

Wishing You a Happy and Prosperous 2007!!!



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 on Monday, December 25th and Monday, January 1, 2007.



*Marjorie Parmelee, Clerk
Brenda Calkins, Auditor*

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CITY AND BOROUGH OF SITKA

4th Quarter 2006

FISH CONTAINER SALES TAX EFFECTIVE JANUARY 1, 2007

In October of 2006, the Citizens of the City and Borough of Sitka voted their approval of Ordinance #2006-38 which ratified a sales tax levied on fish charter customers for each fish container taken by the customer. This sales tax is to be collected by the fish processor and submitted on the new revised sales tax returns that will be in effect 1st quarter 2007.

This sales tax is a designated tax to be split between the following funds at the following ratios: Harbor (20%), Permanent Fund (30%), Fisheries Enhancement Fund (20%), and General Fund (30%). More information regarding this sales tax may be found on our website under the Sitka General Code 4.09.010(c).

Long Term Residential Rentals Exemption

Recently, our Assembly was reviewing an ordinance that would make long term residential rentals exempt from sales tax. This ordinance did not pass on at its final reading on December 12th. Therefore, Landlords must continue to collect sales tax at a rate of 5% year round on long term residential rental of real property.

CIGARETTE AND TOBACCO PRODUCTS LICENSE EXPIRES DECEMBER 31, 2006

Applications for renewal have been mailed out to those with existing licenses however, if you are bringing tobacco products into, manufacturing, or selling in the City and Borough of Sitka and did not receive a license application, one may be obtained on our website or in our offices. You are required to be licensed and report your activity per SGC 4.26.

NO SALES TAX HOLIDAY

Friday, November 24th and Saturday, November 25th, 2006 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.



Due to the changes that have happened in the Sales Tax Code, beginning 1st Quarter 2007, a revised Sales Tax Return will be coming your way. For most people you won't see much of a difference— just a line for fish box sales tax. However, for those that deal with bed tax, you will be pleased to see a combined tax return coming your way. Sales and Bed tax will be filed all on one return. Not only will this bring our form in line with the Sitka General Code's requirements, we also hope you will find this a convenience.

Government-supported 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 2007. 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 agencies is published and sent out in the first newsletter of the new year or may be found on our website.

4th Quarter, 2006
October, 2006
November, 2006
December, 2006
DUE January 31st

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 2007, you will be required to pay sales tax on your purchases.

FOR IDENTIFICATION, the resale cards are SALMON in color this year instead of green



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