

Hello,

Because I have had difficulty finding full-time work, I recently took a couple of short-term contract jobs. Since the last time I'd done much freelance (contract) work was when I lived in Anchorage, which has no sales tax, I was surprised to find out that in Sitka contract workers are required to pay sales tax for their labor.

I feel this policy needs to be reviewed, and rescinded. As a full-time staff worker, I never had to pay sales tax on my labor. But according to city code, I have to file and pay sales tax when I'm doing freelance writing or marketing. The reason I feel this policy needs to be reviewed is most of the people doing contract work are lower income people who are barely making it. Not only are they having to pay city sales tax, but they also have to handle their own federal taxes without the benefit of a large HR department.

If nothing else, I think there should be equity in how labor is taxed. If regular staff workers had to pay sales tax, I probably wouldn't complain. But most people in Sitka are shocked when I tell them about this policy. I know there are a lot of budget issues in Sitka, but I feel this policy has a greater impact on people of lower income who might be trying to make ends meet by helping a neighbor paint a house or similar project.