

Proposed by:	Assemblymember Henry
Attorney Review:	07/14/2023
First Reading:	07/20/2023
Second Reading:	08/03/2023
Vote: 5 Aye	1 Nay 0 Absent

MUNICIPALITY OF SKAGWAY, ALASKA
ORDINANCE NO. 23-19

AN ORDINANCE OF THE MUNICIPALITY OF SKAGWAY, ALASKA INCREASING THE SALES TAX RATE TO 6.25% 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 #2 before the voters at the Regular Election to increase the sales tax from 5% to 6.25% 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 #2 before the voters at the Regular Election.

“Shall the rate of sales tax collected upon sales made and services rendered in Skagway be increased from 5% to 6.25% for increased operational and infrastructural demands during the 2nd and 3rd quarters 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 and one-quarter** percent (~~5~~**6.25**%) 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 \$0.16	None
\$0.16 to 0.25	\$0.01
<u>\$0.26 to 0.39</u>	<u>\$0.02</u>
<u>\$0.40 to 0.55</u>	<u>\$0.03</u>
<u>\$0.56 to 0.71</u>	<u>\$0.04</u>
<u>\$0.72 to 0.87</u>	<u>\$0.05</u>
<u>\$0.88 to 1.03</u>	<u>\$0.06</u>
\$1.04 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 Monday, January 1, 2024 following the ratification by the Voters of the Municipality of Skagway.

PASSED AND APPROVED this 3rd day of August, 2023.

Andrew Cremata, Mayor

ATTEST:

Steve Burnham Jr., Borough Clerk

(SEAL)