



**Wishing you a  
successful new year filled  
with happiness.**

**Marjorie Parmelee, Clerk**

**Brenda Calkins, Auditor**

**We're on the Web  
[www.cityofsitka.com](http://www.cityofsitka.com)  
Under the "Business" link**

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CITY AND BOROUGH OF SITKA

**4th Quarter 2011**

### Resale Tax Exemption Cards

The applications for Resale Tax Exemption Cards have already been mailed out and for those applications that we have received, cards for 2012 have also been mailed out. **Our current Finance Director has issued a new interpretation regarding items that are eligible for resale tax exemption. Because of this new interpretation, some items may have been removed from your resale tax exemption card from prior years.** Please click on the [link](#) or go to our website to read these interpretations. If you did not receive an application, you may obtain one on our website or in our offices or if you did not receive your cards or have questions regarding the new interpretation, please contact us.

All businesses must request to see a **current** resale card with a new number in order to not charge their customers sales tax in 2012. FOR IDENTIFICATION, the color of the resale cards are BLUE for 2012.

**BE REMINDED if you do not have a current card for 2012, you will be required to pay sales tax on your purchases.**

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### **CIGARETTE TAX INCREASE FOR 2012**

#### **CIGARETTE AND TOBACCO PRODUCTS LICENSE EXPIRES DECEMBER 31, 2011**

Per Sitka General Code 4.26.020(B), the cigarette tax will be adjusted yearly based upon the annual Consumer Price Index for the municipality of Anchorage from the United States Department of Labor Statistics and determined to be the percent change to the current year from the average of the first and second halves of the prior year, and will be effective January 1st of each year. This adjustment has not been made in prior years due to the insubstantial increase but has been determined to be applied for this year. The new rate for 2012 shall be \$.0583 per cigarette (or 58.3 mills).

Applications for renewal have been mailed out to those with existing licenses however, if you are importing tobacco products, 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 DAYS

Friday, November 25th and Saturday, November 26th, 2011 were adopted by the City and Borough of Sitka's Assembly as a no 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 need to **include these sales in your gross receipts in section 1 of your sales tax return and list this exemption on line 3H labeled "No tax day"**. If you have any questions, do not hesitate to contact our offices.

## Yearly Filers

January is the time that businesses who have been granted yearly filing status need to file their sales tax return for the entire calendar year. Please complete your yearly tax return with all sales including residential rents and exemptions for the entire 2011 calendar year.

Yearly filers may also want to consider visiting our website and reading past newsletters for current happenings or you can always provide us with your email to receive correspondence and filing reminders. Email us at [salestax@cityofsitka.com](mailto:salestax@cityofsitka.com) in order to get your email address on our electronic distribution list.

## Gov't-Funded Non-Profit Agencies

Per SGC 4.09.100(v), Nonprofit organizations that qualify as tax exempt under IRC section 501(c) and derive fifty percent or more of their gross revenue from local, state, or federal government sources are exempt from sales tax if approved. 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 2012. 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. The list of approved non-profits is listed below and updated regularly on our [website](#).**

- N12-802 Alaska Marine Safety Education Assoc.
- N12-804 Big Brothers Big Sisters of Alaska
- N12-806 Center for Community
- N12-811 River's Edge Property Inc.
- N12-805 Sitka Community Development Corporation
- N12-809 Sitka Counseling & Prevention Services
- N12-801 Sitka Historical Society
- N12-803 Sitka Trail Works
- N12-810 Sitkan's Against Family Violence
- N12-807 Southeast Alaska Independent Living
- N12-808 Youth Advocates of Sitka



Expiration: 12/31/2012

4th Quarter, 2011
October, 2011
November, 2011
December, 2011
DUE January 31st

**HAPPY NEW YEAR**