



# City of Bethel

## Finance Committee Agenda

SPECIAL MEETING

Wednesday July 27, 2016 – 6:30 p.m.

Council Chambers, Bethel, Alaska

Carol Ann Willard  
Finance Committee Chair

Jon Cochrane  
Finance Committee Vice Chair

Leif Albertson  
City Council Representative

Milanna Shear  
Finance Committee Member

Dave Trantham, Jr.  
Finance Committee Member

Michael Shantz  
Finance Committee Member

Delbert Egoak  
Finance Committee Member

Emily Russell  
Alternate Committee Member

Vacant  
Alternate Committee Member

Hansel Mathlaw  
Finance Director  
543-1376  
[hmathlaw@cityofbethel.net](mailto:hmathlaw@cityofbethel.net)

Carole Jung  
Recorder  
543-1383  
[cjung@cityofbethel.net](mailto:cjung@cityofbethel.net)

### **I. CALL TO ORDER**

### **II. ROLL CALL**

### **III. PEOPLE TO BE HEARD** Ten minutes per person

### **IV. APPROVAL OF AGENDA**

### **V. APPROVAL OF MINUTES of May 23, 2016**

### **VI. NEW BUSINESS**

1. 4.16 Sales and Use Tax Rewrite – (Finance Director)
2. Organizational Structure Finance Department – (Finance Director)

### **VII. COUNCIL REP. COMMENTS**

### **VIII. FINANCE DIRECTOR'S COMMENT**

### **IX. FINANCE COMMITTEE MEMBER COMMENTS**

### **X. ADJOURNMENT**

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# City of Bethel, Alaska

## Finance Committee Minutes

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Monday May 23, 2016

Regular Meeting

Bethel, Alaska

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### CALL TO ORDER

A regular meeting of the Finance Committee was held on May 23, 2016 at 6:30 p.m. in City Council Chambers.

Meeting was called to order by Chair Carol Willard at 6:30 PM.

### ROLL CALL

Comprising a quorum of the Committee, the following were present:

Willard, Shantz, Russell, Shear, Egoak (arrived at 6:40 PM)

Excused absences: Cochrane, Trantham, Albertson

Unexcused Absences: None

Also in attendance were the following:

Hansel Mathlaw, Finance Director

Carole Jung, Recorder

### PEOPLE TO BE HEARD

There were no people to be heard

### MOTION: APPROVAL OF AGENDA

<b>MOVED BY:</b>	Shear	To approve the agenda.
<b>SECONDED BY:</b>	Shantz	

<b>VOTE ON MOTION</b>	Motion carried by unanimous vote.

### MOTION: APPROVAL OF MINUTES OF April 25, 2016

<b>MOVED BY:</b>	Shantz	To approve the minutes from the April 25, 2016 meeting.
<b>SECONDED BY:</b>	Russell	

<b>VOTE ON MOTION</b>	Motion carried by unanimous vote.
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## NEW BUSINESS

1. Legal Issues surrounding the gaming sales tax recommendation to council-Cochrane (Tabled from last month's meeting)

The City Attorney came and explained that since the state of Alaska already taxes 30% (?) on pull tabs. State of Alaska calls it a sales tax and we cannot tax it as an excise tax. We can't excise tax what the state already calls a sales tax. So if we want to tax it we have to tax it as a sales tax. Our sales tax is set at 6% but that doesn't mean that we can't lead where we want to go. Member Russell stated that the non profits said that the calculation of the ideal net was a very complicated and arduous process and maybe not even possible to calculate accurately. They were proposing to do it on the gross receipts minus less prizes awarded.

At this point Chair Willard stepped out of the meeting due to a conflict of interest. The chair stated that we might have to stop the meeting because her stepping out would mean that there wouldn't be a quorum anymore. Does that table the discussion since we don't have enough people?

Then Delbert Egoak joined the meeting at 6:40 PM allowing the meeting to go on.

The meeting was handed over to member Shear, Chair stepped out due to conflict of interest. The recommendation didn't get sent to city council. At prior meeting we listened to testimony and at the end Shantz made the motion to send to the council at the rate of 12%. So we asked for the recommendation to be passed to the council. Surprised that this came back to the committee. Somehow it didn't make it to council. Patty Burley says that it did not go to council. We can call it a sales tax but cannot call it an excise. So then the recommendation didn't go to council. Do we want to make a recommendation to send to council to make this a sales tax rather than an excise tax. It was decided to recommend to city council that the sales tax be changed to 12% of net deposits.

Recommendation: To change the gaming sales tax to 12% of net deposits gross minus prize payouts.

### **MOTION: To go into Committee as a Whole**

<b>MOVED BY:</b>	Russell	To go into committee as a whole.
<b>SECONDED BY:</b>	Shantz	

<b>VOTE ON MOTION</b>	Motion carried by unanimous vote.
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### **MOTION: To come out of Committee as a Whole**

<b>MOVED BY:</b>	Russell	To come out of committee as a whole.
<b>SECONDED BY:</b>	Shantz	

<b>VOTE ON MOTION</b>	Motion carried by unanimous vote.

**MOTION: To Make a recommendation to city council to change the gaming sales tax.**

<b>MOVED BY:</b>	Russell	To make a recommendation to change the gaming sales tax to 12% on the net deposit.
<b>SECONDED BY:</b>	Shantz	

<b>VOTE ON MOTION</b>	Motion carried by unanimous vote.

The recommendation is: To change the Gaming Sales Tax to 12% on the net deposit.

2. Suspension of regular meetings of June, July and August- Shantz  
The committee decided to suspend the summer meetings.

**MOTION: To suspend the meetings for the summer**

<b>MOVED BY:</b>	Shear	To suspend the meetings until the September meeting.
<b>SECONDED BY:</b>	Shantz	

<b>VOTE ON MOTION</b>	Motion carried by unanimous vote.

**COMMENTS**

Finance Director- No Comments.

Member Russell- No comments.

Member Shantz- No Comments.

Member Shear- No comments .

Member Egoak- No Comments.

Chair Willard- No Comments.

**ADJOURNMENT**

<b>MOVED BY:</b>	Shear	To adjourn the meeting.
<b>SECONDED BY:</b>	Shantz	

<b>VOTE ON MOTION</b>	Motion carried by unanimous vote.
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APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.

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Carole Jung, Recorder

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Carol Ann Willard, Chair

**NOTE:** The other communities with a Sales Tax are: Cordova, Dillingham, Juneau (city and borough); Kenai Borough; Ketchikan (city and borough); Kodiak; Kotzebue; Nome; Palmer; Sitka and Wasilla – All were looked at and reviewed

## **Chapter 4.16: Sales Taxes**

- 4.16.010 Definitions
- 4.16.020 Declaration and Policy
- 4.16.030 Interpretation
- 4.16.040 Presumption of Taxability
- 4.16.050 Rules Applicable to Particular Businesses or Occupations
- 4.16.060 Title to Collected Sales Tax
- 4.16.070 Imposition – Rate
- 4.16.080 Payment and Collection
- 4.16.090 Sales Tax Licensing – Registration Requirement
- 4.16.100 Seller Education
- 4.16.110 Certificate to be Displayed
- 4.16.120 Certificate Non-Transferable/Non-Assignable
- 4.16.130 Injunction Prohibiting Operation of Business for Failure to Register or Failure to Remit Returns
- 4.16.140 Tax Receipts & Posting of Sales Tax Signs
- 4.16.150 Tax Exemptions
- 4.16.160 Exemption Cards
- 4.16.170 Special Exemption – Charitable Events
- 4.16.180 Revocation of Exemption Status
- 4.16.190 Seller’s Liability for Incorrect Determination
- 4.16.200 Buyer’s Protest of Imposed Taxes
- 4.16.210 Refunds – In General
- 4.16.220 Refunds for Construction Materials and Services
- 4.16.230 Tax Filing Schedule
  
- 4.16.240 Contents of Tax Return
- 4.16.250 Security Deposits/Bonds
- 4.16.260 Extension of Time to File Tax Return
- 4.16.270 Penalties and Interest for Late Filings
- 4.16.280 Repayment Plans
- 4.16.290 Forgiveness of Uncollected Taxes, Penalties and Interest
- 4.16.300 Application of Payments
- 4.16.310 Application of Overpayments
- 4.16.320 Amended Returns
- 4.16.330 Recordkeeping Required of All Sellers
- 4.16.340 Loss of Records
- 4.16.350 Audits
- 4.16.360 Estimated Taxes
- 4.16.370 Accelerated Returns

4.16.380	Cessation or Transfer of Business
4.16.390	Use of Information on Tax Returns
4.16.400	Publication of Delinquent Sellers
4.16.410	Liens
4.16.420	Violations
4.16.430	Penalties for Violations
4.16.440	Appeals
4.16.450	Transition Period

#### **4.16.010 Definitions**

For purposes of this chapter, certain words and phrases are defined as follows:

- A. "Buyer" means and includes persons who acquire interest in real or personal property, or the right to use or occupy property, or who receives a service for consideration.
- B. "City" means the City of Bethel.
- C. "Coin-Operated Machine" means a slot machine, juke box, merchandise vending machine, laundry and any other service dispensing machine or amusement device of any kind which requires the insertion of currency to make it operative.
- D. "Consumer" means the person who, in the ordinary meaning of the term, takes title to, takes possession of, or rents property, or receives services for consideration.
- E. "Engaging in Business" means carrying on or causing to be carried on any activity with the purpose of direct or indirect benefit;
- F. "Federally Recognized Indian Tribe" means an Indian or Alaska Native tribe, band, nation, pueblo, village or community that the Secretary of the Interior has acknowledged to exist as an Indian tribe pursuant to the Federally Recognized Indian Tribe List Act of 1994, Public Law 103-454, 25 USC 479a.
- G. "Finance Director" means the finance director of the City or the designee of the finance director; the designee may be an employee of the City, an accountant or other person who is not an employee of the City, a certified public accounting firm or other type of firm.
- H. "Goods," "fixtures," "investment securities," "general intangibles," "accounts," "chattel paper," "documents," "instruments" and "money" and their singulars, have the meanings given the terms by the Alaska Uniform Commercial Code, AS 45.01 et seq., as amended.
- I. "Lease", "Leasing" or "Rental" regardless of whether a transaction is characterized as a lease or rental under generally accepted accounting principles, means a transfer of possession or control of tangible personal property or real estate of a fixed or indeterminate term for consideration; a lease or rental may include future option to purchase or extend. The provisions of 26 U.S.C. (Internal Revenue Code), AS 45.01 through AS 45.08, AS 415.12, AS 45.14 and AS 45.29 (Uniform Commercial Code) shall apply.
- J. "Person" means an individual, partnership, cooperative, association, joint venture, corporation, estate trust, business, receiver, or any entity, group or combination acting as a unit.

- K. "Price" means the amount of money, or the fair market value of consideration other than money, that the buyer gives to the seller in exchange for the property, the right to use or occupy the property, or the rendering of services.
- L. "Rental" means any transfer of the right to use or occupy property for consideration.
- M. "Responsible individual" means any individual, including a group of individuals such as a board of directors, partnership, joint venture, corporation or other entity, who has the responsibility to, is required to, or has the authority to direct or cause another person to:
1. Collect the tax levied under this chapter;
  2. Segregate funds in lieu of the direct collection of the tax under this chapter;
  3. Remit over to the City taxes required to be collected under this chapter; or
  4. Determine which creditors of the seller are to be paid; and may include, but is not limited to, such officers and employees of a seller as the chief executive officer, president, vice president for finance, controller, comptroller, treasurer, bookkeeper, majority shareholder, finance director, manager, partner, managing partner, chief fiscal or financial officer and accountant if they possess any of the authority, responsibility or duties described in this definition.
- N. "Resale" means to sell again and is limited to items which are resold *per se* or are physically present in a final product which is sold and is subject to tax at the time of final sale. The item must be easily and readily identifiable in the final product.
- O. "Retail Sale" means any sale, lease, rental transfer or assignment of real or intangible personal property, including barter, credit, installment and conditional sales, for any purpose other than resale in the regular course of business. The delivery of property in the City by a seller whose principal place of business is outside the City to a buyer or consumer is a retail sale made within the City if such retailer maintains any office, distribution or sales house, warehouse or any other place of business, or solicits business or receives order through an agent, salesman or other type of representation within the City.
- P. "Sale" and "sales transaction" mean any sale, lease, rental, transfer or assignment of any right, title or interest in any goods, fixtures, real property, things in action, investment securities, future goods, goods to be severed from realty, admission privilege, right of participation or attendance, general intangibles, accounts, chattel paper, documents, instruments or money, and any sale, provision or performance of services, for consideration.
- Q. "Sales Price" or "Selling Price" means the consideration, whether money, credit or other property or interest in property. In the case of a sale involving an exchange of property and/or services, the fair market value of the property or services exchanged, including delivery or installment costs, but excluding the sales tax.
- R. "Seller" means every person who, as principal or agent, makes a sales transaction to a buyer or consumer, every person renting goods, real or personal property and every person performing or providing services, for consideration. In the event that retail sales transactions are being conducted in the name of a corporation, partnership, cooperative, association, joint venture or other entity, the "seller" for purposes of responsibility and liability for the collection and remittance of sales tax

shall include every director, officer and partner without exception, and also shall include every employee, agent and other person in a position of control and authority to collect and remit said sales taxes to the City.

