

City of Bethel Action Memorandum

Action memorandum No.	19-64		
Date action introduced:	October 8, 2019	Introduced by:	Bo Foley, Acting City Manager
Date action taken:	October 8, 2019	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Denied
Confirmed by:	KM		

Action Title: Authorize City Manager to direct the Finance Department to issue a Special Event Certificate exempting the collection of sales tax for the National Rifle Association annual fundraising event.

Attachment(s):

BMC 4.16.180

NRA information regarding its charitable programs.

NRA 501(C)(3) Non-profit status with the Internal Revenue Service

Department/Individual:	Initials:	Remarks:
Finance/Christine Blake		

Amount of fiscal impact:		Account information:
	No fiscal impact at this time.	
	Funds in City Budget.	
Loss of \$4,240	Funds not in City Budget.	Loss of \$4,240 in Sales Tax Revenue

Summary Statement

The City has received a request for approval of a special exemption for charitable events, as provided in BMC 4.16.080. The National Rifle Association (NRA) has applied for this exemption for its fundraising event planned for November 2, 2019. If approved, the NRA will be required to obtain a State of Alaska Business License and a City of Bethel Business License and Sale Tax Certificate.

The NRA has provided the following information to support its request:

“The NRA Foundation, Inc. conducts fundraising through banquets, raffle tickets and auctions to raise money. Items being requested for sales tax exemption includes hunting supplies, sporting goods, jewelries and artwork. There are also Sponsorship pledges which includes different levels of benefits and items. Benefits include donor recognition, invitations to exclusive events, and or magazine subscriptions. The proceeds are used to award grants in support of public interest activities related to firearm and hunting safety, enhancing marksmanship skills of shooting sport participants and educating the general public about firearms in their historic, technological and artistic context. “

Estimated revenues and lost sales tax revenue for the event are:

Raffles \$28,000 - at 6% + 4%= 10% \$2,800

Auctions \$24,000 – 6% \$1,440

Admin Tickets \$7,000 – not taxable per 4.16.160(A)

Sponsorships \$1,000 – need explanation from NRA as to what this is.

Total estimated lost tax revenue: \$4,240