



CITY OF NORTH POLE

Regular Meeting

Feb 16, 2021

**North Pole Council Chambers
125 Snowman Lane, North Pole, Alaska
www.northpolealaska.com**

Tuesday, February 16, 2021

Committee of the Whole: 6:30 PM

Regular City Council Meeting: 7:00 PM

MAYOR

Michael Welch
488-8584

CITY CLERK

Aaron M. Rhoades
488-8583

COUNCIL MEMBERS

Thomas McGhee – Mayor Pro Tem	455-0010
Aino Welch – Deputy Mayor Pro Tem	488-5834
Perry Walley – Alt. Deputy Mayor Pro Tem	347-0135
DeJohn Cromer	347-2808
David Skipps	750-5106
Santa Claus	388-3836

- 1. Call to Order/Roll Call**
- 2. Pledge of Allegiance to the US Flag**
- 3. Invocation**
- 4. Approval of the Agenda**
- 5. Approval of the Minutes**
 - a. February 1, 2021
- 6. Communications from the Mayor**
 - a. Joel Denham February 2021 North Pole High School Student of the Month
- 7. Council Member Questions of the Mayor**
- 8. Communications from Department Heads, Borough Representative and the City Clerk**
- 9. Ongoing Projects Report**
 - a. Total Compensation Project Committee Meeting Report
 - I. Municipal Solutions Inc. was approved for additional work not to exceed \$10,800.00 regarding job descriptions and classification system.

- b. NPPD Covid Processing/Decontamination Facility
- c. Alaska Housing and Finance Corporation Renter Assistance Program

10. Citizens Comments (Limited to five (5) minutes per Citizen)

None

11. Old Business:

None

12. New Business:

- a. Ordinance 21 – 01 An Ordinance of the City of North Pole, Alaska to Amend Title 4 Revenue and Finance of the City of North Pole’s Code to Adopt Section 4.08.200 – 4.08.500 The Uniform Alaska Remote Sellers Tax Code.
- b. Resolution 21 – 02 A Resolution Encouraging The Alaska State Legislature To Introduce A Ballot Measure For The People of Alaska to Exercise Their Constitutional Right to Vote on Term Limits for Alaska State Representatives and Senators.

13. Council Comments

14. Adjournment

Detailed information and copies of agenda documents may be obtained at the Office of the City Clerk, 125 Snowman Lane or on the City website www.northpolealaska.com . Notice of Council Action is available at City Hall and on the City website following the meeting.

How to Offer Public Testimony at Council Meetings

Written testimony is encouraged. You may submit your comments by calling the Clerk’s Office at 488-8583 or by sending an email to arhoades@northpolealaska.org prior to 1:00 p.m. the day of the meeting. Please indicate which agenda item you are providing written testimony for. Examples: Ordinance or Resolution number, agenda item#, or description of subject.

To sign-up for **telephonic testimony** call the Clerk’s Office at 488-8583 or email arhoades@northpolealaska.org prior to 1:00 p.m. the day of the meeting. Please indicate that you wished to be called, for what item you will provide testimony on, and what number you can be reached at.

Council Meetings are aired **live via audio streaming** from the City’s website at <https://www.northpolealaska.com/citycouncil/page/council-meeting-audio-stream>.

Inquiries concerning ADA compliance or accommodations should be directed to the City Clerk.



NORTH POLE CITY COUNCIL
REGULAR MEETING MINUTES, February 1, 2021
NORTH POLE CITY COUNCIL CHAMBERS
125 SNOWMAN LANE, NORTH POLE, ALASKA

Mayor Welch called the regular City Council meeting of Monday, February 1, 2021 to order at 7:00 p.m. with the following Council Members in attendance:

Council Members Present: Mayor Welch – Zooming In
Santa Claus - Zooming In
Thomas McGhee - Zooming In
David Skipps - Zooming In
Aino Welch - Zooming In
DeJohn Cromer - Zooming In
Perry Walley – Zooming In

Absent:

Excused:

Also Present: Steve Dutra, Police Chief – Zooming In
Chad Heineken, Fire Chief – Absent/Excused
William Butler, Director of City Services– Zooming In
Tricia Fogarty, Chief Financial Officer – Zooming In
Aaron M. Rhoades, City Clerk/HR Manager – Zooming In

PLEDGE OF ALLEGIANCE TO THE FLAG

Clerk Rhoades asked everyone to join him in the Pledge of Allegiance.

INVOCATION

The Invocation was given by Mr. Walley.

APPROVAL OF AGENDA

Mr. McGhee moved to approve the agenda of February 1, 2021.

Seconded by Mrs. Welch

Discussion

Mr. McGhee moved to consent the following items:

New Business:

- a. Request from North Pole Police Department to Approve Statewide Drug Enforcement Agreement with Alaska State Troopers.
- b. Request from North Pole Police Department to Approve Purchase of 2 New Patrol Vehicles.

Seconded by Mrs. Welch

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO CONSENT NEW BUSINESS ITEMS A AND B:

YES: 7 – Mr. McGhee, Mr. Skipps, Mr. Claus, Mrs. Welch, Mr. Cromer, Mr. Walley, Mayor Welch

NO: 0

ABSTAIN:

Mayor Welch declared the MOTION CARRIED

On the Agenda as amended.