- S. "Selling price" (or "Sales Price") means the present fair market value of all detriment incurred by the buyer in the sales transaction, including cash payments, debt obligations and the present value of goods, personal property, realty or service that form part of the consideration for the sale without deduction for the value of trade-ins, markups, taxes on, collected or paid by the seller or a prior owner or holder of the subject of the sale, invoice prompt payment discounts or discounts not available to all purchasers.
- T. "Services" means and includes all species of acts, activities, labor, advice, consultation, advertising, brokering, retainers, representation and intercession but does not include services rendered to an employer by an employee.
- U. "Time of Sale" for installment sales is the time at which the initial payment is made.
- V. "Transaction" means any transfer of property or the right to use or occupy property, or the rendering of a service, for consideration.
- W. "Wholesaler" means a merchant who sells goods, in the regular course of business, to retailers who sell to consumers, or sell goods in the regular course of business to dealers or other wholesalers, for the purpose of taxable resale in the City. To qualify as a wholesaler, a merchant must be regularly recognized as such, and known to the trade as such.
- X. "Wholesale Sale" means a sale of goods by a merchant selling them in the regular course of business; or a sale of goods by a merchant selling them in the regular course of business at wholesale prices to dealers or other wholesalers for the purpose of taxable resale in the City. The term does not include a sale by a wholesaler to users or consumers when such sale is not for taxable resale in the City.

#### **4.16.020 Declaration and Policy**

- A. It is the policy of the City of Bethel to recognize that:
  - 1. The voters of the City of Bethel have granted to the City government the power to levy sales taxes and, by doing so, have entrusted the City to administer those taxes fairly, effectively, efficiently, and in full compliance with State and City laws.
  - 2. State law imposes a fiduciary duty upon the City of Bethel to collect sales taxes levied within the City.
  - 3. Proceeds from the sales taxes levied by the City of Bethel constitute, by far, the principal sources of municipal tax revenues.
  - 4. A substantial portion of the proceeds of the sales taxes levied by the City are used to fund essential services and facilities provided by the City.
  - 5. Any sales taxes levied by the City that are not properly collected and remitted diminish the fiscal resources available to fund core local governmental services.

6. Any sales taxes that are not properly collected and remitted shift the financial burden of funding local governmental facilities and services to other taxpayers, citizens and businesses.
  7. To the extent, if any, that businesses do not collect and remit taxes on taxable sales, those businesses have a distinct and unfair competitive advantage over businesses that are properly collecting and remitting sales taxes.
  8. Sales taxes are paid by purchasers of goods and services, not the businesses that collect those taxes. To the extent, if any, that sales taxes are collected but not remitted by businesses, the trust obligations of those businesses are not being fulfilled, and the interests of the greater community of Bethel suffer.
  9. Bethel area businesses perform a valuable service to the residents and visitors of Bethel by collecting and remitting sales taxes. While not compensated directly for that service, those businesses and other property owners in Bethel enjoy the benefits provided by those taxes.
  10. It is the duty, function, and responsibility of the City finance director as head of the City finance department to collect City sales taxes, along with penalties and interest on those taxes when due, to issue citations for violations of the City code regarding collection of sales taxes, and otherwise administer the collection of sales taxes.
  11. It is the duty and responsibility of the city manager to supervise and control, directly and indirectly, the finance department and all other administrative departments, agencies, officers, and all other employees of the City except the city clerk, city clerk's office, city attorney, and city attorney's office.
  12. The city council has exercised its legislative and policy making functions relating to the levy and collection of sales taxes by enacting laws governing these matters.
  13. The city manager and finance director are charged with carrying out the administration of the City's sales tax in a manner that is fair, effective, efficient, and in compliance with the laws of the state of Alaska and the City.
- B. Within the constraints outlined in the City code, the city manager shall keep the city council regularly informed regarding the collection of City sales taxes.

**4.16.030 Interpretation.**

- A. The application of the tax levied under this chapter shall be broadly construed and shall favor inclusion rather than exclusion.
- B. The exemptions from the tax levied under this chapter shall be narrowly construed against the claimant and allowed only when such exemption clearly falls within an exemption defined in this chapter.

**4.16.040 Presumption of Taxability**

- A. In order to prevent evasion of the sales tax and to aid in its administration, it is presumed that all sales by a person engaging in business are subject to the sales tax; and

- B. For the purposes of the tax levied by this section, a sale of tangible personal property is made within the City if:
  - 1. The sale is made by a business located within the City and delivery occurs within the City;
  - 2. The sale is made by a business located within the City, the order is received or solicited within the City or payment is received within the City, and delivery is made to a purchaser within the City;
  - 3. The sale is made by a business located outside of the City as a result of solicitation inside of the City and payment or delivery occurs within the City.
- C. For the purposes of the tax levied by this section, services are made within the City if, regardless of the location of the business rendering the services:
  - 1. The services, or any essential or substantial part thereof, are rendered within the City; or
  - 2. The order for the services is solicited or received within the City or payment is received within the City, the services are rendered by a business maintaining an office, agent or employee within the City, and the services benefit or directly relate to any person, property or organization within the City.
- D. The sales tax on rentals is applicable for all real property located within the City and to rentals of personal property from a business within the City and from a business located outside the City under circumstances which authorize the imposition of a sales tax were the property to have been sold rather than rented.
- E. For the purposes of this section, any building or other place of business shall be considered to be within the City if any part thereof or any substantial part of a contiguous parking area or other supporting facility is within the City.
- F. In a sale in which the amount of money paid does not represent the value of the property or service purchased, the sales tax must be imposed on the value of the property or service purchased.
- G. For purposes of this chapter, the sales price or purchase price of property must be determined as of the time of acquisition.
- H. For purposes of this chapter, a sale of services occurs at the time the services are provided.

#### **4.16.050 Rules Applicable to Particular Businesses or Occupations**

- A. Real Estate Commissions
  - 1. Commissions on sales of real property located in the City are subject to sales tax, regardless of the location of the person to whom the commission is payable.
  - 2. Commissions on sales of real property payable to a person who maintains an office in the City are subject to sales tax, regardless of the location of the real property.
- B. Sales from Coin-Operated Machines. An amount equal to the gross receipts from each coin-operated machine that the seller operates in the City, shall be subject to sales tax.
- C. Sales of Gaming Property – **Awaiting further discussion with BCSF/VFW/KYUK**

1. Each operator or permittee conducting games of chance within the City must file with the finance director a Gaming Sales Tax Report quarterly on the same schedule as the filing of the State of Alaska Operator Quarterly Report for gaming is filed. A copy of the quarterly and annual reports that are required to be filed with the State of Alaska must also be filed with the quarterly report filed with the City. These copies must be filed simultaneous to the filing of the quarterly City Gaming Tax Report.
2. For Bingo games, the operator, vendor or permittee shall pay to the City the sum of six (6%) of the gross sales as demonstrated on the daily "Z" tape.
3. For Pull-Tab games, the operator, vendor or permittee shall pay to the City the sum of six (6%) of the gross sales as calculated utilizing the formula outlined on the City's Gaming Sales Tax Report. The tax on a Pull-Tab game is to be paid when a pull-tab game comes out of play, either because it has sold out or timed out.
4. No Pull-Tab game may be 'in play' or 'open' for a period exceeding nine (9) months.
5. For all other games of chance, the operator, vendor or permittee shall pay the City the sum of six (6%) of the gross sales.

**4.16.060 Title to Collected Sales Tax**

Upon collection by the seller, title to sales tax vests in the City. The seller holds collected sales tax in trust for the City, and is accountable to the City therefore.

**4.16.070 Imposition – Rate.**

- A. To the fullest extent permitted by law, a sales tax is hereby levied and assessed on all retail sales, services and rentals within the City unless specifically exempted.
- B. The tax rate added to the sale price, shall be:
  1. Twelve (12%) Percent for transient lodging (see chapter 4.14)
  2. Twelve (12%) Percent for Alcohol sales
  3. Fifteen (15%) Percent for marijuana sales
  4. Six (6%) Percent for all other sales/services, including, delivery charges, pull-tabs and gaming.
- C. The applicable tax rate shall be added to the sales price.
- D. Any one sale of items separately priced shall be taxed upon the aggregate amount.
- E. When a sale is made on an installment basis, the sales tax shall be collected at the time of the sale, calculated at the sales tax rate in effect at the time of the sale.

**4.16.080 Payment and Collection**

- A. Taxes imposed by this chapter shall be due and paid by the buyer to the seller at the time of sale or service, or with respect to credit transactions, at the time of collection. It shall be the duty of each seller making sales taxable under this chapter to collect the taxes imposed by this chapter from the buyer at the time of each sale, or with respect to a credit transaction, at the time of collection of sales, and to hold

those taxes in trust for the City. Failure by the seller to collect the tax shall not affect the seller's responsibility for payment therefore to the City.

- B. If a seller collects a tax in excess of the tax imposed by this chapter, both the tax and the excess must be remitted to the City.
- C. No seller may advertise to absorb or refund taxes required to be collected within the City.

#### **4.16.090 Sales Tax Collection Licensing – Registration Requirement**

- A. No person may engage in any taxable transactions within the City without first procuring an annual sales tax collection license from the City finance department.
- B. A new business shall apply for a sales tax collection license not later than ten (10) days after the date of commencing business or opening additional places of business.
- C. Existing businesses shall apply for a sales tax collection license within thirty (30) days of the passage of this ordinance and annually thereafter by June 30<sup>th</sup> of each year.
- D. A person, firm, partnership, corporation or other business entity shall file an application for registration with the finance department, on a form provided by the City, prior to conducting business within the City. The complete application shall be returned to the finance department along with a copy of the business entity's Alaska state business license and City of Bethel business license. Registration will not be complete until all of these requirements have been met.
- E. Each business entity shall be registered under the advertised name and each separate business shall be registered under its own account.
- F. No sales tax collection license shall be issued to or renewed for:
  - 1. A person who does not meet the licensing requirements set out in chapter 5.04 (Business licenses); or
  - 2. A person who has failed to pay any necessary fees due to the City; or
  - 3. A person owing a judgment, delinquent taxes or a utility bill to the City, unless the person is in a satisfactory repayment plan.
- G. Where the application or City records indicate that applicant is currently in violation of filing and remittance requirements of the City's sales tax provisions, the finance director may deny the application registration until such time as applicant enters a binding agreement setting out a method by which full compliance will be attained.
- H. The sales tax collection license of any seller will be suspended when such seller fails to pay delinquent taxes, penalties and interest within thirty (30) days after notice of delinquency is given or mailed provided such seller shall be afforded due process before the license suspension.

#### **4.16.100 Seller Education**

- A. Each person who owns or operates a business that makes taxable sales within the City shall attend a general information and education class conducted by the City. Attendance shall be by the owner or an officer or employee of the business who is responsible for the monitoring and accounting of sales tax collection and the

reporting and payment of sales taxes to the City. Attendance by the owner, an officer or employee shall occur at least once every four (4) years and at any time the business does not have an owner, an officer or at least one (1) individual in its employment who has attended the class within the last four (4) years.

- B. The general information and education classes shall be conducted at least once each quarter. The finance director shall be responsible for assembling course material, instructors and other resources that may be necessary for the classes. Classes shall be scheduled at times that take into account the availability of business personnel to attend.
- C. A business may be required by the finance director to have its owner, an officer or an appropriate employee attend a class without regard to how recently an individual from the business has attended a prior class if the business has failed to:
  - 1. File two (2) or more sales tax returns on time within six (6) months;
  - 2. Collect or pay over all taxes required to be collected under this chapter; or
  - 3. Keep or produce records required to be kept or produced under this chapter.
- D. A person, who, at the time the person's City business license is to be renewed, has not met the requirements for class attendance under this section shall pay a penalty of two hundred fifty (\$250) dollars prior to issuance of the business license. Payment of the penalty does not excuse and is not a substitute for the required class attendance. In addition, a person who fails to comply with the requirements of this section will have his or her business license suspended as set forth in chapter 5.04.
- E. Upon determination by the finance director that a business does not meet the requirements of subsection A of this section, the finance director shall notify the business of the deficiency. The business shall come into compliance by not later than the conclusion of the second class conducted under this section following the date of the notice of deficiency. A business that fails to have an appropriate person attend one of the two classes following the notice, or, fails to come into compliance with the requirements of this section, shall pay a penalty of two hundred fifty (\$250) dollars with the sales tax return next due following the second class. In addition, a person who fails to comply with the requirements of this section will have his or her business license suspended as set forth in chapter 5.04.

