

Introduced by: City Manager Herron
Date: June 12, 2001
Action: Adopted
Vote: 7-0

CITY OF BETHEL, ALASKA

RESOLUTION #01-18

A RESOLUTION SUPPORTING THE PRESERVATION OF ALASKA LOCAL SALES TAX AUTHORITY

WHEREAS, Alaska may be swept up in Congressional efforts to "simplify" sales taxation so that taxes may be collected on Internet sales, and;

Whereas, Currently out-of-state internet sales are tax free, while local store sales are not and what happens in Congress could require our state government to enter into sales tax collection or pass state sales tax legislation, and;

Whereas, Congress is considering requiring each state to have one single state sales tax rate, requiring the single rate be an averaged rate, and requiring each state to have all sales tax collections done by the state, and;

Whereas, Alaska's tax rate would be close to 1% because Alaska's largest municipalities do not currently have a sales tax, and;

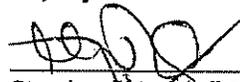
Whereas, Alaska is the only state that allows municipalities full authority to levy sales tax without a state sales tax or state involvement in collections or administration, and;

Whereas, Alaska's sparse population and isolation makes Alaska more susceptible to losing local sales to out-of-state internet companies, and;

Whereas, Alaska has the widest variation in sales tax rates and what works in other states does not work in Alaska.

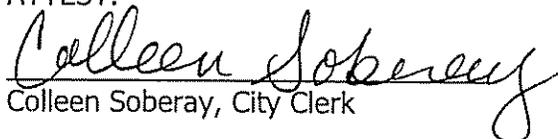
NOW, THEREFORE, BE IT RESOLVED that the City Council of Bethel, Alaska, in the best interest of municipalities throughout Alaska, supports the preservation of local control of sales tax and supports allowing the 98 Alaskan municipalities that depend on sales tax revenue to collect local sales tax on purchases through the internet and other out of state vendors.

PASSED AND APPROVED THIS 12th DAY OF JUNE 2001, by a unanimous voice vote.



Stanley "Tundy" Rodgers, Mayor

ATTEST:



Colleen Soberay, City Clerk