

ORDINANCE NO. 111

AN ORDINANCE AMENDING TITLE 3, SECTION 04.030 OF THE SALES TAX ORDINANCE KNOWN EXEMPTIONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BETHEL:

That 3.04.030 of the Bethel Code of Ordinances is amended to read as follows:

3.04.030 Exemptions.

The following retail sales are exempt from taxation:

A. Casual sales. A casual and isolated sale not made in the regular course of business is exempt;

B. Church Sales. Sale of tangible property or the sale of services by a church are exempt, except where the sale of service is incidental to a business for a profit;

C. Court Fixed Fees. Any sale where the price is fixed by law, by a court of competent jurisdiction, or any other authority beyond the control of the seller, and where, if the tax were applied, its effect would become an income tax upon the seller, is exempt;

D. Dues and fees. Dues or fees paid to clubs, labor unions, and fraternal organizations are exempt;

E. Exports. A sale is exempt if made to a person in a foreign country for shipment out of the United States except where the goods or products sold are exported in bond for reentry into the United States;

F. Federal and State Prohibitions. A sale which the municipality is prohibited from taxing under the Constitution and laws of the United States or the Constitution and the laws of the State of Alaska is exempt;

G. Freight and Wharfage. Freight and wharfage charges, whether arising out of foreign, interstate or interstate commerce, are exempt. Warehouse and storage services are taxable;

H. Governmental Agencies. A sale directly to the United States Government, the State of Alaska and its political subdivisions, the City or any departments thereof, is exempt. A sale made to a contractor to be utilized in the manufacture and production of property for sale to an agency of any of the above governments under a cost plus contract is taxable as the contractor is deemed the consumer. A sale to a governmental contractor which does not become a physical part of the property being constructed for any of the above governments is taxable. For purposes of this subsection, "a physical part of the property" means the article is easily and readily identifiable in the property constructed;

I. Insurance. The sale of insurance policies, guaranty bonds, and fidelity bonds are exempt;

J. Loans. The loaning of money and interest charged for loans is exempt;

K. Medical Services and Sales. Medical, dental and hospital services are exempt. The sale of hearing aids and medicinal preparations when prescribed by a licensed practitioner are exempt. Medical, dental and hospital services do not include services rendered by chiroprodists, barbers, cosmeticians and masseurs;

L. Manufacturers, and Contractors. A sale to a manufacturer of contractor is exempt if the article becomes a physical part of a manufactured product or structure which when sold is subject to this tax. A "Physical part of a manufactured product or structure" means that the article must be easily and readily identifiable in the manufactured article or structure, as the case may be;

M. Newspapers. The sale of newspaper and periodicals to a consumer by a carrier is exempt;

N. Non-Profit Organizations. Sales made by non-profit organization which do not have paid employees and who do not keep normal business hours are exempt;

O. Outside City. Sales of goods resulting from orders received from outside the City by mail, telephone, or other similar public communication where delivery of the property ordered is made outside the City by mail or common carrier are exempt;

P. Over Ten Thousand Dollars. That portion of a selling price for a single piece of equipment or sale unit in excess of ten thousand dollars (\$10,000.00) is exempt. A single sale unit includes any retail sale where the selling price is separately computed or totaled on any delivery invoices or sales slip;

Q. Public Food. The sale of food and beverages to the public in high school or college cafeterias or lunch-rooms which are operated primarily for teachers and students and not for a profit is exempt;

R. Resale. A sale for resale of a product, service or rental, to a consumer where the resale is subject to tax is exempt;

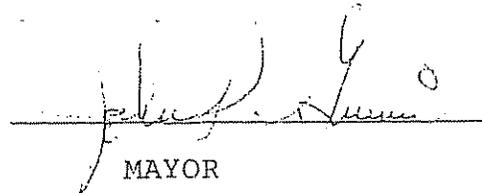
S. Student Transportation. The service of transporting students to and from a school in vehicles is exempt;

T. Non-Profit Organizations. Purchases made by non-profit organizations which do not have paid employees and who do not keep normal business hours are exempt. (Ordinance No. 72)

U. Taxicab and Limousine Services. The service of transporting passengers by taxicab and limousine vehicles is exempt.

PASSED AND APPROVED this 9 day of August, 1978.

APPROVED BY:


MAYOR

ATTEST:


CITY CLERK