Discussion

None

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE THE AGENDA AS AMMENDED:

YES: 7 – Mr. McGhee, Mr. Skipps, Mr. Claus, Mrs. Welch, Mr. Cromer, Mr. Walley, Mayor Welch

NO: 0

ABSTAIN:

Mayor Welch declared the MOTION CARRIED

APPROVAL OF MINUTES

Mr. McGhee *moved to approve the Minutes of January 19, 2020.*

Seconded by Mrs. Welch

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE THE MINUTES FROM January 19, 2021 CITY COUNCIL MEETING:

YES: 7 – Mr. McGhee, Mr. Skipps, Mr. Claus, Mrs. Welch, Mr. Cromer, Mr. Walley, Mayor Welch

NO: 0

ABSTAIN:

Mayor Welch declared the MOTION CARRIED

COMMUNICATIONS FROM THE MAYOR

- Mark Romick and Dale Delfino Alaska Housing and Finance received \$200 Million to go to renter below 80% median of income of region where located.
- Unified Command State of Alaska is 3750 vaccines for Fairbanks
- House in Juneau has yet to organize. Mike Prax interested in our legislative Priorities.
- Military is allowing members of the Service to enter in restaurant and bars.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

- None

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Police Department, Chief Dutra

- Our first full month of E-cites came in with 101 citations filed – 86 completely electronic 1 manual and 14 Electronically filed but manually entered. Major hurdle and a lot of time saved.
- AML – Discussed BOD of AACOP APSC Guideline proposals.
- Attended the APOA Legislative review for new bills being introduced impacting law enforcement. Choke hold ban, Use of Force, Reporting, a lot to unpack. These are two very important reasons for us to be at the table – have big impact on LEO
- I completed 2021 SHSP grant for \$112,884 for Fire department Door access and new mobiles for NPPD.
- New laptops have arrived and beta testing for laptop #1 has begun.
- I attended the compensation committee – moving along still lots of work to do.
- ITF – worked with Mayor Bryce Ward on Resolution for funding – #2 Public Meeting scheduled tentatively March 4th – Legislative Flyer coming soon. I have been doing donating my time, city time, to do grant management on this project in order to keep project on task.
- Working on several MOU's with a variety of agencies.
- Department meeting is scheduled for next week once a year to update all on vision.
- Hiring – Oral boards TBD – currently 3 laterals working – Alison has her hands full managing applicants 58 through the New online PST testing process. Still requires a lot of emails and management.
- Stats – January

- Officer Dikeman is officially in FTO – Up to 3.5 months we will have another patrol officer on the road.

City Services, Bill Butler

Building Department

- Issued building permits for Petro Star for its kerosene/diesel production unit.
- Plan review completed for Alaska USA Federal Credit Union to move to a new location in Beaver Brook Mall
- Waiting on payment of fees to issues building permits for O’Reilly’s Auto Parts.

Public Works

- Had snowplow contractor do some plowing to address several roads that were increasingly rough and difficult to travel.
- Equipment and vehicle maintenance-preparing for spring season.
- Fish & Wildlife Service indicated it will put forward my funding request to help manage stormwater runoff on Doughchee Road.
- Fairbanks Soil and Water Conservation District has requested project concept to extend the Beaver Springs Nature trail along the slough.

Utility Department

- FNSB Rural Services has approved the City’s request to transfer two Road Service Area Permits that City held for the North Pole Water System Expansion to Rolling Stone.
 - Several service line installations lacked complete compaction data as is required in FNSB permit with City.
 - Rolling Stone will shoulder risk for any issues that develop in road excavations covered by these permits.

Moose Creek Water System Expansion Project.

- Had first substantial completion meetings today for the Water Treatment Plant, Vault and Pump House
 - Electronic control issues remain an outstanding concern for the City.
 - As of today, I am not willing to consider approving substantial completion.
 - Submission of new utility account applications from Moose Creek property owners has been low and unsatisfactory.
 - Requesting additional funding to use PDC to conduct more active measures to recruit more customer—direct calling, “door knocking” and home visits to assist property owners to submit utility account applications.

Old North Pole Library

- FNSB reached out to see if City had an interest in purchasing the Old Library Building.
- FNSB had not received any bids for the \$165,000 offer price.
- Visited the structure and it appears sound.
- Space is too large for the Utility, Public Works and Building Departments to consider buying the property.
- Since I have been with the City, different mayors, Council Members and citizens have expressed interest in a community center. This could be an option to explore this facility for this purpose.
 - Utility, Public Works and Building Departments would be interested in partnering to have a section of the building and City as a whole uses the remaining majority of the space.

Council's pleasure? Explore further?

Fire Department, Chief Heineken

None - Absent

Finance, Tricia Fogarty

- \$85000 Over in Sales Tax Tobacco and Alcohol.
- \$266,700 in total taxes over.
- Tyler Technologies is coming in for 4 days to learn our processes.

Borough Representative

- School District is now back in Session. Attendance is Voluntary.
- Superintendent Search is ongoing.
- Working on Budget and Legislative Priorities
- New Covid Risk Matrix
- A Liquor License was transferred.
- New 911 Equipment \$300,000 dollars. Collocated with State Troopers.
- Tanana Lakes Survey and Additional Grant Funding
- \$7.9 Million Dollars Solid Waste Disposal.
- Barnette Magnet School Phase 4 finishing it up.
- Property Located by Peger St. was allowed to be rezoned and can be subdivided.