#### **4.16.110 Certificate to be Displayed**

- A. Upon receipt of a properly executed application, the finance director shall issue to the seller a certificate of authority to collect City sales tax. The certificate shall state the name of the business as well the address of the place of business to which it is applicable, and shall authorize the seller to collect the tax.
- B. The certificate must be prominently displayed at the place of business named in the certificate. A seller who has no regular place of business shall attach such certificate to his stand, truck or other merchandising device.
- C. Upon notification, the finance director shall issue a duplicate sales tax certificate to any seller whose certificate has been lost or destroyed.

#### **4.16.120 Certificate Non-Transferable/Non-Assignable**

The certificate of authorization to collect sales taxes is non-assignable and non-transferable and must be surrendered to the finance director by the seller to whom it was issued upon its ceasing to do business at the location named therein or upon its revocation or suspension. If there is a change in the form of organization such as from a single proprietorship to a partnership or a corporation, the seller making such change shall surrender the old certificate to the finance director for cancelation. The successor seller is required to file a new application for a certificate of registration. Upon receipt of such application, properly executed, as provided in this chapter, a new certificate may issue to such successor seller.

#### **4.16.130 Injunction Prohibiting Operation of Business for Failure to Register or Failure to Remit Returns**

- A. A proceeding requesting the issuance of an injunction prohibiting a business from continuing to conduct business within the City may be filed by the City in the superior court fifteen (15) days after providing notice either by hand delivery or by regular mail to any business which has failed to obtain its sales tax collection certificate under this chapter.
- B. A proceeding requesting the issuance of an injunction prohibiting a business from continuing to conduct business within the City may be filed by the City in the superior court fifteen (15) days after providing notice either by hand delivery or by regular mail to any business which has failed to file a sales tax return or filed a sales tax return without remitting the payment due.

#### **4.16.140 Tax Receipts & Posting of Sales Tax Signs**

- A. Each person making sales within the City, including those who engage solely in tax exempt sales, shall provide to the buyer (and shall retain a copy of) a receipt or invoice documenting the details of the sale.
- B. Each receipt or invoice shall:
  - 1. Be dated; and
  - 2. Be sequentially pre-numbered, but may be sequentially machine-numbered if the number printed on the receipt or invoice is machine generated; and
  - 3. Show the quantity, description and price of the goods sold, services rendered or sold or rentals made; and
  - 4. Show the amount of the sales tax on the sale.
- C. The seller shall, whenever feasible, separately state the tax to the buyer on each taxable transaction. When not feasible to state separately, the seller shall prominently display a sign indicating the imposition of the tax.
- D. A seller shall not advertise, hold out or state to the public or to any buyer, directly or indirectly, that the tax payment or any part thereof imposed by this chapter will be assumed or absorbed by the seller, or that it will be added to the sales price or that it will be refunded or assumed, in whole or in part.

- E. Exempt Sales: If any part of the sale is exempt, it must be shown on the sales receipt. Exempt sales can only be made upon showing of a valid exemption card. For each such sale, the seller shall:
1. Record the date of the sale; and
  2. Record the exempt card number presented (when applicable); and
  3. Record the expiration date for the exempt card presented (when applicable); and
  4. Record the name of the person making the exempt sale; and
  5. Record the name of the entity/business claiming the exemption; and
  6. Record the receipt number for the sale.

#### **4.16.150 Tax Exemptions**

The following sales and services are exempt from the tax levied under this chapter only in accordance with the limitations provided for in this section:

- A. Admissions: Sales of admission to school entertainments, school athletic events, and events conducted for the benefit of charitable or community organizations. This exemption does not apply to sales of gaming property.
- B. Banking: The following fees, sales and services charged by banks, savings and loan associations, credit unions and investment banks:
1. Fees and services associated with deposit accounts, including service fees, NSF fees, and attachment fees;
  2. Fees for the purchase of bank checks, money orders, travelers checks, foreign currency and similar products for payments;
  3. Services associated with the sale, exchange or transfer of currency, stocks, bonds and other securities;
  4. Loan fees and points associated with loan transactions;
  5. Pass-through charges on loan transactions which include sales tax;
- C. Casual and isolated sales, services or rentals: Proceeds from casual, occasional or isolated sales which are easily identified as the sale of personal goods or property at such private functions as moving, garage, yard, food and bake sales, sale of private vehicles when the seller is not a dealer in used vehicles, or services such as babysitting or house-sitting provided the seller does not regularly engage in the business of selling such goods or services or rentals but only if:
1. The sales of goods do not occur for more than five (5) days in a calendar year, and are not made through a dealer, broker, agent or consignee; or
  2. The rental does not exceed sixty (60) days in a calendar year, whether or not consecutive.
- D. Cemetery Plots: The sale of cemetery/burial plots is exempt.
- E. Commerce: Freight and wharfage charges, whether arising out of foreign, interstate or intrastate commerce are exempt. Warehouse and storage services are not exempt. Transportation of goods, equipment, or other property from one point to another within the City limits by commercial movers is not exempt.
- F. Compliance with Laws:

1. Gross receipts or proceeds derived from sales or services which the City is prohibited from taxing under the laws of the state or under the laws and the Constitution of the United States, including, but not limited to:
  - a. Sales by the U.S. Postal Service;
  - b. Purchases made under the authority of or made with any type of certificate issued pursuant to 42 U.S.C. Sections 1771-1789 (Child Nutrition Act of 1966);
  - c. Interstate Sales;
  - d. Air transportation including that portion of any chartered fishing or hunting expedition which covers the cost of air transportation;
  - e. Gross receipts or proceeds derived from sales to the United States Government, the state, a city or any political department thereof. However, the exemption shall not apply to the sale of materials and supplies to contractors for the manufacture or production of property or rendering services for sale to such government units or agencies on a contract bid award, in which event the contractor shall be deemed the buyer, subject to the payment of the tax;
2. A sale or rental to an employee of the state, its political subdivisions, or the federal government is only exempt when the government employee provides proof that the sale is for government business by paying for the sale with a government voucher, purchase order, check, or warrant, or providing other verifiable documentation to the seller to allow the seller to readily determine that the sale is for government business;
- G. Credit Unions: Sales to or by federally chartered credit unions or credit unions organized under AS 06.45;
- H. Dues: Dues or fees paid to clubs, labor unions and other organizations solely for the privilege of membership;
- I. Freight and Wharfage: Freight and wharfage charges, whether arising out of foreign, interstate or intrastate commerce, are exempt. Warehouse, storage services, and delivery services that begin and end within the City of Bethel are taxable, unless such delivery services are included in a through bill of lading in conjunction with interstate commerce.
- J. Medical Services:
  1. Services of a person licensed or certified by the State of Alaska as a doctor of medicine and surgery, a doctor of osteopath and surgery, a chiropractor, a dentist, an optometrist, an audiologist, a hospital, an occupational therapist, a physical therapist or a licensed or practical nurse; provided, that the service is within the scope of the state license or certificate;
  2. Services of a person licensed or certified by the State of Alaska as a psychologist or psychological associate, a clinical social worker, an alcohol or drug counselor, or a marital and family therapist; provided, that the service is within the scope of the state license or certificate;
  3. Fees for supplies, equipment and services provided by a hospital, medical clinic or dental clinic for patient treatment, including laboratory and x-ray services;

4. Assisted living services provided in accordance with an assisted living plan and in an assisted living home licensed as such by the State;
  5. Gross receipts or proceeds of the retail sale of prescription drugs;
  6. Services rendered by masseurs, even those working for a hospital, chiropractor or other medical provider, are not exempt.
- K. Newspapers: Sales of periodicals that are made directly by carriers to consumers or users of newspapers or periodicals.
- L. Public Assistance: Purchases made with food coupons, food stamps, or other type of certificate issued under 7 USC Sections 2011 – 2025 (Food Stamp Act) or other certificates issued under 42 U.S.C 1786 (Special Supplemental Food Program for Women, Infants and Children).
- M. Real Estate Purchase: retail sales of real property but not commissions or fees associated therewith.
- N. Recreational Vehicles: That portion of the selling price of an all terrain vehicle (ATV), snow machine, boat, or boat motor in excess of three thousand five hundred dollars (\$3,500) is exempt regardless of whether or not such items are purchased simultaneously, or are invoiced or otherwise billed on the same billing document.
- O. Retail Sales of Foods: Are exempt in the following circumstances:
1. When served in cafeterias or lunchrooms of elementary, secondary, post-secondary schools, colleges or universities which are operated primarily for students and staff, and are not operated for the public or for profit;
  2. When served to clients and staff, and not to the public or for profit, as part of services provided by a nonprofit hospital or other nonprofit government organization licensed by the State of Alaska for the care of humans;
  3. Meals delivered by a nonprofit organization to handicapped or senior citizens at their place of residence or meals served on the premises of a nonprofit to senior citizens or the homeless or disadvantaged provided that the sale price of such meals does not exceed the cost of delivery or service of such meals;
- P. Sales to Retailers: Are exempt only if the buyer presents to the seller a valid exemption card, issued by the City pursuant to this section, and
1. The sale of goods, wares or merchandise to a retail dealer, manufacturer or contractor is for resale within the City as is or incorporated into a product or commodity to be sold by the dealer, manufacturer or contractor within the City, if the subsequent sale is subject to the City sales tax; and
  2. The product is an item sold as part of the reseller's primary business and must be of such nature that it can be purchased by the general public in a transaction that is not dependent upon the purchase of another product or service.
  3. The exemption card must be for the class of activities involving the resale of the type of goods for which the exemption is sought.
  4. Food products that are purchased for resale must be purchased and sold as is or prepared in a kitchen that is DEC-certified in order to qualify for sales tax exemptions. Proof of certification must be available upon request.

5. If a purchaser buys goods for resale in accordance with this subsection and for personal or other use at the same time, only the goods that are to be sold for resale in accordance with this subsection shall be exempt.
6. Supplies, services, tools, repair services, equipment or any other goods or services purchased to support a business but not for resale in accordance with this subsection are not exempt.

Q. School:

1. Fees and charges for extracurricular activities or events promoted or undertaken by educational or student organizations;
2. Sales by any student organization, parent/teacher organization or booster club recognized by the school or educational organization in which it operates, which proceeds are utilized to further the purposes for which the organization was formed;
3. Sales and services by schools or other educational organizations made in the course of their regular functions and activities, which proceeds are utilized to further the purposes for which such organization was formed;
4. Sales of food and beverages at educational lunchrooms which are operated primarily for staff and/or students, and which are not operated for the purpose of sale to the general public for profit;
5. The transportation of students to and from elementary, junior high and high schools in motor or other vehicles when in the regular course of that business.

R. Securities: The sale of insurance and bonds of guaranty and fidelity, and the commission thereon (AS 21.09.210(f), 21.79.130, 21.80.130);

S. Senior Citizen Exemptions: The following are exempt only if the buyer, or their designee, present a valid senior citizen exemption certificate and the product or service is intended primarily for the senior citizen holding the exemption card:

1. The sale to a senior citizen of food intended for consumption by the senior citizen, his or her spouse or same sex partner living in the same household, or the un-emancipated minor children of either the senior citizen or his or her spouse or same sex partner, who live in the same household. For purposes of this subsection, "food" is defined in accordance with 7 USC Section 2012(g) (definition of "food" for purposes of the Food Stamp Act);
2. The payment of rent by a senior citizen on a single dwelling occupied as the senior citizen's primary residence and permanent place of abode.
3. Payment for telephone, electric, water and sewer utility services by a senior citizen on a single dwelling occupied as the senior citizen's primary residence and permanent place of abode.
4. The payment for No. 1 stove oil used as heating fuel by a senior citizen for a single dwelling occupied as the senior citizen's primary residence and permanent place of abode.
5. The sale of alcohol, tobacco, bingo cards, raffle tickets, pull-tabs, other games of chance and/or marijuana to a senior citizen is not exempt.

