



Residential Rent Exemption into effect July 1

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.”

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 list it again as an exemption on line 3B of your tax return. Should you have collected 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 and boat stall rent is still subject to sales tax however the renting of a trailer or boat for live aboard purposes is not taxable.

**DON'T FORGET TO
REMIT YOUR FISH
BOX TAX AND
SIGN YOUR TAX
RETURNS !!!!**

3rd Quarter, 2007
July, 2007
August, 2007
September, 2007
DUE OCTOBER 31st

Special points of interest:

- Please provide your account number with all correspondence, payments, or inquiries. This helps ensure accuracy on our part.
- Non-profit government supported agencies should be preparing to submit their financial packet and application for tax exempt status to the City and Borough of Sitka in December. Effective January 1st, only those approved will be granted tax exempt status for 2008 until approval has been granted.
- **HAVE YOUR VOICE HEARD—VOTE ON OCTOBER 2ND.**

E-MAILS & NEWSLETTER MAILINGS

Thank you to all those who have jumped on board and supplied e-mails for receiving correspondence regarding proposed ordinances pertaining to Tax issues at Assembly meetings, reminders to file quarterly returns, and other tax related correspondence. We are still working through a few bugs but anticipate a smooth flow the next two quarters. Therefore, in order to reduce costs, beginning in 2008, the newsletter will no longer be mailed out with your tax return. It will be e-mailed to those you have supplied their e-mail addresses or may be obtained on our website under the Newsletter link. If you prefer the paper copy, they will be available in our offices for pickup as well. If you haven't supplied us with an email address and would like to, in order to ensure accuracy, *e-mail your request* to be added to the contact database to salestax@cityofsitka.com.

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.



Pre-Filing Tax Returns

If you are a seasonal business and/or anticipate no taxable activity for the 4th quarter 2007 and 1st quarter 2008, you may pre-file those quarterly returns so you don't risk forgetting to file and being assessed penalties on late returns. Forms may be found online.

Resale Exemption Cards

Current holders of resale exemption cards should be aware that these cards will expire on December 31, 2007. A new application for 2007 will be mailed out to current card holders in November. The application will need to be completed and signed for a new valid card to be issued for 2008. The application can be marked as renewal and same codes as last year. Your new cards will be mailed out prior to January 1st or within one week of receipt of the application. If you do not receive an application in the mail, you may obtain one from our website or in our offices.

Businesses accepting resale exemptions cards need to ensure that they are valid for the current year and for the items that they are exempting.

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 (upcoming holidays are October 18th and November 12th & 22nd). 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.

Marjorie Parmelee—Sales Tax Clerk
Brenda Calkins—Sales Tax Auditor

We're on the Web
www.cityofsitka.com
Under the "Doing Business in the City" link