City Clerk

- Working on distributing New Employment Legal Posters.
- Worked with Verizon to get the most recent problems with the Phone System Resolved.
- Met with Charles at AML and have been Working on next steps to get Online Sales Tax in place. Need to adopt by reference Alaska Remote Sellers Sales Tax Code. Need a sponsor Ordinance will be presented next meeting.
- Another Public Officials Financial Disclosure reminder. Please get this done this week.
- Previewed Tyler Technologies Personnel Management and Employee Self Service Module and what it can do for leaders and employees.
- Previewed NEO Gov Applicant Tracking System and how it works with Tyler Technologies.

ONGOING PROJECTS

- CARES Act Update – Cooling Off Period until End of Feb.
- Total Compensation Project 2nd Meeting created Short Term Objectives for the Months to come. Updating Job Descriptions and New Pay Scale priorities.
 - Mr. Claus asked to have a City Manager Job Description be created and salary created for that position.
 - Mayor Welch also indicated moving the Budget from January 1 to July 1 might coincide with the City Manager discussion.
- 250 Rapid Covid 19 Test Kits coming from State of Alaska

CITIZEN'S COMMENTS – (Limited to Five (5) minutes per Citizen)

- Amy Reed-Geiger – Explore Fairbanks

Mr. McGhee moved to Adjourn

The regular meeting of Monday, February 1, 2021 adjourned at 8:25p.m.

Michael Welch, Mayor

ATTEST:

Aaron M. Rhoades, City Clerk

**CITY OF NORTH POLE
ORDINANCE NO. 21-02**

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO
AMEND TITLE 4 REVENUE AND FINANCE OF THE CITY OF NORTH
POLE'S CODE AND ADOPT SECTION 4.08.200 – 4.08.500 THE
UNIFORM ALASKA REMOTE SELLER SALES TAX CODE**

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11 **WHEREAS**, the inability to effectively collect sales tax on sales of property, products, or services
12 transferred or delivered into Alaska is seriously eroding the sales tax base of communities, causing
13 revenue losses and imminent harm to residents through the loss of critical funding for local public
14 services and infrastructure; and

15 **WHEREAS**, the harm from the loss of revenue is especially serious in Alaska because the State has no
16 broad-based sales tax or income tax, and sales tax revenues are one of the primary sources of funding for
17 services provided by local governments; and

18 **WHEREAS**, the failure to collect sales tax on remote sales creates market distortions by creating an
19 unfair tax advantage for businesses that limit their physical presence in the taxing jurisdictions but still
20 sell goods and services to consumers, which becomes easier and more prevalent as technology advances;
21 and

22 **WHEREAS**, the failure to tax remote sales results in the creation of incentives for businesses to avoid a
23 physical presence in the state and its respective communities, resulting in fewer jobs and increasing the
24 share of taxes to those consumers who buy from competitors with a physical presence in the state and its
25 cities; and

26 **WHEREAS**, the structural advantages for remote sellers, including the absence of point-of-sale tax
27 collection, along with the general growth of online retail, make clear that erosion of the sales tax base is
28 and has been occurring; and

29 **WHEREAS**, remote sellers who make a substantial number of deliveries into or have large gross
30 revenues from Alaska benefit extensively from the Alaska market, affecting the economy as well as
31 burdening local infrastructure and services; and

32 **WHEREAS**, delivery of goods and services into local municipalities rely on and burden local
33 transportation systems, emergency and police services, waste disposal, utilities and other infrastructure
34 and services; and,

35
36 **WHEREAS**, given modern computing and software options, it is neither unusually difficult nor
37 burdensome for remote sellers to collect and remit sales taxes associated with sales into Alaska taxing
38 jurisdictions; and

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40 **WHEREAS**, due to the recent decision by the United States Supreme Court and the lack of a state sales
41 tax it is appropriate for the municipalities to collectively amend their sales tax codes to account for remote

42 sellers who do not have a physical presences either in the State of Alaska or in a specific taxing
43 jurisdiction, but do have a taxable connection with the State of Alaska or taxing jurisdiction; and
44

45 **WHEREAS**, this ordinance is not retroactive in its application; and

46
47 **WHEREAS**, this ordinance provides a safe harbor to those who transact limited sales in Alaska; and
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49 **WHEREAS**, amending local sales tax codes reflects the 2018 Supreme Courts “*Wayfair*” decision to
50 allow for the application of the taxing jurisdiction’s sales tax code requirements to sellers without a
51 physical presence in the State of Alaska or taxing jurisdiction; and
52

53 **WHEREAS**, the intents is to levy municipal sales tax to the maximum limit of federal and state
54 constitutional doctrines; and
55

56 **WHEREAS**, the City of North Pole has entered into a cooperative agreement with other local
57 governments called the Alaska Intergovernmental Remote Sellers Sales Tax Agreement (“the
58 Agreement”); and
59

60 **WHEREAS**, the terms of the Agreement require adoption of certain uniform provisions for collection
61 and remittance of municipal sales tax applicable to sales made by remote sellers similar to the Streamlined
62 Sales and Use Tax Agreement; and
63

