



## 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 except for Long Term Residential Rentals which are tax exempt). Transient Room Tax (or known as Bed tax) remains at 6%.

### Sales Tax Cap increase does not pass Assembly vote

At the last several Assembly meetings, the City and Borough of Sitka's Assembly has looked at several ordinance's dealing with Sales Tax issues. One dealt with reinstating sales tax imposed on Long Term Residential rentals; one dealt with increasing the sales tax cap to five thousand from April 1 through September 30; and one dealt with increasing the sales tax cap to three thousand year round. The first two ordinances failed at the first meeting in June and the last ordinance failed at the meeting on June 24, 2008.

Therefore, you will see no changes in the sales tax rates or exemptions at this time. If you have any questions, concerns, or suggestions, feel free to contact your Assembly members or the Sales Tax offices.



If a service provided crosses the boundary for the **seasonal sales tax** increase, the higher sales tax rate applies. Thus, if you are painting a home for a customer and you start the job in March and don't complete the job until April, the whole job will be billed at the 6% tax rate unless you separate your bill and bill for the service provided in March under one invoice and under a separate invoice bill for work done in April.

**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](http://www.cityofsitka.com)  
Under the "Doing Business in the City" link

2nd Quarter, 2008
April, 2008
May, 2008
June, 2008
<b>DUE JULY 31ST</b>

## 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. Contact the Sales Tax offices for more clarification and sample log sheets to aid you in documenting this tax.



**\*\* ALERT\*\***

**regarding**

**RESALE CARDS**



Businesses are reminded that the items that they have been granted on their resale cards for tax exemption must be resold or used in the production of a product that will be resold. Improper usage of the resale card could result in cancellation of the card and/or fines.

Also, businesses are reminded to verify on the card that the item that is being requested as tax exempt is listed on the resale card as a tax exempt item. **YOU MUST SEE THE CARD BEFORE YOU GRANT A TAX EXEMPTION.** If the business has a charge account, a copy of the card should be left with the billing department so the billing department can verify the tax exemptions prior to the billing statement being issued. Businesses are required to be able to properly document their tax exemptions that are claimed on their sales tax returns or may be liable for the additional tax owed.



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 Friday, 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 2008 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.