



REMINDER

The sales tax rate is 6% during the months of April, May, June, July, August, and September. Rentals of Real Property for thirty or more consecutive days remain at 5%(SGC 4.09.120 unless exempted as noted below). Transient Room Tax (or known as Bed tax) remains at 6%.

Residential Rent Exemption from Sales Tax passes

On June 12, 2007, the City and Borough of Sitka’s Assembly passed Ordinance No. 2007-12 enacting into the Sitka General Code 4.09.100 (AA) an exemption for residential rent effective July 1, 2007. This ordinance states that *“rent paid for residential housing for thirty (30) or more consecutive days or an entire calendar month by a person or persons for a room set of rooms, structure, or suite is exempt from sales taxes. This exemption does not apply to any transaction taxable under Chapter 4.24 regarding hotel, motel, and bed and breakfast transient room tax.”*

In order to clarify some misconceptions that seem to be circulating, as a business owner of a rental unit, you are still required to be registered with the City and Borough of Sitka and submit a sales tax return. You will still show your rental income under line 1B long term rental and then list it under the exemption area as well under line 3AA. This line 3AA will appear on your 3rd quarter sales tax return. April, May and June rent is still taxable and will be reported and remitted on your 2nd quarter’s sales tax return. Also, should you collect sales tax on your rent after July 1st in error, you would either need to refund it to your renter or if you were not able to contact the renter, you must submit the tax to the City as it was collected.

Another clarification is that this exemption is very specific in that it is an exemption for rooms, structure, or suites. Therefore, trailer space rent is still subject to sales tax however the renting of a trailer is not taxable.

If you have any questions or would like assistance in filing your sales tax return, please feel free to contact the City and Borough of Sitka’s Sales Tax office at 747-1840.

NOTE: Effective July 1, 2007, re-issuance of permits, licenses, and exemption cards will now cost \$5.00 each due the increasing costs of reproducing replacements. Businesses must be in good standing to have replacements issued.

We’re on the Web
www.cityofsitka.com
Under the “Doing Business in the City” link

2nd Quarter, 2007
April, 2007
May, 2007
June, 2007
DUE JULY 31ST

Fish Box Tax



In October 2006, the citizens of the City and Borough of Sitka approved an initiative creating Ordinance No. 06-38 effective January 1, 2007 imposing a sales tax of “a flat rate of ten dollars per fish box... on packaged fish and/or seafood caught or taken and retained by fish charter customers as part of the fish charter.” The ordinance also explains that the “tax shall be paid by the fish charter customer, collected by whoever packages the fish and/or seafood caught or taken by the fish charter customer, and is in addition to any sales tax paid based on the cost of the charter.” This provision is included in Section 4.09.010(C) of the Sitka General Code.

On April 27, 2007, a public meeting was held to present power points on the implementation on this new tax and to answer any questions regarding implementation. The power points as well as an information brochure are available on our website. In May, Raven Radio hosted a call in show to discuss the implementation of the tax as well.

As has been told during these meetings, this was a citizen passed initiative therefore this section of the Sitka General Code cannot be reviewed or altered until one year has passed since it was put into effect. In October, the City and Borough of Sitka’s Assembly will be eligible to review this section of the code and make any changes they deem necessary.



E-MAIL CONTACT

We have begun our e-mail notification process. If your business would like to be notified via e-mail of proposed ordinances pertaining to sales tax at Assembly meetings, reminders to file quarterly returns, and other tax related correspondence, please provide your e-mail in the change box of the quarterly return and we will be sure to include you in our database for future correspondence or to ensure accuracy, *e-mail your request* to be added to the contact database to *salestax@cityofsitka.com*.



We are available to answer questions and help with filing of your sales tax quarterly returns Monday through Friday from 8:00 a.m. to 5:00 p.m. except on City recognized holidays. The City Offices will be closed Wednesday, July 4th in recognition of Independence Day. Our offices are located on the second floor of the City building in the Finance Department or we may be contacted by phone at 747-1840 or 1853.



Please Remember

- *LIST YOUR ACCT. NUMBER ON ALL CORRESPONDENCE AND PAYMENTS.
- *SIGN YOUR TAX RETURNS!!!
- *BUSINESSES SHOULD NOT BE GRANTING TAX EXEMPTION WITHOUT SEEING THE CARD & VERIFYING WHAT ITEMS ARE AUTHORIZED FOR TAX EXEMPTION.
- *ONLY THOSE COMPANIES WITH RESALE EXEMPTION CARDS, SENIOR CITIZENS WITH SENIOR CITIZEN EXEMPTION CARDS, THOSE BUSINESSES LISTED ON THE 2007 APPROVED GOVERNMENT SUPPORTED NON-PROFIT TAX EXEMPT AGENCIES, AND GOVERNMENT AGENCIES ARE TAX EXEMPT IN THE CITY AND BOROUGH OF SITKA. ALL OTHERS SHOULD BE CHARGED SALES TAX UNLESS THE SALE/SERVICE IS EXEMPT PER SGC 4.09.100.