64 **WHEREAS**, the function and powers of the Commission are set forth in the Agreement, a cooperative
65 agreement between members approved by the City of North Pole under Resolutions No. 20-08.
66

67 **4. ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the City of North Pole that the
68 General Code Title 4, entitled “Revenue and Finance”, be amended by adopting the title of Chapter 4.08
69 Sales Tax to read Chapter 4.08 Sales Tax and Uniform Alaska Remote Seller Sales Tax, and adding
70 Section 4.08.200 – 4.08.500 entitled “Uniform Alaska Remote Seller Sales Tax”, to read as follows
71 (deleted language stricken, new language underlined):
72

73 **Title 4**
74 **REVENUE AND FINANCE**

75 **Chapters:**

- 76
77 **4.03 Budget Procedures**
78 **4.04 Fiscal Year**
79 **4.05 Fiscal Notes for Ordinances and Resolutions**
80 **4.06 Finance Charges**
81 **4.08 Sales Tax and Uniform Alaska Remote Seller Sales Tax**
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86 **Chapter 4.08.200**

UNIFORM ALASKA REMOTE SELLER SALES TAX

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Sections:

- 4.08.200
- 4.08.210 Interpretation.
- 4.08.220 Title to collected sales tax.
- 4.08.230 Imposition – Rate.
- 4.08.240 Obligation to collect tax - Threshold criteria.
- 4.08.250 No retroactive application.
- 4.08.260 Payment and collection.
- 4.08.270 Remote seller and marketplace facilitator registration requirement.
- 4.08.280 Tax filing schedule.
- 4.08.290 Estimated tax.
- 4.08.300 Returns – Filing contents.
- 4.08.310 Refunds.
- 4.08.320 Amended returns.
- 4.08.330 Extension for time to file tax return.
- 4.08.340 Audits.
- 4.08.350 Audit protest.
- 4.08.360 Penalties and interest for late filing.
- 4.08.370 Repayment plans.
- 4.08.380 Remote seller or marketplace facilitator record retention.
- 4.08.390 Cessation or transfer of business.
- 4.08.400 Use of information on tax return.
- 4.08.410 Violations.
- 4.08.420 Penalties for violations.
- 4.08.430 Remote Sellers with a physical presence in the taxing jurisdiction.
- 4.08.440 Remittance of tax—Remote seller held harmless.
- 4.08.450 Definitions

116 4.08.460 Supplemental definitions.

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* * *

119 **4.08.210 Interpretation.**

120 A. In order to prevent evasion of the sales taxes and to aid in its administration, it is presumed that all
121 sales and services by a person or entity engaging in business are subject to the sales tax.

122
123 B. The application of the tax levied under this Chapter shall be broadly construed and shall favor
124 inclusion rather than exclusion.

125
126 C. Exemptions from the tax levied under this Chapter or from the taxing jurisdiction shall be narrowly
127 construed against the claimant and allowed only when such exemption clearly falls within an exemption
128 defined in this Chapter or the taxing jurisdiction's Code.

129
130 D. The scope of this Chapter shall apply to remote sellers or marketplace facilitators, delivering
131 products or services to Member municipalities adopting this Chapter, within the State of Alaska.
132

133 **4.08.220 Title to collected sales tax.**

134 Upon collection by the remote seller or marketplace facilitator, title to collected sales tax vests in the
135 Commission for remittance to the taxing jurisdiction. The remote seller or marketplace facilitator remits
136 collected sales tax to the Commission on behalf of the taxing jurisdiction, from whom that power is
137 delegated, in trust for the taxing jurisdiction and is accountable to the Commission and taxing jurisdiction.

138

139 **4.08.230 Imposition - Rate.**

140 A. To the fullest extent permitted by law, a sales tax is levied and assessed on all remote sales where
141 delivery is made within the local taxing jurisdiction(s) that is a Member, within the state of Alaska.

142
143 B. The applicable tax shall be added to the sales price.

144
145 C. The tax rate added to the sale price shall be the tax rate for the taxing jurisdiction(s) where the
146 property or product is sold or service that was rendered is received, and based on the date the property or
147 product was sold or the date the service rendered was received.

148
149 D. An Address and Tax Rate Database will be made available to remote sellers and marketplace
150 facilitators, indicating the appropriate tax rate to be applied.

151
152 E. The tax assessed shall be consistent with relevant jurisdictional tax caps, single unit sales, and
153 exemptions.
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155 F. When a sale is made on an installment basis, the applicable sales tax shall be collected at each
156 payment, calculated at the sales tax rate in effect, and with the cap applied, at the time of the original sale
157 or the date the service is rendered, based on the local jurisdictions' Code(s).

158
159 G. When a sales transaction involves placement of a single order with multiple deliveries made at
160 different points in time that are separately invoiced, the applicable sales tax shall be collected on each
161 separately invoiced delivery, calculated at the sales tax rate in effect, and with the cap applied, at the time
162 of the original sale or the date the service is rendered.

