGED ONE HALF THE TAX EXEMPTION PERMIT FEE.** Construction materials shall include: all structural and finish materials for a permanent building used on the lot wherein the building is being constructed, and installation of infrastructure to said building such as water, sewer, power and phone and all parts to said infrastructure. Sales, to qualify for this exemption, shall be recorded by the seller, together with the date, the purchaser's name, and the sales tax exemption permit number. Any purchaser who attempts to avoid paying sales tax by using a sales tax exemption permit number for materials or labor not actually used in the structure for which the permit was issued shall be subject to a civil penalty up to twenty-five percent of the price of the materials or labor involved in the evasive purchase. The cost of the permit will be six hundred dollars; 3.16.050. (Ordinance 05-09-06-01)(10-03-02-01)

**Additions are in bold**

~~Deletions are stricken~~

***Section: 3.17.110 Sales tax exemption for the elderly****. The following sales and services are exempt from the sales tax:*

**CURRENT CODE READS:**

**(a)** Anyone sixty*-*five years of age or older may apply for and be issued by the City Administrator or designee a senior citizens sales tax exemption card, for fifteen dollars ~~to be renewed bi-annually~~. This card entitles the person to be exempted from the operation of the city's consumer's sales taxes on purchases of all types of property, rentals and services, except alcoholic beverages of all types and all types of tobacco products, not for use in any trade or business. No seller within the city shall charge or collect the sales tax on exempted purchases from any person who displays such a valid sales tax exempt card. All sellers within the city shall keep records of such exempt sales and submit quarterly totals of such sales to the revenue collector, together with any other information required by law. To qualify for a tax exempt card a person must provide a copy of their Alaska ID or driver’s license, and proof they have resided in Alaska, as a permanent resident for the past 12 months, received an Alaska Permanent Fund Dividend, documentation required as part of a permanent fund application or other documentation that verifies a person has established permanent residency in Alaska must be submitted to show proof of residency.

**AMENDED CODE WILL READ:**

**(a)** Anyone sixty*-*five years of age or older may apply for and be issued by the City Administrator or designee a senior citizens sales tax exemption card, for fifteen dollars. **CARDS ARE VALID FOR TWO YEARS BEGINNING THE FIRST OF EVEN CALENDAR YEARS AND VALID THROUGH THE END OF THE FOLLOWING ODD CALENDAR YEARS. THERE SHALL BE NO PRORATING OF FEES ISSUED BETWEEN BEGINNING AND END DATES**. This card entitles the person to be exempted from the operation of the city's consumer's sales taxes on purchases of all types of property, rentals and services, except alcoholic beverages of all types and all types of tobacco products, not for use in any trade or business. No seller within the city shall charge or collect the sales tax on exempted purchases from any person who displays such a valid sales tax exempt card. All sellers within the city shall keep records of such exempt sales and submit quarterly totals of such sales to the revenue collector, together with any other information required by law. To qualify for a tax exempt card a person must provide a copy of their Alaska ID or driver’s license, and proof they have resided in Alaska, as a permanent resident for the past 12 months, received an Alaska Permanent Fund Dividend, documentation required as part of a permanent fund application or other documentation that verifies a person has established permanent residency in Alaska must be submitted to show proof of residency.