T. Transportation:

1. The following types of transportation services are exempt:

- a. The sale of services for transporting passengers by river taxi, taxicab, bus, commercial airline, air charter, air taxi, hover craft; or
  - b. The sale of passenger seat tickets by a commercial airline is exempt; or
  - c. The service of transporting students to and from a school in vehicles when in the regular course of that business or
  - d. The service of transporting disabled or handicapped individuals when in the regular course of that business.
2. The following are not exempt:
- a. The lease of vehicle for hire permits are not exempt;
  - b. The portions of a sale of flight seeing or air/water/shore excursion travel or adventure services which are not charges for transportation of persons on a federal airway;
  - c. The lease or rental of vehicles is not exempt.
- U. Utilities: Payment for City water, sewer and refuse utility services by any and all persons or entities.
- V. Wholesale: Proceeds from products sold as wholesale sales to businesses designated by the State of Alaska as wholesalers. These include sales of goods, wares or merchandise to a retail dealer, manufacturer or contractor for resale within the City as is or incorporated into a product or commodity to be sold by the dealer, manufacturer or contractor within the City, if the subsequent sale is subject to the City sales tax. In this connection a retailer must stock that merchandise for resale, display the same to the public and hold himself out as regularly engaged in the business of selling such products.

**Note:**

**Non-Profits:** All of the communities looked at exempted non-profits from taxation: Cordova (5.40.030(S)(T)&(U)); Dillingham (4.20.050C); Juneau (69.05.040-12); Kenai (5.18.200B & 5.18.230); Ketchikan - city (3.04.100); Ketchikan – borough (4.50.230aa); Kodiak (3.08.040c&v); Kotzebue (3.20.140Q); Nome (17.10.030b); Palmer (3.16.050x); Sitka (04.09.100L & V); and Wasilla (5.16.050B5&6 and 5.16.050C) *Law does not prohibit taxing them however.*

**Churches** exempted (named specifically): Cordova (5.40.030 S, T & U); Dillingham (4.20.050C & D); Kenai (5.18.200B); Kodiak (3.08.040C); and Sitka (04.09.100B). *Law does not prohibit taxing them however.*

**Child/Adult Care** exempted: Kenai (5.18.200); Ketchikan Borough; Kodiak (3.08.040P); Kotzebue (3.20.140Z); Nome (17.10.030M); Sitka (04.09.100W) and Wasilla (5.16.050-16). *Law does not prohibit taxing them however.*

**4.16.160 Exemption Cards**

- A. No sales in the City shall be exempted from sales tax unless and until the person obtains from the finance director an exemption authorization card.

- B. Any person, corporation or other organization claiming an exemption under BMC 4.16.150 shall apply to the City for an exemption authorization card within one (1) month of operating or conducting business or sales or performing services within the City in the first year in which sales are made, and thereafter shall apply by November 15<sup>th</sup> of each year for the following calendar year. Numbered exemption authorization cards will be issued by the City. The exemption authorization card must be shown to all sellers and must be recorded at the time of sale by the seller. The exemption is valid only for those items that are purchased for resale as described under section 4.16.150 or are purchased by agencies and organizations that are exempted by City, state or federal law. Any person that believes an attempt to purchase unauthorized items as tax exempt is being made at his place of business may refuse to accept the exemption card.
- C. The following require an exemption card in order to qualify for the exemption:
  - 1. Exemptions for Sales for Resale (Sales to Retailers); and
  - 2. Exemptions for Senior Citizens.
- D. Persons requesting a certificate of exemption shall apply at the finance department on a form approved by the finance director. The application shall be accompanied by any applicable fee that is required under this section. The Finance Director may require additional information of the applicant as necessary to determine whether the application should be granted.
- E. The exemption card will include, at a minimum:
  - 1. For Resale:
    - (i) General character of property or service sold by the purchaser in the regular course of business intended for resale;
    - (ii) Name and address of the purchaser;
    - (iii) Signature of the purchaser;
    - (iv) Expiration date; and
    - (v) City of Bethel authorization exemption number.
  - 2. For senior citizen:
    - (i) Name and address of the qualified senior citizen or proxy;
    - (ii) Signature of qualified senior citizen or proxy;
    - (iii) Expiration date;
    - (iv) City of Bethel authorization exemption number.
  - 3. For all others:
    - (i) Name and address of the exempt entity;
    - (ii) Name and address of the qualified purchaser(s);
    - (iii) Expiration date; and
    - (iv) City of Bethel authorized exemption number.
- F. Timeframe: An exemption card is issued for two years and expires on December 31<sup>st</sup>.
- G. Cost: The charges for an exemption card are as follows:
  - (i) Retailer: \$25
  - (ii) Senior Citizens: No cost

**(iii) Non-Profits: \$25 (to be removed depending on how upcoming anticipated complaints are handled by council)**

(iv) Replacement Cards: \$5 each

- H. Proof: The finance director may require, at a minimum, the following proof before issuance of an exemption card:
1. Retailer Exemption Cards:
    - (i) City of Bethel business license;
    - (ii) State of Alaska business license
    - (iii) If tobacco to be purchased, must also present proof of State and City tobacco licenses
  2. Senior Citizen Exemption Cards:
    - (i) Proof of meeting the age requirement (must be at least sixty-five (65) years of age on January 1<sup>st</sup> of the year for which the exemption card is applied for); and
    - (ii) Proof of residence within the City of Bethel;
- I. Residency Requirement for Senior Citizen Exemption Cards: Only bona fide residents of the City of Bethel are eligible to hold and use a senior citizen sales tax exemption card. In the event the person ceases to be a bona fide resident of the City, entitlement to the sales tax exemption shall automatically terminate, and the card shall be void as to that sales tax exemption.
1. For the purposes of this section, "resident of the City of Bethel" means a person who has established a residence in the City and has the intent to remain in the City indefinitely and makes his or her home in the City. A person demonstrates the intent required under this subsection by maintaining a principal place of abode in the City for at least one hundred eighty (180) consecutive days immediately preceding the date of application for the exemption card.
  2. The one hundred eighty (180) day consecutive day period provided for in this section may be reduced to thirty (30) days if:
    - (i) The person has not been absent from the City of Bethel for more than twelve (12) months; and
    - (ii) The person establishes to the satisfaction of the finance director that either: (a) the absence was for medical treatment of the person or an immediate family member, or (b) the absence was due to circumstances beyond their control.
- J. Proxy for Senior Citizen Exemption Cards: If a person who is authorized to receive a senior citizen exemption authorization card is physically or mentally disabled so that the applicant is physically unable to use the card, the applicant may designate up to two (2) proxies on their exemption application. Only those purchases on behalf of the senior citizen are exempted from the sales tax. Before a proxy card can be issued, the finance director shall require:
1. The names, addresses and legal identifications of the proxy shoppers;
  2. Proof that the senior citizen is unable to personally use the card and requires a proxy;

3. Legal proof that the proxy has the authority to represent the senior citizen (for example, a court order appointment the proxy as guardian or a valid power of attorney).
- K. Non-Transferable: An exemption authorization card is non-transferable and must be surrendered to the City finance office upon disqualification for use for any reason.
- L. An exemption authorization card executed by the purchaser must be in the possession of the purchaser at the time that an exempt transaction occurs.
- M. The finance director may revoke an exemption authorization card after notice to the holder of the certificate and hearing, if the director finds that the holder:
  1. Gave materially false information when applying for the exemption authorization card;
  2. Used the exemption authorization card in a transaction that was not exempt from sales;
  3. Permitted the use of the exemption authorization card by a person other than an authorized agent or employee of the holder of the exemption; or
  4. Ceased to be entitled to exemption from sales tax.
- N. If the finance director revoke's a person's exemption authorization card, that person is no longer exempt from paying sales tax under this chapter until the person obtains a new exemption authorization card which may not occur sooner than one (1) year after the revocation.
- O. If the finance director revoke's a person's authorization card, that person must pay sales tax, interest, penalties, etc., on all sales made to or by the person which were not duly exempt.

#### **4.16.170 Special Exemption for Charitable Events**

- A. A special sales tax exemption may be granted to a nonprofit organization or nonprofit institution exempting the organization or institution from the obligation to collect sales taxes on sales of tangible personal property sold by such organization as part of a project to raise funds for a particular charitable project, upon the filing of an application for a charitable project sales tax exemption permit filed not less than thirty (30) days prior to the date for commencement of the exemption on a form required by the City and compliance with each of the following requirements:
  1. The nonprofit organization or institution is organized exclusively for religious, educational or charitable purposes;
  2. The fundraising project must be to raise funds to be used and expended solely and exclusively for a qualified charitable project as set forth and specified in the application;
  3. All proceeds and revenues received from the sales from the project, less only the actual cost of the items sold, including shipping, must be used solely and exclusively for the specific charitable purpose that is identified and approved in the application and permit as issued;
  4. Separate accounting records as required by the finance department shall be kept as to all sales; and

5. A tax return on such form as is required by the finance director shall be filed no later than thirty (30) days after the date specified in the application for conclusion of the fundraising project which tax return shall specify:
  - (i) The total amount of gross receipts received;
  - (ii) The amount actually paid to the charitable organization to be funded as specified in the application and permit; and
  - (iii) Such further and additional information, data and verification as is deemed appropriate by the finance director.
- B. In the event a tax return is not filed as herein provided, or if all of the funds are not paid in the manner and to the specific charity as required by the permit, the permittee shall be liable and responsible for payment of the entire amount of sales tax that would have been collected and remitted had the sales not been conducted as sales tax exempt, plus interest and penalties thereon as provided for in this chapter from the date the sales tax amount would have become due.
- C. No applicant may be granted a permit under this subsection to exempt more than thirty (30) calendar days or more than ten-thousand (\$10,000) dollars in gross sales, in any calendar year.

#### **4.16.180 Revocation of Exemption Status**

- A. The finance director may revoke any exemption authorization card, or other authority to obtain an exemption, if the person holding the exemption has been found to have used the exemption authorization card to obtain an exemption to which the holder or any other person is not entitled. The burden of proving an exemption shall be on the person claiming an exemption.
- B. Upon a determination by the finance director that an exemption holder has misused or permitted another to misuse the sales tax exemption authorization issued to the holder, the finance director may revoke the sales tax exemption authorization of such person by sending written notice via certified mail to the exemption holder. Before such action, the finance director shall send written notice to the exemption holder, via certified mail, advising the holder of the violation and that the holder has the right to request a meeting with the finance director to discuss and resolve the issue without revocation of the sales tax exemption authorization. Should the holder not respond within ten (10) calendar days of receipt of the certified letter or should the holder refuse service of the certified letter, the finance director may revoke the sales tax exemption authorization of the holder without further action.
- C. The revocation shall be permanent unless the finance director provides for a shorter period in the revocation order. In no event, however, shall a revocation be for a period of less than one (1) year.

#### **4.16.190 Seller's Liability for Incorrect Determination**

A seller shall determine in the first instance whether a sale is exempt under this chapter. However, if a seller incorrectly determines that a sale is exempt, and does not collect the tax from the buyer, then the seller is liable to the City for the uncollected tax.

#### **4.16.200 Buyer's Protest of Imposed Taxes**

- A. If a seller determines that a transaction is not exempt, but the buyer believes the transaction to be exempt, then the buyer may protest but only after paying the tax deemed due by the seller.
- B. A buyer who has remitted sales tax under protest in accordance with subsection A of this section shall file with the finance director a statement of protest on a form provided by the finance director accompanied by a copy of the receipt or invoice for the sale within thirty (30) calendar days after the date of the sale. The buyer shall state on the form the terms of the sale, the amount of the sale, the goods, rental or service purchased, the location from which the seller fulfilled the order, and all other information necessary to support the exemption of the transaction from taxation. A buyer who fails to make a timely filing of a completed statement of protest waives the right to protest the tax or otherwise to challenge the imposition of the tax.
- C. A buyer who files a statement of protest under subsection B of this section bears the burden of proving that a transaction is exempt from taxation. In addition, the finance director may investigate facts related to the claim of exemption, and seek the advice of the city attorney on the claim. The finance director shall issue a written decision within thirty (30) calendar days after the filing, stating the reasons for granting or denying the protest. The ruling will be mailed to the buyer and the seller at the addresses given on the protest.
- D. If a protest is granted, the City shall refund the protested tax amount to the buyer along with the written decision of the finance director.
- E. If a protest is denied, the buyer may appeal the denial by filing an appeal to the city manager pursuant to the appeal procedure set out in section 4.16.440.

#### **4.16.210 Refunds – In General**

- A. A claim for refund of payment of sales tax which is made more than six (6) months from the date on which the tax was paid or became due and payable is forever barred, except for a refund for construction materials and services as set forth in BMC 4.16.220.
- B. A claim for refund of payment shall be made by filing with the finance director a statement of claim, specifying the date the tax was imposed, the amount of protest or refund claimed and the basis upon which the protest or claim for refund is made.
- C. The finance director shall respond, in writing, within thirty (30) calendar days. If the finance director does not respond within thirty (30) days, the claim of refund or protest shall be deemed to be approved.