163
164 **4.08.240 Obligation to collect tax - Threshold criteria.**

165 A. Any remote seller or marketplace facilitator must collect and remit sales tax in compliance with all
166 applicable procedures and requirements of law, provided the remote seller or marketplace facilitator has
167 met one of the following Threshold Criteria ("Threshold Criteria") in the previous calendar year:

168
169 1. The remote seller's statewide gross sales, including the seller's marketplace facilitator's
170 statewide gross sales, from the sale(s) of property, products or services delivered into the state meets
171 or exceeds one hundred thousand dollars (\$100,000); or

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173 2. The remote seller, including the seller's marketplace facilitator, sold property, products, or
174 services delivered into the state in two hundred (200) or more separate transactions.

175
176 B. For purposes of determining whether the Threshold Criteria are met, remote sellers or marketplace
177 facilitators shall include all gross sales, from all sales of goods, property, products, or services rendered
178 within the state of Alaska.

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180 **4.08.250 No retroactive application.**

181 The obligations to collect and remit sales tax required by this Chapter are applicable at the effective date
182 of the ordinance adopting the Alaska Remote Seller Sales Tax Code.

183
184 **4.08.260 Payment and collection.**

185 Pursuant to this Chapter, taxes imposed shall be due and paid by the buyer to the remote seller or
186 marketplace facilitator at the time of the sale of property or product or date service is rendered, or with
187 respect to credit transactions, at the time of collection. It shall be the duty of each remote seller or
188 marketplace facilitator to collect the taxes from the buyer and to hold those taxes in trust for the taxing
189 authority of the taxing jurisdiction. Failure by the remote seller or marketplace facilitator to collect the
190 tax shall not affect the remote seller's, or marketplace facilitator's, responsibility for payment to the
191 Commission.

192
193 **4.08.270 Remote seller and marketplace facilitator registration requirement.**

194 A. If a remote seller's gross statewide sales within the last calendar year meets or exceeds the
195 Threshold Criteria, the remote seller shall register with the Commission. If a marketplace facilitator's
196 gross statewide sales within the last calendar year meets or exceeds the Threshold Criteria, the
197 marketplace facilitator shall register with the Commission.

198
199 B. A remote seller or marketplace facilitator meeting the Threshold Criteria shall apply for a certificate
200 of sales tax registration within thirty (30) calendar days of the effective date of this Chapter or within
201 thirty (30) calendar days of meeting the Threshold Criteria, whichever occurs second. Registration shall
202 be to the Commission on forms prescribed by the Commission.

203
204 C. An extension may be applied for and granted based on criteria established by the Commission,
205 based on evidence produced to describe time necessary to update software or other technical needs, not to
206 exceed ninety (90) days.

207
208 D. Upon receipt of a properly executed application, the Commission shall confirm registration, stating
209 the legal name of the remote seller or marketplace facilitator, the primary address, and the primary sales
210 tax contact name and corresponding title. The failure of the Commission to confirm registration does not
211 relieve the remote seller or marketplace facilitator of its duty to collect and remit sales tax.

212
213 E. Each business entity shall have a sales tax registration under the advertised name.

214
215 F. The sales tax certificate is non-assignable and non-transferable.
216

217 **4.08.280 Tax filing schedule.**

218 A. All remote sellers or marketplace facilitators subject to this Chapter shall file a return on a form or
219 in a format prescribed by the Commission and shall pay the tax due.

220
221 B. Filing of sales tax returns are due monthly; quarterly filing is optional upon application and approval
222 by the Commission, consistent with the code of the local jurisdiction.

223
224 C. A remote seller or marketplace facilitator who has filed a sales tax return will be presumed to be
225 making sales in successive periods unless the remote seller or marketplace facilitator files a return
226 showing a termination or sale of the business in accordance with this Chapter.

227
228 D. The completed and executed return, together with the remittance in full for the tax due, shall be
229 transmitted to and must be received by the Commission on or before midnight Alaska Standard Time on
230 the due date. Monthly returns are due the last day of the immediate subsequent month. Quarterly returns
231 are due as follows:

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Quarter 1 (January – March)	April 30
Quarter 2 (April – June)	July 31
Quarter 3 (July – September)	October 31
Quarter 4 (October – December)	January 31

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

F. Any remote seller or marketplace facilitator holding a remote seller registration shall file a sales tax return even though no tax may be due. This return shall show why no tax is due. If the remote seller or marketplace facilitator intends to continue doing business a return shall be filed reflecting no sales and a confirmation of the intent to continue doing business and shall continue to do so each filing period until the entity ceases doing business or sells the business. If the remote seller or marketplace facilitator intends to cease doing business, a final return shall be filed along with a statement of business closure.

G. The remote seller or marketplace facilitator shall prepare the return and remit sales tax to the Commission on the same basis, cash or accrual, which the remote seller or marketplace facilitator uses in preparing its federal income tax return. The remote seller or marketplace facilitator shall sign the return, and transmit the return, with the amount of sales tax and any applicable penalty, interest, or fees that it shows to be due, to the Commission.

H. Remote sellers and marketplace facilitators failing to comply with the provisions of this Chapter shall, if required by the Commission and if quarterly filing has been chosen, file and transmit collected sales taxes more frequently until such time as they have demonstrated to the Commission that they are or will be able to comply with the provisions of this Chapter. Six (6) consecutive on-time sales tax filings, with full remittance of the sales taxes collected, shall establish the presumption of compliance and return to quarterly filing.

I. The preparer of the sales tax return shall keep and maintain all documentation supporting any and all claims of exempted sales and purchases. Documentation for exempted sales should include the number of the 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 tax exempted. This documentation shall be made available to the Commission upon request. Failure to provide such documentation may invalidate that portion of the claim of exemption for which no documentation is provided.

