

# Newsletter 4th Quarter 2015

## 4th Quarter Returns Due February 1st, 2016



December 14, 2015

### 4th Quarter 2015

\*October 2015

\*November 2015

\*December 2015

File by **Feb 1st** to avoid fees!

**Businesses that generated zero revenue are still required to file sales tax returns on time.**

**Late filing will incur a progressive late filing fee plus penalty and interest against any tax balance owed.**

### Download New Fillable Tax Return

More Forms Available online—Tax Services & Forms

### REMINDERS!

**5% Sales Tax**—The sales tax rate is 5% during the months of October, November, December, January, February, and March.

Rentals of Real Property (except for Long term residential units) remain at 5% (SGC 4.09.120). Bed tax remains at 6%.

#### Apply for 2016 Resale Exemption Card —

Please remember to include the \$26.50 filing fee with your application. Cards can only be issued if your account is current. Applications are available Online at [www.cityofsitka.com/Business](http://www.cityofsitka.com/Business).

**Senior Citizen Exempt Cards** — These cards cannot be used to purchase alcohol, cigarettes, or tobacco products.

THIS IS FOR THE SENIOR'S PERSONAL USE ONLY

**Sales Tax Cap is \$3,000** — The maximum sales tax per invoice is \$150.00 from Oct 1st to March 30th. The cap on rentals and leases applies ONLY to a Single Invoice in a one month period of time. 4.09.100(N)

**Exempt Non-Profits** — There are two types of nonprofit exemptions; Paying tax [4.09.100(L)] and collecting tax [4.09.100(V)]. Find the list of eligible non-profit organizations on our website before applying the exemption.

If your organization is eligible and is not on our list, come in and apply!

### Welcome New Business

- Accesewrize Handmade
- Cold Water Crab
- Balanced Accounting Solutions
- Herb 'n' Legend
- Cornerstone Custom, LLC
- Nails By Courtney
- The Carpet Guy
- Louie's Wild Alaskan Seafood
- Sitka Sharpening



**Hannah Nelson**  
Tax Accountant

Phone: (907) 747-1853  
[salestax@cityofsitka.org](mailto:salestax@cityofsitka.org)

#### Office Hours:

**MONDAY-FRIDAY 8:00am-  
5:00pm**  
100 Lincoln Street  
2nd Floor



**Kristy Crews**  
Tax Clerk

Phone: (907) 747-1840  
[salestax@cityofsitka.org](mailto:salestax@cityofsitka.org)

## NO TAX DAYS—How to File

Friday, November 27th and Saturday, November 28th, 2015 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 these designated days.

**Businesses need to include these sales in your gross receipts in Section 1 of your sales tax return and list this as an exemption on line 3-H. Please be sure to label this as "No tax day". If you have any questions, do not hesitate to contact our offices.**



### Business and Personal Property Declaration

**DUE BY FEBRUARY 15, 2016**

Per Sitka General Code 4.12, a new exemption for business property was adopted in 2013 by the City and Borough of Sitka. There is now a \$25,000 exemption for business property which is deducted from the business's total property assessed value. **Note that if your business property is worth less than \$25,000, this filing is still required.** Failure to file this return is subject to a fee of \$100.00 per City and Borough Code.

**Failure to submit the Business and Personal Property Return by February 15th, 2016 will cost you a fee of **\$100.00**.**

**Filing a Business Property Return by February 15th, 2016 will exempt the first \$25,000 of your assessed value.**

**For questions, please contact Assessing at (907)747-1822.**



### Government 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. The exemptions certificates are issued on a two year basis. To register for the new 2016-2017 cycle, agencies must complete the application, remit the \$25.00 application fee, and submit an annual report showing their qualifications. Upon approval, these agencies will be granted a tax exempt number for 2016-2017. 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 on our [website](http://cityofsitka.com/business/taxes/index.html). Please visit our site: <http://cityofsitka.com/business/taxes/index.html>

### 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.

**Due date: February 1, 2016**

### Why Does the City Collect Sales Tax?

The City and Borough of Sitka depends on the collection of sales taxes for an average of 30% of it's revenue. The citizens of Sitka pay their 5% or 6% to your business, trusting that it will be invested in the running and improvement of their city. It is than your fiduciary duty to return that money to the city. Using this money as revenue to run a business will often result in confusion when it comes time to return that money to the city. We advise always keeping the sales tax separate from the revenue earned in your books. This will aid in filing, qualifying for discounts, avoiding late fees, and best of all, decrease the stress at the end of each quarter. The City of Sitka appreciates your hard work and the revenue your business generates. We at the tax office are here to help to the best of our ability. Please call us any time you have questions.

- Best Wishes