#### **4.16.220 Refunds for Construction Materials and Services**

- A. The sale of construction materials and services exceeding Three Thousand (\$3,000) dollars for a single-family residence in which a private individual resides full-time, including labor and materials for the improvement, renovation, or remodel of such a single-family residence, is eligible for a sales tax rebate only if:

1. The sale of such labor and materials is to the private individual who resides in the residence; and
  2. The homeowner has obtained a site plan permit from the City prior to the start of the project; and
  3. The materials become a part of the permanent structure; and
  4. The building or construction services are performed on-site, except for the delivery of materials to, or away from, the construction site.
- B. Purchasers shall pay all sales taxes on such materials and services and shall apply for a refund on a form approved by the finance director.
- C. Where the new construction is a remodel that creates additional living space, material used in the creation of additional square footage of living space may be eligible if square footage was increased by more than ten (10%) percent of the size of the structure prior to the remodel. Materials used on portions of a remodel that do not increase living space by at least ten (10%) percent are not eligible for the exemption.
- D. If the dwelling is a duplex, it may only qualify to the extent of those portions of tax attributable to improvements in the owner-occupied permanent principle place of residence portion of the duplex.
- E. A purchaser seeking a refund for construction materials and services shall submit to the finance director, no later than February 1<sup>st</sup> of each year, a completed sales tax refund form for the previous year.
- F. The purchaser shall attach a copy of the site plan permit issued for the project for which the refund is sought, and receipts for all purchases of construction materials and services within the City for each project for which the purchaser seeks a refund.
- G. Applications for refund shall be made to the finance director and shall be supported by detailed invoices. Such invoices must be presented in an orderly fashion with the total amount of refund being applied for totaled. The finance director will disallow unsupported applications or portions thereof.
- H. If a project is not completed within one (1) year, the purchaser shall submit an affidavit with the sales tax refund form stating that the work on the same project is continuing in order to obtain a refund for the following year. The total time period for sales tax refunds on any one (1) project cannot exceed two (2) years.
- I. The refund shall be the amount of sales tax actually paid for materials and services used in the construction. This shall include lumber, building materials, electrical and plumbing supplies or services, furnace and other heating apparatus and permanent carpeting and major appliances, such as a kitchen stove, refrigerator, washer, dryer or freezer. Items not included are throw rugs, televisions, furniture, drapery, pictures, minor appliances and other similar non-permanent or construction related items. Also not included are tools and machinery purchased or rented to use in the construction of the dwelling, nor shall it include spare material(s) not used.
- J. Upon application for a refund, the applicant shall certify, under penalty of perjury:
1. The sales tax requested to be refunded has actually already been paid to the supplier(s);

2. That all items for which a refund is requested were consumed in the construction of the dwelling or have actually been installed in the dwelling;
  3. That all services were used to prepare the lot for construction, construct the dwelling or install materials in the dwelling.
- K. Only one refund will be issued in conjunction with the same site plan permit. If a homeowner chooses to apply for a refund prior to completion of construction during the two (2) year period commencing with the issuance of the site plan permit and subsequently incurs additional construction costs after the issuance of a refund, sales taxes paid on those additional costs will not be refunded, even if incurred, within two (2) years after the issuance of the site plan permit.
- L. All services for the repair or maintenance of real property are excluded from this exemption.

#### **4.16.230 Tax Filing Schedule**

- A. All persons subject to this chapter shall file a return on a form or in a format prescribed by the City and shall pay the tax due. Each person engaged in business in the City subject to taxation shall file a return in accordance with the following:

**Option A:** (default is quarterly but finance director can order monthly and can approve annual)

1. Quarterly. Unless as otherwise provided for in this section, sellers shall file on or before 3:00 pm local time on the last day of the month following the end of each quarter year ending March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup>.
2. Monthly. If a seller fails to file or is late in filing returns for two (2) of the last four (4) quarters, the finance director may require the seller to submit returns and payments each month. The finance director may also require a seller to submit returns and payments monthly for other good cause, including, but not limited, to a lack of sales history, seasonal sales, etc.
3. Yearly. Upon approval of the finance director, a seller that has a documented history of less than twenty-four thousand (\$24,000) dollars in taxable sales annually as well as a documented history of on-time filings and payments, may file its sales tax return and remittance of taxes on an annual basis. Returns and taxes filed and paid on an annual basis must be received no later than February 15<sup>th</sup> following the calendar year for which the tax return is required to be submitted. Penalties for late filing of an annual return and for the late remittance of taxes shall be double the rate applicable to monthly returns and interest shall accrue on late annual remittances from July 1<sup>st</sup> of the preceding year.
4. Filing to be continuous. A person who has filed a sales tax return will be presumed to be making sales in successive quarters unless the person files a return showing a termination or sale of their business in accordance with section 4.16.380.

**Option B:** (frequency based on amount of sales the previous year)

- 1) Except as provided in section 5 below of this section, every seller with annual taxable sales of \$250,000 or more based on the prior year's taxable revenue and new businesses shall make out a return for the preceding month on or before the last day of each month.
- 2) Except as provided in section 5 below of this section, every seller with annual taxable sales of between \$100,000 and \$249,999.99 based on the prior year's taxable revenue, shall submit a sales tax return on or before the last business day of the month following the end of the quarter year ending March, June, September and December.
- 3) Except as provided in section 5 below of this section, every seller with annual taxable sales of between \$24,001 and \$99,999 based on the prior year's taxable revenue, shall submit a sales tax return on or before the last business day of the month following the end of the half year ending June and December.
- 4) Except as provided in section 5 below of this section, every seller with an annual taxable sales of less than \$24,000 based on the prior year's taxable revenue, shall submit a sales tax return on or before February 15<sup>th</sup> following the calendar year for which the tax return is required to be submitted.
- 5) Sellers failing to file or late in filing at least two (2) of the last four (4) returns due or for other good cause, may be required to file on a shorter timeframe as set out by the finance director.

B. **Special and/or Seasonal Events.** For all sellers only operating at special and/or seasonal events, the tax return shall be due on or before the last business day of the month following the event(s).

C. It is the duty and responsibility of every seller liable for the collection of any tax imposed herein, unless otherwise provided herein, to file with the City upon forms prescribed and furnished by the City, a return, prepared under oath, setting forth the amount of all sales, taxable and nontaxable, the amount of tax thereon and other information the City may require on the form or forms.

D. The completed and executed return, together with the remittance in full for the amount of the tax due, shall be transmitted to and must be received (not merely postmarked) by the finance department on or before 3:00 pm local time on:

1. Quarterly Filers: The last day of the month following the end of each quarter.
2. Monthly Filers: The last day of the following month.
3. Annual Filers: February 15<sup>th</sup> of the following year.

Failure of the United States Postal Service or any private delivery service to make timely delivery of a sales tax return or the related remittance of sales tax shall not excuse an untimely filing or remittance.

E. If the last day of the month following the end of the filing period falls on a Saturday, Sunday or federal, state or city holiday, the due date will be extended until the next business day immediately following.

F. Any person holding or required to hold a City of Bethel business license shall file a sales tax return even though no tax may be due. This return shall show why no tax

is due. If the person intends to continue doing business they shall file a return reflecting no sales and a statement indicating their intent to continue doing business, and shall continue to do so each filing period until they cease doing business or sell the business. If the person intends to cease doing business they shall file a final return and statement of business closure, and must register before restarting operations. If the business is sold, then the person must file a final return upon sale of the business in accordance with BMC 4.16.380.

- G. The seller shall prepare the return and remit sales tax to the City on the same basis, cash or accrual, which the seller uses in preparing its federal income tax return. The seller shall sign the return, and transmit the return, with the amount of sales tax that it shows to be due, to the City.
- H. Sellers failing to comply with the provisions of this chapter shall, if required by the City, file and transmit collected sales taxes monthly until such time that they have demonstrated to the City that they are or will be able to comply with the provisions of this chapter. Any business that submits two (2) delinquent sales tax returns consecutively will automatically be required to report monthly until such time they can demonstrate their ability to comply with the provisions of this chapter.
- I. Sales tax returns shall be accompanied by proof, satisfactory to the City, as to claimed exemptions or exceptions from tax herein imposed. In the absence of proof, the sales, rentals or services shall be deemed to have been taxable. The burden of establishing any tax exemption is upon the claimant.
- J. The failure of the U.S. Postal Service or any private delivery service to make timely delivery of a sales tax return or the related remittance of sales tax shall not excuse an untimely filing or remittance.
- K. The preparer of the sales tax return form shall keep and maintain all documentation supporting any and all claims of exempted sales and purchases and be able to produce the documentation if requested by the City. Documentation for exempted sales should include the number of the City exemption authorization card presented by the buyer at the time of the purchase, the date of the purchase, the name of the person making the purchase, the organization making the purchase, the total amount of the purchase and the amount of sales taxes exempted. Failure to provide such documentation may invalidate that portion of the claim of exemption for which no documentation is provided.

#### **04.16.240 Contents of Tax Returns**

- A. Every seller required by this Chapter to collect sales tax shall file with the City, upon forms furnished by the City, a return setting forth the following information with totals rounded to the nearest cent:
  - 1. Gross Receipts, divided into the following categories:
    - (i) Sales – both retail and wholesale, including materials;
    - (ii) Rentals of property or equipment;
    - (iii) Services
  - 2. Exemptions – by exemption category with a detailed explanation as to buyer, amount of sale, sale date, class of exemption;

3. Computation of taxes to be remitted;
  4. Such other information as may be required by the City.
- B. Each tax return remitted by a seller shall be signed by a responsible individual who shall attest as to the completeness and accuracy of the information on the tax return.
  - C. Seller's operating within the City of Bethel for even one day of the month shall file a tax return for that reporting period even if no tax may be due.
  - D. The City reserves the right to reject a filed return for failure to comply with the requirements of this section for up to three (3) months from the date of filing. The City shall give written notice to a seller that a return has been rejected, including the reason for the rejection.

#### **4.16.250 Security Deposits/Bonds**

- A. The City may require a seller to deposit with the City security in the form and amount that the City determines is appropriate. The deposit may not be more than twice the estimated average liability for the period for which the return is required to be filed or ten thousand (\$10,000) dollars, whichever is less. The amount of security may be increased or decreased by the City subject to the limitations provided in this section.
- B. If necessary, the City may apply the security to recover a sales tax amount required to be collected, including interest and penalties. Notice of the intent to apply the security shall be sent to the person who deposited the security.
- C. In lieu of a security, the City will require a seller to file a bond issued by a surety company authorized to transact business in the State of Alaska to guarantee the solvency and responsibility if such seller failed to remit sales tax on a previous business to the City.
- D. In addition to the other requirements of this section, the City will require the corporate officers or directors of a corporation to provide a personal guaranty and assumption of liability for the payment of the tax due under this chapter.

#### **4.16.260 Extension of Time to File Tax Return**

- A. Upon written application of a seller, stating the reasons therefore, the finance director may extend the time to file a sales tax return but only if the finance director finds each of the following:
  1. For reasons beyond the seller's reasonable control, the seller has been unable to maintain in a current condition the books and records that contain the information required to complete the return;
  2. Such extension is a dire necessity for bookkeeping reasons and would avert undue hardship upon the seller;
  3. The seller has a reasonable plan to cure the problem that caused the seller to apply for an extension, the seller will commence and proceed with diligence to cure the problem, and the problem will be cured within a reasonable time;

- 4. At the time of the application, the seller is not delinquent in filing any other sales tax return, in remitting sales tax to the City or otherwise in violation of this chapter
- 5. No such extension shall be made retroactively to cover existing delinquencies.
- B. A penalty assessed under this section for the delinquent remittance of sales tax for failure to file a sales tax return may be waived by the finance director, upon written application of the seller accompanied by a payment of all delinquent sales tax, interest and penalty otherwise owed by the seller to the City, within forty-five (45) business days after the date of delinquency. A seller may not be granted more than one waiver of penalty under this subsection in any period of twenty-four (24) consecutive months. The finance director shall report all such waivers of penalty to the council in writing, at least once each calendar quarter.