4.08.290 Estimated tax.

A. In the event the Commission is unable to ascertain the tax due from a remote seller or marketplace facilitator by reason of the failure of the remote seller or marketplace facilitator to keep accurate books, allow inspection, or file a return, or by reason of the remote seller or marketplace facilitator filing a false or inaccurate return, the Commission 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 Commission has reasonable cause to believe that any information on a sales tax return is not accurate.

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C. A remote seller’s or marketplace facilitator’s tax liability under this Chapter may be determined and assessed for a period of six (6) years after the date the return was filed or due to be filed with the Commission. No civil action for the collection of such tax may be commenced after the expiration of the six-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 six-year period, unless the remote seller or marketplace facilitator waives the protection of this section.

D. The Commission shall notify the remote seller or marketplace facilitator, in writing, that the Commission has estimated the amount of sales tax that is due from the remote seller or marketplace facilitator. The Commission shall serve the notice on the remote seller or marketplace facilitator by delivering the notice to the remote seller’s or marketplace facilitator’s place of business, or by mailing the notice by certified mail, return receipt requested, to the remote seller’s or marketplace facilitator’s last known mailing address. A remote seller or marketplace facilitator who refuses the certified mail will be considered to have accepted the certified mail for purposes of service.

E. The Commission’s estimate of the amount of sales tax that is due from a remote seller or marketplace facilitator shall become a final determination of the amount that is due unless the remote seller or marketplace facilitator, within thirty (30) 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 Commission appealing the estimated tax amount in accordance with the appeal procedures.

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:

- a. The identity of the remote seller or marketplace facilitator is in error;
- b. 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
- c. The remote seller or marketplace facilitator 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 from the date that the sales tax originally was due, plus an additional civil penalty of fifty dollars (\$50) for each calendar month or partial month for which the amount of sales tax that is due has been determined.

324 **4.08.300 Returns - Filing contents.**

325 A. Every remote seller or marketplace facilitator required by this Chapter to collect sales tax shall file
326 with the Commission upon forms furnished by the Commission a return setting forth the following
327 information with totals rounded to the nearest dollar:

328
329 1. Gross sales;

330
331 2. The nontaxable portions separately stating the amount of sales revenue attributable to each class
332 of exemption;

333
334 3. Computation of taxes to be remitted;

335
336 4. Calculated discount (if applicable) based on taxing jurisdiction's code; and

337
338 5. Such other information as may be required by the Commission.

339
340 B. Each tax return remitted by a remote seller or marketplace facilitator shall be signed (digital or
341 otherwise) by a responsible individual who shall attest to the completeness and accuracy of the
342 information on the tax return.

343
344 C. The Commission reserves the right to reject a filed return for failure to comply with the
345 requirements of this Code for up to three (3) months from the date of filing. The Commission shall give
346 written notice to a remote seller or marketplace facilitator that a return has been rejected, including the
347 reason for the rejection.

348
349 **4.08.310 Refunds.**

350 A. Upon request from a buyer or remote seller or marketplace facilitator, the Commission shall provide
351 a determination of correct tax rate and amount applicable to the transaction. In the case of an overpayment
352 of taxes, the remote seller or marketplace facilitator shall process the refund and amend any returns
353 accordingly.

354
355 B. If the claimant is a remote seller or marketplace facilitator, and the tax refund is owed to any buyer,
356 the remote seller or marketplace facilitator submits, and the Commission approves, a refund plan to all
357 affected buyers.

358
359 C. The Taxing Jurisdictions may allow a buyer to request a refund directly from the Taxing
360 Jurisdiction.

361

362 **4.08.320 Amended returns.**

363 A. A remote seller or marketplace facilitator may file an amended sales tax return, with supporting
364 documentation, and the Commission may accept the amended return, but only in the following
365 circumstances:

366 1. The amended return is filed within one (1) year of the original due date for the return; and

367 2. The remote seller or marketplace facilitator provides a written justification for requesting
368 approval of the amended return; and

369 3. The remote seller or marketplace facilitator agrees to submit to an audit upon request of the
370 Commission.

371
372 B. The Commission shall notify the remote seller or marketplace facilitator in writing (by email or
373 otherwise) whether the Commission accepts or rejects an amended return, including the reasons for any
374 rejection.

375 C. The Commission may adjust a return for a remote seller or marketplace facilitator if, after
376 investigation, the Commission determines the figure included in the original returns are incorrect; and the
377 Commission adjusts the return within two (2) years of the original due date for the return.

378
379 D. A remote seller or marketplace facilitator may file a supplemental sales tax return, with supporting
380 documentation, and the Commission may accept the supplemental return, but only in the following
381 circumstances:

382
383 1. The remote seller or marketplace facilitator provides a written justification for requesting
384 approval of the supplemental return; and

385
386
387 2. The remote seller or marketplace facilitator agrees to submit to an audit upon request of the
388 Commission.

