

Proposed by:	Civic Affairs Committee
Attorney Review:	06/24/2016
First Reading:	07/07/2016
Second Reading:	07/21/2016
Vote:	4 Aye 0 Nay 2 Absent

MUNICIPALITY OF SKAGWAY, ALASKA ORDINANCE NO. 16-14

AN ORDINANCE OF THE MUNICIPALITY OF SKAGWAY, ALASKA AMENDING SMC CHAPTER 4.08 SALES TAXATION AND SMC 5.04 BUSINESS LICENSES TO AMEND THE ANNUAL BUSINESS LICENSE FEE AND REMOVE THE PROVISION FOR QUARTERLY SALES TAX RETURN COMPENSATION.

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

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the Skagway Municipal Code.

Section 2. Purpose. To amend SMC Chapter 4.08.090 “Duty to collect and make return” to remove the provision for quarterly sales tax return compensation; and to amend SMC Chapter 5.04 to amend the annual business license fee. The Skagway Municipal Code is hereby amended (~~strike through~~) indicates text to be deleted from, and **bold** indicates text added to the current code as follows:

Section 3. Amendment. SMC Chapter 4.08 is hereby amended as follows:

Chapter 4.08 SALES TAXATION

Sections:

- 4.08.005 Definitions.
- 4.08.010 Levy of tax.
- 4.08.020 Rate of general sales tax.
- 4.08.030 Hotel room tax.
- 4.08.040 Consideration other than cash.
- 4.08.050 Sales not divisible to avoid tax.
- 4.08.060 Exemptions from tax.
- 4.08.070 Limitations of use of tax proceeds.
- 4.08.080 Separate funds.
- 4.08.090 Duty to collect and make return.
- 4.08.100 Returns.
- 4.08.110 Penalty and interest.
- 4.08.120 Collection enforcement.
- 4.08.130 Investigative procedure.
- 4.08.140 Failure to make return--Assessment.
- 4.08.150 Selling or quitting business.
- 4.08.160 Jeopardy assessment.

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- 4.08.170 Bond for payment.
- 4.08.180 Taxpayer records.
- 4.08.190 Penalties for noncompliance or fraudulent action.
- 4.08.195 Lien for tax, interest and penalty.
- 4.08.200 Period of limitation for collections.
- 4.08.210 Refund of sales taxes.

4.08.090 Duty to collect and make return.

- A. The tax is hereby assess and levied upon the purchaser or consumer but it is the duty of the retailer or person furnishing such rentals or services to collect the tax from the purchaser or consumer and make a return thereof to the borough clerk as herein stated. Every person with an obligation to collect and remit taxes to the municipality under this chapter, but who neglects, fails or refuses to do so, shall be liable for and pay the tax himself.
- B. The sellers or furnishers of the services shall add the tax imposed under this chapter to the sales price or charge, and when so added such tax shall constitute a debt from the purchaser or consumer to the seller or furnisher until paid, and shall be recoverable at law in the same manner as other debts.
- C. In specific instances where the tenant is occupying space in a government owned building or government owned land, it is the tenant's obligation to pay the sales tax directly to the municipality, unless the landlord is willing to voluntarily receive the tax payment and remit it to the municipality.
- ~~D. All sellers and persons rendering sales tax returns to the municipality shall be allowed to compensate themselves for costs incurred in the collection, record keeping, remittance and accounting for the tax imposed by taking the greater of ten dollars (\$10.00) or half of one percent (1%) of the tax due as a tax collection discount, to reduce the tax to be remitted, for any quarterly return that is filed on a timely basis with a remittance of all sales tax due. The deduction may not exceed \$100 for any quarterly reporting period, and may not be taken if any sales tax, penalty or interest is due for any previous reporting period. All sellers and persons rendering sales tax returns on a monthly basis because of probation may not compensate themselves for costs incurred in the collection, record keeping, remittance and accounting for the tax imposed.~~

Section 4. Amendment. SMC Chapter 5.04 is hereby amended as follows:

Chapter 5.04
BUSINESS LICENSES

Sections:

- 5.04.010 Business defined.
- 5.04.020 License required--Fee established.

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- 5.04.030 License--Renewal.
5.04.040 General provisions applicable.

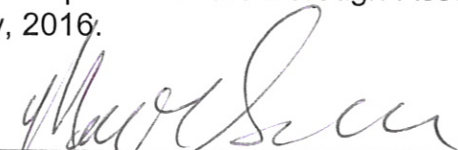
5.04.020 License required--Fee established.

- A. It is unlawful for any person, firm or corporation to engage in a business within the municipality without first applying for and obtaining a Municipality of Skagway business license. License to be displayed in accordance with Section 5.01.030.
- B. Separate Licenses Required. A separate license will be required for each entity that files a sales tax return, whether such separate reports are due to municipal requirements, i.e., hotel room tax and miscellaneous sales by the same entity, or by a business owner's choice.
- C. Annual fees are established as follows:
1. General business license will be ~~ten dollars (\$10.00)~~ **fifty dollars (\$50.00)** per business license. All businesses will require a general business license except for those noted in Section 5.04.020(C)(2).
 2. Single site rental/lease business license will be ~~ten dollars (\$10.00)~~ **fifty dollars (\$50.00)** per business license. The single site rental/lease business license will be issued only to entities who collect sales tax on one rental unit (business or residential) or are required to submit sales tax on a National Park Service Leaseback.
- D. Duration of Business License. Business licenses are effective for a calendar year with all licenses expiring on December 31st.


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 January 1, 2017.

PASSED AND APPROVED by a duly constituted quorum of the Borough Assembly of the Municipality of Skagway this 21st day of July, 2016.



Mark Schaefer, Mayor

ATTEST:


Emily A. Deach, Borough Clerk

(SEAL)