**4.16.270 Penalties and Interest for Late Filing**

- A. A late filing fee of Twenty-Five (\$25) dollars per month or partial month shall be added to all late-filed sales tax reports in addition to interest and penalties.
- B. Delinquent sales tax bears interest at the rate of fifteen (15%) percent per annum until paid.
- C. In addition, delinquent sales tax shall be subject to a late payment penalty as follows:

<b>If payment made:</b>	<b>Additional Penalty (Percentage of Tax)</b>
Within seven (7) calendar days after delinquency date	One (1%) percent
More than seven (7) calendar days but less than thirty (30) calendar days after delinquency date	Seven (7%) percent
Thirty (30) calendar days or more but less than sixty (60) calendar days	Fifteen (15%) percent
Sixty calendar days or more	Twenty (20%) percent

The penalty does not bear interest. The penalty shall be imposed for each month or part of a month during which the delinquency or failure to file exists.

- D. Penalties and interest shall be assessed and collected in the same manner as the tax is assessed and collected.
- E. The filing of an incomplete return, or the failure to remit all taxes, shall be treated as the filing of no return.

**4.16.280 Repayment Plans**

- A. The City may agree to enter into a repayment plan with a delinquent seller. No repayment plan shall be valid unless agreed to by both parties in writing.
- B. A seller shall not be eligible to enter into a repayment plan with the City if the seller has defaulted on a repayment plan in the previous two (2) calendar years.

- C. The repayment plan shall include a secured promissory note that substantially complies with the following terms:
  - 1. The seller agrees to pay a minimum of ten (10%) percent down payment on the tax, interest and penalty amount due. The down payment shall be applied first to penalty, then to accumulated interest, and then to the tax owed.
  - 2. The seller agrees to pay the balance of the tax, penalty and interest owed in monthly installments over a period not to exceed two (2) years.
  - 3. Interest at a rate of fifteen (15%) percent per annum shall accrue on the principal sum due. Interest shall not apply to penalties owed or to interest accrued at the time the repayment plan is executed or accruing during the term of the repayment plan.
  - 4. If the seller is a corporation or a limited liability entity the seller agrees to provide a personal guarantee of the obligations under the repayment plan.
  - 5. The seller agrees to pay all future tax bills in accordance with the provisions of this section.
  - 6. The seller agrees to provide a security interest in the form of a sales tax lien for the entire unpaid balance of the promissory note to be recorded by the City at the time the repayment plan is signed. The seller shall be responsible for the cost of recording the tax lien.
- D. If a seller fails to pay two (2) or more payments as required by the repayment plan agreement, the seller shall be in default and the entire amount owed at the time of default shall become immediately due. The City will send the seller a notice of default. The City may immediately foreclose on the sales tax lien or take any other remedy available under the law including placing the seller on the City's denied vendor list.

#### **4.16.290 Forgiveness of Uncollected Taxes, Penalties and Interest**

- A. The city manager, with the concurrence of the city council, may forgive the payment of uncollected sales taxes, interest and penalties owed by a seller to the City upon a determination by the city manager, with confirmation by the city attorney, that:
  - 1. Such uncollected taxes have never been collected by a substantial portion of a clearly definable class of sellers; or
  - 2. Such uncollected taxes have never been collected on a clearly defined type of transaction or service.
- B. The city manager may, upon recommendation of the city attorney, and with the concurrence of the city council, authorize forgiveness of uncollected sales taxes, interest and penalty thereon and penalties for failure to file, as part of the compromise and settlement of a disputed claim in an action for collection of such funds.
- C. Except as provided in subsections A and B, the City may not forgive or waive any amount of uncollected sales tax, interest or penalty.

#### **4.16.300 Application of Sales Tax Payments.**

- A. Payments on sales tax accounts shall be applied to the oldest balance due, by sales tax period, in the following order: (1) first to accrued fees and costs, (2) then accrued interest, (3) then accrued penalty, (4) then to the tax principal; and (5) then the next oldest balance due, in the above order, and so forth, until the payment is applied in full; except as otherwise provided in this section.
- B. Payment on sales taxes submitted with sales tax returns shall be applied to the most current return period, in the following order: (1) first to accrued interest, (2) then to accrued penalty, and (3) then to the tax principal. Any remaining moneys shall be applied as in subsection A above.
- C. Payments on sales tax accounts where sales tax liens have been recorded to secure payment on the accounts shall be applied to the oldest unsecured balance due, by sales tax period, in the order listed in subsection A above.

#### **4.16.310 Application of Overpayments**

- A. A seller in good standing who, through clerical or similar error, remits a tax under this chapter that exceeds the amount actually due or to which the City is not entitled by law, may, within one (1) calendar year from the due date of the tax or the collection of the tax, whichever is earlier, apply in writing to the finance director for a refund.
- B. A claim for refund is barred unless:
  - 1. The claimant files an amended tax return within one (1) calendar year of the due date of the return, on the form prescribed by the City;
  - 2. Made timely (the failure to file a claim for refund within the time allowed shall forever bar the claim); and
  - 3. The claimant files an amended return pursuant to the requirements of this chapter.
- C. When the City initiates an audit or estimate pursuant to BMC 4.16.350, .360, the period for claiming a refund under subsections A, above, is the same as the period under audit, but in no case more than three (3) years from the date of sale.
- D. The City shall not be liable for interest on any refund claimed or paid, or for any costs incurred by a buyer or seller in claiming or obtaining a refund.
- E. If the finance director determines, in writing, a refund is not due or is not due in the amount claimed, then the taxpayer may appeal pursuant to the provisions set out in BMC 4.16.440.
- F. The procedure set forth in this section is the recognized procedure whereby a refund may be made; and the taxpayer must first duly comply with this section and BMC 4.16.440 [appeals] as conditions precedent to bringing a suit to recover said taxes. Any person who has not timely availed themselves of these procedures shall be deemed to have waived any right to such refund as well as the right to recover said tax and interest.

#### **4.16.320 Amended returns.**

- A. A seller may file an amended sales tax return, with supporting documentation, and the City may accept the amended return, but only in the following circumstances:

1. The amended return is filed within one (1) year of the original due date for the return; and
  2. The seller provides a written justification for requesting approval of the amended return; and
  3. The seller held a current City business license for the period for which the amended return was filed and filed an original return for that period; and
  4. The seller agrees to submit to an audit upon request of the City.
- C. The City shall notify the seller in writing whether it accepts or rejects an amended return, including the reasons for any rejection.
- D. The City may adjust a return for a seller if, after investigation, the City determines the figure included in the original returns are incorrect, and that additional sales taxes are due; and the City adjusts the return within two (2) years of the original due date for the return.

#### **4.16.330 Recordkeeping Required of all Sellers**

- A. Every seller engaged in activity subject to this chapter shall keep and preserve suitable records of all sales made by the seller and such other books or accounts as may be necessary to determine the amount of tax which it is obliged to collect, including records of the gross daily sales, together with invoices of purchases and sales, bills of lading, bills of sale or other pertinent records and documents as will substantiate and prove the accuracy of a tax return.
- B. It shall also be the duty of every seller who makes exempt sales to keep records of such sales, which shall be subject to examination by the City, or any authorized agent thereof, while engaged in checking or auditing the records of any seller required to make a report under the terms of this chapter.
- C. "Suitable records of all sales made" as used in subsection A of this section shall mean at a minimum a daily "Z" or "Z-total" report or equivalent, for all businesses with a cash register (A "Z" or "Z-total" report is the report generated by the cash register at the end of each business day, which calculates, at least, the totals for each department key, total sales and total receipts – although some cash registers have more detailed "Z" or "Z-total" reports). All sales made at businesses with cash registers must be rung on the cash registers. Businesses that do not have cash registers shall use another method, such as sequentially numbered invoices or sequentially numbered cash receipt books, for recording daily sales. Summaries of invoices are suitable records of all sales made, provided that copies of all back-up invoices are preserved as required under this chapter. Whatever records are kept must reflect the total daily purchases of taxable items. If no taxable sales are made on a business day, the records kept shall so reflect "zero" sales on that day. Records must also be kept to substantiate any claimed deductions or exclusions authorized by law. Records may be written, stored on data processing equipment or may be in any form that the City may readily examine.

- D. Unless a specific, written exception has been granted by the finance director, with the approval of the city manager, all sellers within the City who sell food, beverages, fuel and/or goods that have gross monthly sales of two hundred (\$200) dollars or more on an annualized basis must have a cash register and must record each retail sale on a cash register that provides, at a minimum, a daily "Z" or "Z-total" report, or equivalent, as set forth in subsection C of this section.
- E. Records shall be kept in a systematic manner conforming to accepted accounting methods and procedures. Such records include:
  - 1. The books of accounts ordinarily maintained by a prudent business person. Records and accounting information stored on computers or microfilm must be provided to the City in a readable form when requested by the City.
  - 2. Documents of original entry such as original source documents, pre-numbered sequential source documents, pre-numbered sequential receipts, cash register tapes, sales journals, invoices, job orders, contracts, or other documents of original entry that support the entries in the books of accounts;
  - 3. All schedules or working papers used to prepare gross and taxable sales results, including receipts or invoices showing exempt sales.
- F. Records must show:
  - 1. Gross receipts and amounts due from all taxable and exempt sales; and
  - 2. All exemptions or deductions from gross sales, as set out in section 4.16.150; and
  - 3. The total purchase price of all goods and other property purchased for sale, resale, consumption, or lease.
- G. Every seller shall preserve suitable records of sales for a period of three (3) years from the date of the return reporting such sales, and shall preserve for a period of three (3) years all invoices of goods and merchandise purchased for resale, and all such other books, invoices and records as may be necessary to accurately determine the amount of taxes which the seller was obliged to collect under this chapter.
- H. The City finance department may examine and audit any relevant books, papers, records, returns or memoranda of any seller, may require the attendance of any seller, or any officer or employee of a seller, at a meeting or hearing, and may require production of all relevant business records, in order to determine whether the seller has complied with this chapter.
- I. A seller required to register for sales tax collection under this chapter consents to the inspection of the seller's federal tax returns in order to determine the seller's compliance with this chapter. The burden of proving that a sale, rental or service was not taxable shall be upon the seller.
- J. If the City is unable to ascertain the amount of tax due from a seller because the seller has failed to keep accurate records, has failed or refused to allow an audit or inspection of records, has failed to file a return, has falsified records or has improperly calculated the tax, then the City may estimate the tax due based upon any information available to it. The City shall send a written notice of the estimated tax due to the seller, and of the assessment of an audit estimate fee.

- K. The results of any examination or audit performed under this section shall be reported in writing to the seller.

#### **4.16.340 Loss of Records**

A seller shall immediately notify the City of any fire, theft or other casualty which prevents their compliance with this chapter. The casualty constitutes a defense to any penalty provided in this chapter if determined to be the proximate cause of the failure to comply for a given reporting period, but does not excuse the seller from liability for taxes due. Accidental loss of funds or records is not a defense against penalties of this chapter.

#### **4.16.350 Audits.**

- A. Any seller who has established a sales tax account with the City, who is required to collect and remit sales tax, or who is required to submit a sales tax return, is subject to a discretionary sales tax audit at any time. The purpose of such an audit is to examine the business records of the seller in order to determine whether appropriate amounts of sales tax revenue have been collected by the seller and remitted to the City.
- B. The City is not bound to accept a sales tax return as correct. The finance director may make an independent investigation of all retail sales or transactions conducted within the City.
- C. The records that a seller is required to maintain under this chapter shall be subject to inspection and copying by authorized employees or agents of the City for the purpose of auditing any return filed under this chapter, or to determine the seller's liability for sales tax where no return has been filed.
- D. In addition to the information required on returns, the City may request, and the seller must furnish, any additional information deemed necessary for a correct computation of the tax.
- E. The City may adjust a return for a seller if, after investigation or audit, the City determines that the figures included in the original return are incorrect, and that additional sales taxes are due; and the City adjusts the return within three (3) years of the original due date for the return.
- F. For the purpose of ascertaining the correctness of a return or the amount of taxes owed when a return has not been filed, the finance director may conduct investigations, hearings and audits and to that end may examine any relevant books, papers, statements, memoranda, records, accounts or other writings of any seller at any reasonable hour on the premises of the seller and may require the attendance of any officer or employee of the seller. Upon written demand by the finance director, the seller shall present for examination, in the office of the finance director, such books, papers, statements, memoranda, records, accounts and other written material as may be set out in the demand unless the finance director and the person upon whom the demand is made agree to presentation of such materials at a different place.

- G. The city manager may issue subpoenas to compel attendance or to require production of relevant books, papers, records or memoranda. If any person refuses to obey any such subpoena, the city manager may refer the matter to the city attorney for an application to the superior court for an order requiring the person to comply therewith.
- H. Any seller or person engaged in business who is unable or unwilling to submit their records within the City shall be required to pay the City for all necessary expenses incurred for the examination and inspection of their records maintained outside the City.
- I. After the completion of a sales tax audit, sellers subject to the audit will be notified of the results of the audit by letter.
- J. In the event the finance director, upon completion of an audit, discovers more than five hundred (\$500) dollars in additional sales taxes due from a seller resulting from a seller's failure to accurately report sales and taxes due thereupon, the seller shall bear responsibility for the full cost of the audit. The audit fee assessment will be in addition to interest and penalties applicable to amounts deemed to be delinquent by the finance director at the time of the conclusion of the audit.