389
390
391
392
393 **4.08.330 Extension of time to file tax return.**

394 Upon written application of a remote seller or marketplace facilitator, stating the reasons therefor, the
395 Commission may extend the time to file a sales tax return but only if the Commission finds each of the
396 following:

397
398 1. For reasons beyond the remote seller's or marketplace facilitator's control, the remote seller or
399 marketplace facilitator has been unable to maintain in a current condition the books and records

400 that contain the information required to complete the return;

401
402 2. Such extension is a dire necessity for bookkeeping reasons and would avert undue hardship
403 upon the remote seller or marketplace facilitator;

404
405 3. The remote seller or marketplace facilitator has a plan to cure the problem that caused the
406 remote seller or marketplace facilitator to apply for an extension and the remote seller or
407 marketplace facilitator agrees to proceed with diligence to cure the problem;

408
409 4. At the time of the application, the remote seller or marketplace facilitator is not delinquent in
410 filing any other sales tax return, in remitting sales tax to the Commission or otherwise in violation
411 of this chapter;

412
413 5. No such extension shall be made retroactively to cover existing delinquencies.

414
415 **4.08.340 Audits.**

416 A. Any remote seller or marketplace facilitator who has registered with the Commission, who is
417 required to collect and remit sales tax, or who is required to submit a sales tax return is subject to a
418 discretionary sales tax audit at any time. The purpose of such an audit is to examine the business records
419 of the remote seller or marketplace facilitator in order to determine whether appropriate amounts of sales
420 tax revenue have been collected by the remote seller or marketplace facilitator and remitted to the
421 Commission.

422
423 B. The Commission is not bound to accept a sales tax return as correct. The Commission may make an
424 independent investigation of all retail sales or transactions conducted within the State or taxing
425 jurisdiction.

426
427 C. The records that a remote seller or marketplace facilitator is required to maintain under this chapter
428 shall be subject to inspection and copying by authorized employees or agents of the Commission for the
429 purpose of auditing any return filed under this Chapter, or to determine the remote seller's or marketplace
430 facilitator's liability for sales tax where no return has been filed.

431
432 D. In addition to the information required on returns, the Commission may request, and the remote
433 seller or marketplace facilitator must furnish, any reasonable information deemed necessary for a correct
434 computation of the tax.

435
436 E. The Commission may adjust a return for a remote seller or marketplace facilitator if, after
437 investigation or audit, the Commission determines that the figures included in the original return are
438 incorrect, and that additional sales taxes are due; and the Commission adjusts the return within two (2)

439 years of the original due date for the return.

440

441 F. For the purpose of ascertaining the correctness of a return or the amount of taxes owed when a
442 return has not been filed, the Commission may conduct investigations, hearings, and audits, and may
443 examine any relevant books, papers, statements, memoranda, records, accounts, or other writings of any
444 remote seller or marketplace facilitator at any reasonable hour on the premises of the remote seller or
445 marketplace facilitator, and may require the attendance of any officer or employee of the remote seller or
446 marketplace facilitator. Upon written demand by the Commission, the remote seller or marketplace
447 facilitator shall present for examination, in the office of the Commission, such books, papers, statements,
448 memoranda, records, accounts, and other written material as may be set out in the demand unless the
449 Commission and the person upon whom the demand is made agree to presentation of such materials at a
450 different place.

451

452 G. The Commission may issue subpoenas to compel attendance or to require production of relevant
453 books, papers, records, or memoranda. If any remote seller or marketplace facilitator refuses to obey any
454 such subpoena, the Commissioner may refer the matter to the Commission's attorney for an application to
455 the superior court for an order requiring the remote seller or marketplace facilitator to comply therewith.

456

457 H. Any remote seller, marketplace facilitator, or person engaged in business who is unable or unwilling
458 to submit their records to the Commission shall be required to pay the Commission for all necessary
459 expenses incurred for the examination and inspection of their records maintained outside the Commission.

460

461 I. After the completion of a sales tax audit, the results of the audit will be sent to the business owner's
462 address of record.

463

464 J. In the event the Commission, upon completion of an audit, discovers more than five hundred dollars
465 (\$500) in additional sales tax due from a remote seller or marketplace facilitator resulting from a remote
466 seller's or marketplace facilitator's failure to accurately report sales and taxes due thereupon, the remote
467 seller or marketplace facilitator shall bear responsibility for the full cost of the audit. The audit fee
468 assessment will be in addition to interest and penalties applicable to amounts deemed to be delinquent by
469 the Commission at the time of the conclusion of the audit.

470

471 **4.08.350 Audit protest.**

472 A. If the remote seller or marketplace facilitator wishes to dispute the amount of the estimate, or the
473 results of an examination or audit, the remote seller or marketplace facilitator must file a written protest
474 with the Commission, within thirty (30) calendar days of the date of the notice of estimated tax or results
475 of an audit or examination. The protest must set forth:

476

477 1. The remote seller's or marketplace facilitator's justification for reducing or increasing the
478 estimated tax amount, including any missing sales tax returns for the periods estimated; or

479

480 2. The remote seller's or marketplace facilitator's reasons for challenging the examination or
481 audit results.

482

483 B. In processing the protest, the Commission may hold an informal meeting or hearing with the remote
484 seller or marketplace facilitator, either on its own or upon request of the remote seller or marketplace
485 facilitator, and may also require that the remote seller or marketplace facilitator submit to an audit, if one
486 was not previously conducted or a more formal audit, if an estimation audit was previously performed.

