CITY OF BETHEL

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Introduced by: Mayor Richardson
Date: July 9, 1996
Public Hearing: July 23, 1996
Action: Amended, then Adopted
Vote: 7-Yes, 0-No

ORDINANCE #96-31

AN ORDINANCE OF THE CITY OF BETHEL, ALASKA, AMENDING TITLE 4.16 OF THE BETHEL MUNICIPAL CODE, IMPOSING A 5% USE TAX ON ALCOHOLIC BEVERAGES PURCHASED OUTSIDE OF THE CITY, AND PROVIDING FOR A MEANS OF COLLECTION.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Bethel, Alaska, that:

Section 1. Classification. This is a code ordinance.

Section 2. Severability. If any part or provision of the ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in the controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this ordinance or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

Section 3: Content.

BMC 4.16.010 shall be modified to add the following definition:

(j) "Storage, use or consumption" means the storage, use or consumption in, or the importation into, the City of an alcoholic beverage purchased or acquired from a source outside the City.

BMC 4.16 shall be amended by adding the following section.

4.16.200 Use Tax

a. There is levied and shall be collected a tax on the storage, use, or consumption of alcoholic beverages in the City. The tax shall be at the same rate as the sales tax levied under this chapter, but there shall be deducted an amount equal to any sales tax paid by the buyer that was levied and collected on the sale of the alcoholic beverage.

b. The buyer shall pay the tax. A person outside the City who receives an order for alcoholic beverages to be shipped by the seller or seller's agent or employee to an address or person in the City shall collect the tax and pay the tax collected or required to be collected to the City in the same manner as required for sales taxes levied by the City. Such seller shall be liable for the payment of the use tax in the same manner as a person who is required to collect the City sales tax on the sale of other goods. The buyer shall be liable to the City for all use taxes not collected by a seller.

c. The provisions of this chapter applicable to sales tax shall apply to the use tax levied under this section, including, but not limited to, provisions regarding computation, collection, holding, reporting, record keeping, payment to the City, interest, penalties, enforcement, remedies, assessment of delinquent taxes, liability, audit, appeal and refund. When the sales tax provisions are applied to the use tax, the phrase "sales tax" shall be read as "use tax" where appropriate.

Section 4. Effective Date. This ordinance is effective upon passage.

Section 5. Election.

a. The City Clerk shall place a proposition reading substantially as follows on the ballot to be presented to the voters of the City of Bethel at the next regular municipal election.

Proposition A
Use Tax Authorization

Shall the City of Bethel levy a use tax on alcoholic beverages at the same rate as the city sales tax?

☐ **Yes** ☐ **No**

b. The use tax levied under Section 3 of this Ordinance shall be effective on January 1, 1997, but only if the proposition required under this section of the Ordinance is approved by a majority of the qualified voters voting on the question at the next regular municipal election.

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PASSED AND APPROVED THIS 23RD DAY OF JULY, 1996.

RUTH M. RICHARDSON, MAYOR

ATTEST:

L. J. Tanner, City Clerk