#### **4.16.360 Estimated Tax.**

- A. In the event the finance director is unable to ascertain the tax due from a seller by reason of the failure of the seller to keep accurate books, allow inspection, or file a return, or by reason of the seller filing a false or inaccurate return, the finance director may make an estimate of the tax due based on any evidence in their possession.
- B. Sales taxes may also be estimated, based on any information available, whenever the finance director has reasonable cause to believe that any information on a sales tax return is not accurate.
- C. A seller's tax liability under this chapter may be determined and assessed for a period of three (3) years after the date the return was filed or due to be filed with the City. No civil action for the collection of such tax may be commenced after the expiration of the three (3) year period except an action for taxes, penalties and interest due from those filing periods that are the subject of a written demand or assessment made within the three (3) year period, unless the seller waives the protection of this section.
- D. The City shall notify the seller, in writing, that the City has estimated the amount of sales tax that is due from the seller, stating the estimated amount. The City shall serve the notice on the seller by delivering the notice to the seller's place of business, or by mailing the notice by certified mail, return receipt requested, to the seller's last known mailing address. A seller who refuses the certified mail will be considered to have accepted the certified mail for purposes of service.
- E. The City's estimate of the amount of sales tax that is due from a seller shall become a final determination of the amount that is due unless the seller, within fifteen (15) calendar days after service of notice of the estimated tax:

1. Files a complete and accurate sales tax return for the delinquent periods supported by satisfactory records and accompanied by a full remittance of all taxes, interest, penalties, costs and other charges due; or
  2. Files a written notice with the finance director appealing the estimated tax amount in accordance with the appeal procedures set out in section 4.16.440 of this chapter.
  3. Arguments or reasons for failure to timely file a return and remit taxes collected shall not be considered a valid basis or grounds for granting an appeal. The basis and grounds for granting an appeal of an assessment are:
    - (i) The identity of the seller is in error;
    - (ii) The amount of the debt is erroneous due to a clerical error (and the nature and extent of the error is specified in the request for appeal); or
    - (iii) The seller disputes the denial of exemption(s) for certain sales.
- F. The amount of sales tax finally determined to be due under this section shall bear interest and penalty as provided in Section 04.16.270, from the date that the sales tax originally was due, plus an additional civil penalty of fifty dollars (\$50.00) for each calendar month or partial month for which the amount of sales tax that is due has been determined.
- G. If the seller protests liability for sales tax, penalties or interest, the seller shall pay the tax, penalties and interest under a written protest filed before or with the payment and setting forth the basis for the protest. No appeal from the sales tax or any action for a refund may be filed or maintained nor may a defense to nonpayment be maintained in a civil action unless the amount in dispute has been paid under protest as provided in this section.

#### **4.16.370 Accelerated Returns**

- A. A seller who is required to file a return and remit taxes to the City, who fails for more than sixty (60) days to file a return or remit the taxes due or who has, within a twelve (12) month period, filed or paid taxes late on two (2) or more occasions, may be required to file and remit on an accelerated basis.
- B. The timeframe for filing on an accelerated basis will be determined by the finance director and will be communicated in writing prior to implementation.

#### **4.16.380 Cessation or Transfer of Business.**

- A. A seller that ceases to engage in business in the City without a transfer of the business shall file with the City a final sales tax return, and remit any sales tax due, for the period ending on the date that the seller ceases to engage in business in the City, not later than fifteen (15) days after that date.
- B. A seller that transfers its business in the City shall provide the transferee with written notice of the transferee's obligations under this section not less than fifteen (15) days before the effective date of the transfer, but neither the seller's failure to give the notice nor the transferee's failure to receive the notice shall relieve the transferee of any such obligation. The seller shall file with the City a final sales tax return, and remit any sales tax due, for the period ending on the effective date of

the transfer, not later than fifteen (15) days after the effective date, and provide a copy of the return to the transferee. The seller shall file with the final sales tax return proof that it provided the transferee with the written notice described in the first sentence of this subsection.

- C. The transferee of a business shall obtain from the City, before the effective date of the transfer, an estimate of the delinquent sales tax, penalty and interest, if any, owed by the seller as of the date of the transfer, and shall withhold that amount from the consideration payable for the transfer, until the seller has produced a receipt from the City showing that all tax obligations imposed by this chapter have been paid. A transferee that fails to withhold the amount required under this subsection shall be liable to the City for the lesser of the amount of delinquent sales tax, penalty and interest due from the seller as of the date of transfer, and the amount that the transferee was required to withhold.
- D. In this section, the term "transfer" includes the following:
  - 1. A change in voting control, or in more than fifty (50%) percent of the ownership interest in a seller that is a corporation, limited liability company or partnership; or
  - 2. A sale of substantially all of the assets used in the business of the seller; or
  - 3. The initiation of a lease, management agreement or other arrangement under which another person becomes entitled to the seller's gross receipts from sales, rentals or services.
- E. A seller who terminates their business without the benefit of a purchaser, successor or assign, shall make a final tax return and settlement of tax obligations within thirty (30) days after such termination. If a final return and settlement are not received within thirty (30) days of the termination, the seller shall pay a penalty of one hundred (\$100) dollars, plus an additional penalty of fifty (\$50) dollars for each additional thirty (30) day period, or part of such period, during which the final return and settlement have not been made, for a maximum of six (6) additional periods. A new or renewed business license may not be issued to a seller who has failed to make the return and settlement under this section until the return and settlement required have been made and the imposed penalty has been paid.
- F. Subsection C shall not apply to any person who acquires their ownership interest in the ongoing business as a result of the foreclosure of a lien that has priority over the City's sales tax lien.
- G. Upon termination, dissolution or abandonment of a corporate business, any officer having control or supervision of sales tax funds collected or who is charged with responsibility for the filing of returns or the payment of sales tax funds collected, shall be personally liable for any unpaid taxes, interest, administrative costs and penalties on those taxes if such officer willfully fails to pay or cause to be paid any taxes due from the corporation. In addition, regardless of willfulness, each director of the corporation shall be jointly and severally liable for said amounts. The officer shall be liable only for taxes collected which became due during the period he or she had the control, supervision, responsibility or duty to act for the corporation. This

section does not relieve the corporation of other tax liabilities or otherwise impair other tax collection remedies afforded by law.

#### **4.16.390 Use of Information on Tax Returns**

- A. Except as otherwise provided in this chapter, all returns, reports and information required to be filed with the City under this chapter, and all information contained therein, shall be kept confidential and shall be subject to inspection only by:
  - 1. Employees and agents of the City whose job responsibilities are directly related to such returns, reports and information;
  - 2. The person supplying such returns, reports and information; and
  - 3. Persons authorized in writing by the person supplying such returns, reports and information.
- B. The City will release information described in subsection A of this section pursuant to subpoena, order of a court or administrative agency of competent jurisdiction, and where otherwise required by law to do so.
- C. Notwithstanding subsection A of this section, the following information is available for public inspection:
  - 1. The name and address of a person who holds a current City business license;
  - 2. The name and address of sellers, whether or not the business is registered to collect taxes;
  - 3. Whether a business is registered to collect taxes under this chapter;
  - 4. The name and address of businesses that are sixty (60) days or more delinquent in filing returns and/or in remitting sales tax; and, if so delinquent, the amount of estimated sales tax due, and the number of returns not filed;
- D. The City may provide the public statistical information related to sales tax collections, provided that no information identifiable to a particular seller is disclosed.
- E. Nothing in this section shall be construed to prohibit the delivery to a person, or his duly authorized representative, a copy of any return or report filed by him, nor to prohibit the publication of statistics so classified as to prevent the identification of particular buyers and sellers, nor to prohibit the furnishing of information on a reciprocal basis to other agencies or political subdivisions of the state or the United States concerned with the enforcement of tax laws.
- F. Nothing in this section shall be construed to prohibit the disclosure through the enforcement action proceedings or by public inspection or publication of the name, estimated balance due, and current status of payments, and filings of any seller or agent of any seller required to collect sales taxes or file returns under this chapter, who fails to file any return and/or remit in full all sales taxes due within sixty (60) days after the required date for that business. Entry into an agreement whether pursuant to the provisions of this chapter or otherwise shall not act as any prohibition to disclosure of the records of that seller as otherwise provided in this chapter.
- G. A prospective lessee or purchaser of any business or business interest may inquire as to the obligation or tax status of any business upon presenting to the finance

director a release of tax information request signed by the registered owner of the business.

- H. All returns referred to in this chapter, and all data taken therefrom, shall be kept secure from public inspection, and from all private inspection.

#### **4.16.400 Publication of Delinquent Sellers**

- A. As soon as practicable after the expiration of sixty (60) days following the end of each calendar quarter, the City shall publish in a newspaper of general or customary circulation in the appropriate area of the City, as well as on the City's website, a list of every seller, including the "doing business as" name under which the seller is doing business who:
  - 1. Was conducting business in the City and was required to file a return during the quarter, but who has not filed the required returns, unless the seller has paid any balance due for that period in full; and
  - 2. Did not pay all balances due, as long as the balance is greater than Five-Hundred (\$500) Dollars.
- B. Notwithstanding subsection (A) above, the City is not required to include in the quarterly publication a closed business which has been published in the preceding four (4) publications.
- C. The names of sellers who have entered into and are satisfactorily complying with a payment agreement with the City will not be published.
- D. The publication of such delinquent sales tax accounts shall not be considered a disclosure within the provisions of this chapter.

#### **4.16.410 Lien**

- A. The tax, penalty and interest as imposed by this chapter, together with all administrative and legal costs incurred, shall constitute a lien in favor of the City upon all of the seller's real and personal property. The lien arises upon the delinquency, and continues until the liability for the amount is satisfied, or the property is sold at a foreclosure sale.
- B. The lien imposed by this section arises and attaches at the time that payment becomes delinquent and continues until the entire amount has been paid.
- C. If delinquent sales taxes, interest, penalties and other costs are not paid within ten (10) calendar days from the mailing of notice and demand for payment thereof, a notice of lien may be recorded in the office of the district recorder in any recording district where the person liable has assets or property, and upon recordation, a lien arising under this section has priority over any other liens except those for special assessments or those granted priority by state and federal law (the lien has priority as allowed by **AS 29.45.650(e)**).
- D. The City may record subsequent notices of lien of amount due after the recording of a previous notice of lien. The City may also record amended notices of lien to correct any errors or to provide notice of the then current amount owing.
- E. Within ten (10) calendar days of receiving the conformed, filed notice of lien, or amended notice of lien from the recorder's office, the City shall mail a copy of the

notice by certified mail, return receipt requested, to the last known address of seller; provided failure to so mail the copy shall not void the lien or lessen its priority.

- F. The city attorney, at the request and consent of the city council, may file an action to foreclose the lien of the City for the tax upon property and rights to property, real or personal, and sell the same, applying the proceeds thereof to the payment of the tax, interest, penalty, fees and costs. The action shall be commenced and pursued in the manner provided for the foreclosure of liens by applicable Alaska Statutes (currently AS 09.45.170 through 9.45.220); provided, however, upon commencement, the City shall provide written notice of the action to all reasonably known persons having an interest of record in the property being foreclosed, including persons in possession of the property. The action may be commenced within six (6) years after the lien arises.
- G. The remedy provided in this section is not exclusive and shall be in addition to all other remedies available to the City to collect the sales taxes, interest, penalties and costs due under this chapter.
- H. The failure to record a lien does not constitute a waiver or abrogation of any priorities, rights or interest of the City at law or in equity.
- I. Fees for the filing and releasing of liens shall be as set out in the Bethel Fee and Rate Schedule.
- J. Upon full satisfaction of payment of all taxes, interest and costs, including the administrative costs for the filing and release of the liens due and owing to the City, the finance director shall file a certificate discharging the lien.

#### **4.16.420 Violations**

- A. Failure to comply with any of the provisions of this chapter shall be a violation and will be considered an infraction.
- B. Each act or omission in violation of this chapter, and each day in which the act or omission occurs, is a separate violation of this chapter.
- C. A seller that fails to file a sales tax return or remit sales tax when due, in addition to any other liability imposed by this chapter, shall pay to the City all costs incurred by the City to determine the amount of the seller's sales tax liability or to collect the sales tax, including without limitation, costs of obtaining, reviewing and auditing the seller's business records, collection agency fees, and actual reasonable attorney's fees.
- D. A person who causes or permits a corporation of which the person is an officer or director, a limited liability company of which the person is a member or manager, or a partnership of which the person is a partner, to fail to collect sales tax or to remit sales tax to the City as required by this chapter shall be liable to the City for the amount that should have been collected or remitted, plus any applicable interest and penalty.
- E. In addition to issuing citations for violation of this chapter, the City may bring a civil action to:
  - 1. Enjoin a violation of this chapter. On application for injunctive relief and a finding of a violation or threatened violation, the superior court shall enjoin the violation.

