

Proposed by:	Assemblymember Henry
Attorney Review:	11/08/2022
First Reading:	11/17/2022 Amended
Second Reading:	12/02/2022
Vote: ___ Aye	___ Nay ___ Absent

MUNICIPALITY OF SKAGWAY, ALASKA
ORDINANCE NO. 22-10

AN ORDINANCE OF THE MUNICIPALITY OF SKAGWAY, ALASKA INCREASING THE SALES TAX RATE TO 6% DURING THE 2ND AND 3RD QUARTERS, AND DIRECTING THE BOROUGH CLERK TO PLACE A PROPOSITION ON A SPECIAL ELECTION BALLOT FOR RATIFICATION.

BE IT ORDAINED AND ENACTED BY THE MUNICIPALITY OF SKAGWAY, ALASKA AS FOLLOWS:

Section 1. Classification. Section 3 of this ordinance is not of a general and permanent nature and shall not become a part of the code of the Municipality of Skagway, Alaska. Section 4 of this ordinance is of a general and permanent nature and shall become a part of the Skagway Municipal Code.

Section 2. Purpose. To place Ballot Proposition #1 before the voters at a Special Election to increase the sales tax from 5% to 6% during the 2nd and 3rd quarter of each calendar year, April through September.

Section 3. Non-Code. The Borough Clerk is hereby directed to place Ballot Proposition #1 before the voters at a Special Election to be scheduled by resolution.

“Shall the rate of sales tax collected upon sales made and services rendered in Skagway be increased from 5% to 6% during the 2nd and 3rd quarter of each calendar year, April through September.

For Against ”

Section 4. Code Amendment. Sections 4.08.020, Rate of general sales tax and, Exemptions is hereby amended (~~strike through~~) indicates text to be deleted from and **bold** indicates text added to the current code as follows:

4.08.020 Rate of general sales tax.

A. Said tax is hereby levied in the amount of ~~five~~ **six** percent (~~5~~**6**%) of the gross revenues derived from all taxable transactions except those subject to the short-term rental tax. The tax is levied in accordance with the following schedule for the months of April through September of the calendar year:

Sales Price	Amount of Tax
Under \$0.13	None
\$0.14 to 0.32	\$0.01
\$0.33 to 0.49	<u>\$0.02</u>
\$0.50 to 0.65	<u>\$0.03</u>
\$0.66 to 0.82	<u>\$0.04</u>
\$0.83 to 0.99	<u>\$0.05</u>
\$1.00 to 1.15	<u>\$0.06</u>
\$1.16 and over continues on same scale.	

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B. The taxability of a sale of goods is determined by the point of sale. The taxability of a service performed or rental made is determined by the place where the service is performed or the rental property is located.

Section 5. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 6. Effective Date. This ordinance shall become effective on first day of the quarter immediately following the ratification by the Voters of the Municipality of Skagway.

PASSED AND APPROVED this ____ day of _____, 2022.

Andrew Cremata, Mayor

ATTEST:

Steve Burnham Jr., Borough Clerk

(SEAL)