

Introduced by: Council Member  
Shantz

Date

Public Hearing:

Action:

Vote:

## *CITY OF BETHEL, ALASKA*

### **ORDINANCE #03-06**

#### **AN ORDINANCE INCREASING THE SALES AND USE TAX RATE FROM FIVE PERCENT TO SIX PERCENT AND PLACING THE ISSUE ON THE OCTOBER 7, 2003 BALLOT.**

**WHEREAS** State revenue sharing funds to local communities are declining; and

**WHEREAS**, the City of Bethel municipal budget has also been scaled down, smaller than in previous years, with every effort being made to reduce spending; and

**WHEREAS**, additional revenue is needed to fund essential municipal services.

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

**SECTION 1. Classification.** This ordinance is permanent in nature and shall be incorporated into the Bethel Municipal Code.

**SECTION 2. Amendment of Section 4.16.030.** Bethel Municipal Code Section 4.16.030 is amended to read as follows with the new language being added shown as underlined text and the repealed language shown in brackets:

4.16.030 Imposition – rate. There is levied and shall be collected a sales tax on all sales transactions in the city unless specifically exempted under this Chapter. The tax is six [five] percent of the selling price.

**SECTION 3. Amendment of Section 4.16.070 A and B.** Bethel Municipal Code 4.16.070 A and B is amended to read as follows with the new language being added shown as underlined text and the repealed language shown in brackets:

4.16.070 Bracket collection schedule.

- A. Except as provided in subsections B and C, the sales tax shall be stated separately on all invoices, receipts and other documents of the sale. The tax shall be charged in accordance with the following schedule:

|                                   | <b>Selling Price (inclusive) Amount of Sales Tax</b>   |
|-----------------------------------|--|
| <u>.01-.08</u> [.01-.09]          | \$ -0- tax   |
| <u>.09-.24</u> [.10-.29]          | .01  |
| <u>.25-.41</u> [.30-.49]          | .02  |
| <u>.42-.58</u> [.50-.69]          | .03  |
| <u>.59-.74</u> [.70-.89]          | .04  |
| <u>.75-.91</u> [.90-1.09]         | .05  |
| <u>.92-1.08</u> [1.10-1.29]       | .06  |
| Amounts over <u>\$1.08</u> [1.29] | 6% [5%] of selling price rounded up to the nearest whole cent for each fraction of one half cent or more |

- B. When sales are made through devices such as service station fuel pumps that compute the amount due as the product is delivered, the seller may set the device to add the sales tax as the product sold is delivered. In doing so, the seller may set the device to add the tax in one cent increments in accordance with the schedule in subsection A or may set the device to add the tax as exactly six [five] percent of the price of the product as it is delivered. In either case where the tax is added as the product is delivered and the price of the sale, including the sales tax, is displayed on the device as the delivery is being made, the seller is not required to state the amount of the tax separately in an invoice or receipt, but shall place a notice on the device that the price shown includes the Bethel City sales tax.

**SECTION 4. Election.** The City Clerk shall place the following proposition on the October 7, 2003 ballot to be presented to the voters of the City of Bethel:

**Proposition**

**ONE PERCENT INCREASE IN BETHEL SALES AND USE TAX**

Shall Ordinance #03-\_\_\_\_ increasing the sales and use tax rate from five (5) percent to six (6) percent be enacted?

Yes

No

**SECTION 5. Effective Date.** Sections 1, 2, and 3 and this Ordinance shall become effective January 7, 2004 if approved by a majority of the qualified voters voting on the question at the October 7, 2003 regular Bethel Election. Section 4 shall become effective upon enactment.

**ENACTED THIS \_\_\_\_ DAY OF \_\_\_\_\_ 2003, by a vote of \_\_\_\_ in favor and \_\_\_\_ opposed.**

ATTEST:

\_\_\_\_\_  
Hugh Short, Jr., Mayor

\_\_\_\_\_  
Janette Persinger, City Clerk