



We Wish You an Informed Holiday!

Our desire is that we are providing you with the information that you need to meet the City and Borough of Sitka's requirements in the area of sales tax. We do hope you have found us helpful and informative. The City Offices will be closed from noon on Friday, December 23 through Monday, December 26th and on Monday, January 2, 2006.

*Happy Holidays, Marjorie Parmelee, Clerk
Brenda Calkins, Auditor*

**Volume 2, Issue 4
December 16, 2005**



CITY AND BOROUGH OF SITKA

4th Quarter 2005

TOBACCO TAX INTO EFFECT JANUARY 1, 2006

In October of 2005, the Citizens of Sitka voted their approval of Ordinance #2005-37 which ratified a Tobacco Tax of 50 mill on cigarettes (\$.05 per cigarette) and 45% excise tax on all other tobacco products. All businesses with a Tobacco Endorsement and those individuals who cause cigarettes and tobacco products to be brought into the City and Borough of Sitka must have a license. Applications for licenses should be mailed out by the end of December. If you did not receive an application, contact the Sales Tax offices and we will provide you with one.

More information regarding the Tobacco Tax may be found in the Sitka General Code 4.26.

Thank you to those that have worked to help us curtail tax exemption abuse by posting our notices and requesting to see tax exempt cards. We realize this has not been an easy task. Thank you!!!

4th Quarter, 2005
October, 2005
November, 2005
December, 2005
DUE January 31st

Handling Tax Exemptions

In November, retail stores were mailed a letter requesting that the physical tax exemption card be shown for senior citizens and resellers. All businesses should be aware that you should request to physically see the tax exemption card as you are claiming the exemption on your tax return. This is an attempt by the City and Borough of Sitka to eliminate the tax exemption abuse. Please help by requesting to see these cards. If you know of abuse, please notify the Sales Tax office.



Yearly Filers

4th quarter is the quarter that businesses whom have been granted yearly filing status need to file their sales tax return for the complete year. If you were granted yearly filing status mid-year, please only file your yearly return for those quarters that you began your yearly filing status. An example may be that you were approved to be a yearly filer in July 2005. You had already filed for 1st and 2nd quarter 2005 and would therefore only file your yearly tax return in 2005 for 3rd and 4th quarter. In 2006, you would file for all 4 quarters on the yearly return.

Yearly filers also need to be aware that they will have missed out on receiving the newsletter that is sent out with each quarterly return. Important information is noted in these newsletters that may pertain to your business. You may read past newsletters on our website.

SALES TAX HOLIDAY

Saturday, November 26th, 2005 was adopted by the City and Borough of Sitka's Assembly as a sales tax holiday for certain sales. Sales, except for fuel sales and those that are part of a continuing obligation on the buyer (i.e. phone, tv, utilities, etc.), are exempt from sales tax on this designated day.

Businesses please **include these sales in your gross receipts in section 1 of your sales tax return and list this exemption on line 3G labeled "No tax day"**. If you have any questions, do not hesitate to contact our offices.

Gov't-Funded Non-Profit Agencies

Per SGC 4.09.100(v), agencies or organizations which derive 80% or more of their revenue from local, state, or federal government sources are exempt from sales tax if "they qualify". Agencies that qualified last year have already been sent an application. Agencies must complete the application and submit an annual report showing their qualifications. Upon approval, these agencies will be granted a tax exempt number for 2006. If you did not receive an application, they may be obtained on our website.

REMEMBER—if you are granting a tax exemption, the customer must have a city issued tax exempt number. This list of approved non-profits is published and sent out in the first newsletter of the new year or may be found on our website.



Resale Tax Exemption Cards

The applications for Resale Tax Exemption Cards have already been mailed out. If you did not receive an application, you may obtain one on our website or in our offices.

BE REMINDED if you do not have a current card for 2006, you will be required to pay sales tax on your purchases.

FOR EASE IN IDENTIFICATION, the resale cards are GREEN this year instead of blue.

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