

Introduced by: Mayor Zulkosky
Date: March 10, 2009
Public Hearing: March 24, 2009
Action: Failed
Vote: 3-3

CITY OF BETHEL, ALASKA

Ordinance #09-03

AN ORDINANCE AMENDING THE SALES TAX CODE TO PROVIDE AN EXEMPTION FOR NONPROFIT RELIGIOUS ORGANIZATIONS

WHEREAS, the operations of nonprofit organizations are subject to state and federal tax exemptions;

WHEREAS, obtaining exemption is important since a non profit's tax status can materially affect its finances and fundraising operations;

WHEREAS, as outlined in form 1023, Application for Recognition of Exemption Under Section 501 (c)(3) of the Internal Revenue Code, Instructions, eligibility for Section 501 (c)(3) status must be organized and operated exclusively for religious, charitable... purposes;

WHEREAS, exempting sales tax for nonprofit religious organizations will allow for those organizations to provide more outreach and assistance to the needy within our community;

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

SECTION 1. Classification. This ordinance is of a permanent nature and shall become a part of the Bethel Municipal Code.

SECTION 2. Amending Bethel Municipal Code Chapter 4.16.010 and Adding to Bethel Municipal Code Chapter 4.16.040 The Bethel Municipal Code Chapter 4.16.010 and 4.16.040 existing on the date of this ordinance is hereby modified to add this section Z to the sales and payments which are exempt from sales tax, the Bethel Municipal Code are to be amended as follows (new language is underlined and old language is stricken out):

4.16.010 Definitions.

M. "Nonprofit religious organization" means a public charitable organization operated exclusively for exempt purposes; net earnings may not be used for the benefit of any private individual; must have distinct legal existence; established place of worship open to the entire public; not established within a place of residence.

4.16.040 Exemptions.

Z. City water, sewer and garbage sales tax exemption to any nonprofit religious organization, that at the time of sale, is legally constituted and legitimately acting in accordance with a duly authorized federal tax exemption status pursuant to IRS Regulations, Section 501 (c)(3), or practicing under the authority of a federally exempt religious organization outside city

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limits, and if the same goods or services are used exclusively in the fulfillment of activities within the federal tax exempt status for the organization.

SECTION 4. Effective Date. This section shall become effective immediately upon the passage by the City Council.

ENACTED THIS 24 DAY OF MARCH 2009, BY A VOTE OF 3 IN FAVOR AND 3 OPPOSED.

Tiffany Zulkosky, Mayor

ATTEST:

Lori Strickler, City Clerk