2. Collect delinquent sales tax, penalty, interest and costs of collection, either before or after estimating the amount of sales tax due under Section 4.16.360.
  3. Recover a civil penalty of up to five hundred dollars (\$500.00) for each violation of this chapter.
  4. Foreclose a recorded sales tax lien as provided by law.
- F. All remedies hereunder are cumulative and are in addition to those existing at law or equity.

#### **4.16.430 Penalties for Violations**

- A. A person, who is convicted of a violation of this chapter, where a fine is not otherwise specifically described in this section, shall be subject to a fine of not more than five hundred dollars (\$500.00) plus any surcharge required to be imposed by AS 29.25.074.
- B. Failure to file two (2) or more returns in any one (1) calendar year after notice from the City to the seller's last registered address is subject to a fine of Five Hundred (\$500) Dollars.
- C. A buyer or seller who knowingly or negligently submits false information in a document filed with the City pursuant to this Chapter is subject to a fine of Five Hundred (\$500) Dollars.
- D. A seller who knowingly or negligently falsifies or conceals information related to its business activities within the City is subject to a fine of Five Hundred (\$500) Dollars.
- E. A person who knowingly or negligently provides false information when applying for a certificate of exemption is subject to a fine of Three Hundred (\$300) Dollars.
- F. Any seller who fails to file a return required under this chapter within fifteen (15) days of written notification by regular mail, regardless of whether any taxes were due for the reporting period for which the return was required, shall be subject to a penalty of twenty-five (\$25) dollars for the first sales tax return not timely filed, and fifty (\$50) dollars for each next sales tax return not timely filed within a one (1) year period thereafter. The filing of an incomplete return shall be treated as the filing of no return.
- G. Sellers who have not filed returns for two (2) consecutive reporting periods shall be assumed to have ceased conducting business and shall be removed from the roll of active businesses. Reinstatement of a business removed from the active role by this section shall require the payment of a mandatory reinstatement fee.
- H. A person required to collect a tax under this chapter, who fails to provide a written receipt or invoice setting out the amount of tax due on the transaction when the amount of the tax is required to be shown on the receipt or invoice, shall pay a penalty to the City equal to twice the amount of the tax due on the sale, however the minimum penalty is twenty-five (\$25) dollars.
- I. A seller who fails or refuses to produce requested records or to allow inspection of their books and records, shall pay to the City a penalty equal to three (3) times any deficiency found or estimated by the finance department with a minimum penalty of five hundred (\$500) dollars.

- J. A seller who falsifies or misrepresents any record filed with the City is guilty of an infraction and subject to a penalty of five hundred (\$500) dollars per document.
- K. Misuse of an exemption card is an infraction and subject to a penalty of:
  - 1. Fifty (\$50) Dollars for a first occurrence and a one (1) month suspension of the privilege to use an exemption card;
  - 2. One Hundred Dollars (\$100) for a second occurrence and a one year suspension of the privilege to use an exemption card; and
  - 3. Five Hundred Dollars (\$500) for a third occurrence and the potential lifetime revocation of the privilege to use an exemption card issued by the City.
- L. A seller who engages in sales when their sales tax collection license has been suspended, revoked or not renewed is in violation of City ordinance and is subject to a fine of One Hundred (\$100) dollars per day.
- M. A seller who engages in sales when without first obtaining a sales tax collection license is in violation of City ordinance and is subject to a fine of One Hundred Fifty (\$150) dollars per day.
- N. A penalty imposed under any part of this section may not be waived or reduced except upon a clear showing of reasons beyond the control of the person upon whom the penalty is imposed and only with the written consent of the City Attorney. Any other waiver or reduction of penalties shall only occur with the consent of the City Council.
- O. All remedies for violations of this chapter are cumulative and are in addition to any others existing at law or in equity.
- P. Nothing in this chapter shall be construed as preventing the City from filing and maintaining an action at law to recover any taxes, penalties, interest and fees due from a seller. The City may also recover full actual reasonable attorney's fees in any action against a delinquent seller.
- Q. If the City Manager or finance director have reason to believe that a seller who has been removed from the roll of active businesses pursuant to this section is in fact continuing to conduct business, the City Manager may cause a proceeding to be filed in the Superior Court requesting the issuance of an injunction prohibiting that business from continuing to conduct business.

#### **4.16.440 Appeals**

- A. Unless a different timeframe is specified, a seller aggrieved by an action of the finance director in fixing the amount of tax or in imposing a penalty or interest shall appeal to the City Manager within thirty (30) calendar days from the date of the postmark on the finance director's written notification. A seller who has a cause of action, grievance or protest concerning the legality, collection or payment of the sales tax shall appeal in this manner and within the same timeframe. All right to an appeal shall be deemed waived if not timely requested as set forth in this subsection.
- B. The taxpayer has the right to a hearing before the City Manager or their designee.
- C. All appeals shall be filed in writing with the finance director, must be signed by the taxpayer (or counsel therefore) and shall contain the following information:

1. Name, address and telephone number of aggrieved seller;
  2. A specific and detailed statement of the amount of tax, interest or penalty contested, the basis and grounds upon which the appeal is made, and all pertinent records, documents or other evidence substantiating the grounds as stated;
  3. A statement of the relief sought; and
  4. A statement as to whether a hearing is requested.
- D. Failure to file a timely appeal or to request a hearing within the time and manner provided shall be deemed a waiver of that right and to any appellate review to which the aggrieved party might have otherwise been entitled.
- E. Arguments or reasons for failure to timely file a return and remit taxes collected shall not be considered a valid basis or grounds for granting an appeal. The basis and grounds for granting any appeal are limited to:
1. The identity of the seller is in error;
  2. The amount of the debt is erroneous due to a clerical error (and the nature and extent of the error is specified in the request for a hearing);
  3. The seller disputes the denial of exemption(s) for certain sales; or
  4. Taxes have been levied and forgiven.
- F. A request for appeal is filed on the date it is personally delivered or, if delivered to the finance director by United States mail, the date of the United States Postal Service postmark stamped on the properly addressed cover in which the request is mailed.
- G. A current mailing address must be provided to the finance director with the request for appeal, and any change in mailing address after the request for appeal is filed must be reported to the finance director.
- H. Upon such filing of a written appeal, the finance director shall immediately send a copy thereof to the City Manager with a copy to the City Attorney. The City may provide written information that may be considered in deciding the appeal.
- I. Unless the seller requests a hearing, the City Manager shall decide the appeal based upon the pertinent records provided by the parties involved or discovered by any investigation ordered. If a hearing is requested, any evidence presented at the hearing may also be taken into consideration.
- J. If the seller fails to appear for a requested hearing, the appeal will be considered abandoned.
- K. The City Manager's determination shall be based upon the evidence received and any written materials submitted by the parties. The determination need not make formal findings of fact or conclusions of law, but the written determination shall state the reasons for the decision and indicate the evidence relied upon. Such determination shall be issued no later than ten (10) business days after the date of the hearing if a hearing is held or fifteen (15) calendar days after the appeal is filed if no hearing is requested. Such determination shall be final.
- L. The City Manager shall hold a hearing within fifteen (15) calendar days from the date of receipt of the request. The City Manager may extend, in writing, the hearing

- date, but no extension of more than thirty (30) days shall be granted. The City Manager shall duly notify the taxpayer of the date, time and place of the hearing.
- M. The taxpayer may, at their own expense, be represented by legal counsel.
  - N. The hearing shall be open to the public.
  - O. The City Manager may attain the services of the City Attorney to assist him/her in conducting the hearing and making the decision.
  - P. All testimony shall be under oath. The proceedings shall be recorded. Upon written request, the appellant is entitled to a copy of the recording at no charge. The appellant or their legal counsel and the finance director may examine and cross-examine witnesses. The City Manager, or their representative, may also question witnesses. Exhibits may be introduced. The rules of evidence need not be strictly followed. Irrelevant or unduly repetitious evidence may be excluded. The factual record is closed at the close of the hearing. The City Manager may continue the hearing for good cause.
  - Q. The order of presentation will be:
    - 1. Brief opening statement by the finance director (optional);
    - 2. Brief opening statement by the taxpayer/appellant (optional);
    - 3. Argument and presentation of evidence by the finance director;
    - 4. Argument and presentation of evidence by the taxpayer/appellant;
    - 5. Rebuttal as necessary;
  - R. The taxpayer must prove by a preponderance of the evidence the factual basis upon which he or she is relying.
  - S. Contested taxes, penalties and interest that have been paid and are found to be overpaid shall be refunded with interest at the rate of five (5%) percent from the date of the payment.
  - T. Contested taxes, penalties and interest that remain unpaid shall continue to accrue penalty and interest as provided by this chapter until paid.
  - U. A seller who is not satisfied with a final written ruling of the City Manager may request a hearing before the City Council by:
    - 1. Completing a written request for appeal;
    - 2. Submitting the appropriate appeal fee;
    - 3. Filing both with the Clerk of Court no later than twenty (20) calendar days from the date of the City Manager's written decision.
  - V. Appeals of the City Manager's decision shall contain the following information:
    - 1. Name, address and telephone number of aggrieved seller;
    - 2. A specific and detailed statement outlining the procedural, factual or legal error on which the appeal is based; and
    - 3. A statement of the relief sought
  - W. Upon a properly filed appeal, the City Clerk shall request a full copy of the record used by the City Manager. That record will be forwarded to the City Council. The City Clerk will schedule the matter on the next available City Council meeting and will send notice to the parties.
  - X. An appeal of the City Manager's decision will be reviewed solely on the materials before the City Manager at the time of their decision. No new evidence will be

permitted during the appeal. The parties will be allowed an opportunity to argue their case before the assigned governing body.

- Y. No later than twenty (20) calendar days from the date of the hearing, a written decision will be issued. This decision will be final and may be appealed to the superior court as provided in the Alaska Rules of Appellate Procedure.

#### **4.16.450 Transition Period**

- A. Sellers already licensed to do business at the time of the passage of this chapter shall be provided the following timelines for compliance:
1. Equipment – Sellers shall have one (1) year from the date of the passage of this chapter to implement all of the requirements for compliance with the necessary equipment, hardware and/or software requirements.
    - (i) Except as set forth herein, no additional implementation or preparation time may be granted to sellers except for those who have taken timely, verifiable, good faith steps to comply with the provisions of this chapter and yet, through extraordinary circumstances beyond the control of seller, need additional time to comply.
    - (ii) In such cases, the finance director may grant no more than ninety (90) additional calendar days.
    - (iii) Requests for such additional time to comply shall be in writing, setting out the specific, extraordinary circumstances, which merit consideration for additional time.
    - (iv) Inadvertence, neglect or delay on the part of a seller is not grounds for an extension of time.
    - (v) Only one (1) extension may be granted to any given seller.
  2. Sales Tax Collection License Registration – Sellers shall have six (6) months from the date of the passage of this chapter to register for and obtain the required sales tax collection certificate.
  3. Seller Education – Sellers already licensed to do business within the City of Bethel on the passage of this chapter, shall have until their next business license renewal to comply with this requirement.
  4. Exemption Cards – Sellers already licensed to do business within the City of Bethel shall have three (3) months from the date of the passage of this chapter to come into full compliance with the requirements for acceptance of and record keeping for acceptance of exemption cards.
  5. Filing Status Changes – Sellers already licensed to do business within the City of Bethel who are filing other than as now prescribed in this chapter, shall have six (6) months from the date of passage of this chapter to change their filing status to meet the new requirements as set out herewith. This change will not apply to those sellers specifically notified by the finance director to remain monthly due to poor sales tax payment history.
  6. Seasonal Businesses – Sellers who wish to change their status to a seasonal business may do so anytime after the passage of this chapter.

B. This section does not apply to the obligations of sellers under this chapter to collect and remit applicable sales taxes mandated by this chapter. The collection and remission of the City's sales tax must be done in a timely manner, regardless of any extensions of time sought for other obligations imposed by this chapter. Likewise, all the remedies, penalties and interest assessed for failure to properly collect and remit the City's sales tax obligations are applicable to sellers who fail to do so, as required by this chapter.



# Proposed (AKC) Organizational Structure – City of Bethel Finance Department (07.11.2016)