487

488 C. The Commission shall make a final written determination on the remote seller's or marketplace
489 facilitator's protest and mail a copy of the determination to the remote seller or marketplace facilitator.

490

491 D. If a written protest is not filed within thirty (30) days of the date of the notice of estimated tax or the
492 result of a review, audit, or examination, then the estimated tax, review, audit, or examination result shall
493 be final, due and payable to the Commission.

494

495 **4.08.360 Penalties and interest for late filing.**

496 A. A late filing fee of twenty-five dollars (\$25) per month (or quarter) shall be added to all late-filed
497 sales tax reports in addition to interest and penalties.

498

499 B. Delinquent sales tax bear interest at the rate of fifteen percent (15%) per annum until paid.

500

501 C. In addition, delinquent sales tax shall be subject to an additional penalty of five percent (5%) per
502 month, or fraction thereof, until a total of twenty percent (20%) of delinquent tax has been reached. The
503 penalty does not bear interest.

504

505 D. Penalties and interest shall be assessed and collected in the same manner as the tax is assessed and
506 collected, and applied first to penalties and interest, second to past due sales tax.

507

508 E. The filing of an incomplete return, or the failure to remit all tax, shall be treated as the filing of no
509 return.

510

511 F. A penalty assessed under this section for the delinquent remittance of sales tax or failure to file a
512 sales tax return may be waived by the Commission, upon written application of the remote seller or
513 marketplace facilitator accompanied by a payment of all delinquent sales tax, interest, and penalty
514 otherwise owed by the remote seller or marketplace facilitator, within forty-five (45) calendar days after
515 the date of delinquency. A remote seller or marketplace facilitator may not be granted more than one (1)
516 waiver of penalty under this subsection in any one calendar year. The Commission shall report such
517 waivers of penalty to the taxing jurisdiction, in writing.

518

519 **4.08.370 Repayment plans.**

520 A. The Commission may agree to enter into a repayment plan with a delinquent remote seller or
521 marketplace facilitator. No repayment plan shall be valid unless agreed to by both parties in writing.

522

523 B. A remote seller or marketplace facilitator shall not be eligible to enter into a repayment plan with the
524 Commission if the remote seller or marketplace facilitator has defaulted on a repayment plan in the
525 previous two (2) calendar years.

526

527 C. The repayment plan shall include a secured promissory note that substantially complies with the
528 following terms:

529

530 1. The remote seller or marketplace facilitator agrees to pay a minimum of ten percent (10%)
531 down payment on the tax, interest, and penalty amount due. The down payment shall be applied
532 first to penalty, then to accumulated interest, and then to the tax owed.

533

534 2. The remote seller or marketplace facilitator agrees to pay the balance of the tax, penalty and
535 interest owed in monthly installments over a period not to exceed two (2) years.

536

537 3. Interest at a rate of fifteen percent (15%) per annum shall accrue on the principal sum due.
538 Interest shall not apply to penalties owed or to interest accrued at the time the repayment plan is
539 executed or accruing during the term of the repayment plan.

540

541 4. If the remote seller or marketplace facilitator is a corporation or a limited liability entity the
542 remote seller or marketplace facilitator agrees to provide a personal guarantee of the obligations
543 under the repayment plan.

544

545 5. The remote seller or marketplace facilitator agrees to pay all future tax bills in accordance with
546 the provisions of this Chapter.

547

548 6. The remote seller or marketplace facilitator agrees to provide a security interest in the form of a
549 sales tax lien for the entire unpaid balance of the promissory note to be recorded by the
550 Commission at the time the repayment plan is signed. The remote seller or marketplace facilitator
551 shall be responsible for the cost of recording the tax lien.

552

553 D. If a remote seller or marketplace facilitator fails to pay two (2) or more payments as required by the
554 repayment plan agreement, the remote seller or marketplace facilitator shall be in default and the entire
555 amount owed at the time of default shall become immediately due. The Commission will send the remote
556 seller or marketplace facilitator a notice of default. The Commission may immediately foreclose on the
557 sales tax lien or take any other remedy available under the law.

558

559

560

561 **4.08.380 Remote seller or marketplace facilitator record retention.**

562 Remote sellers or marketplace facilitators shall keep and preserve suitable records of all sales made and
563 such other books or accounts as may be necessary to determine the amount of tax that the remote seller or
564 marketplace facilitator is obliged to collect. Remote sellers or marketplace facilitators shall preserve
565 suitable records of sales for a period of six (6) years from the date of the return reporting such sales, and
566 shall preserve for a period of six (6) years all invoices of goods and merchandise purchased for resale, and
567 all such other books, invoices, and records as may be necessary to accurately determine the amount of
568 taxes which the remote seller or marketplace facilitator was obliged to collect under this Chapter.

569

570 **4.08.390 Cessation or transfer of business.**

571 A. A remote seller or marketplace facilitator who sells, leases, conveys, forfeits, transfers, or assigns
572 the majority of their business interest, including a creditor or secured party, shall make a final sales tax
573 return within thirty (30) days after the date of such conveyance.

574

575 B. At least ten (10) business days before any such sale is completed, the remote seller or marketplace
576 facilitator shall send to the Commission, by approved communication (email confirmation, certified first-
577 class mail, postage prepaid) a notice that the remote seller's or marketplace facilitator's interest is to be
578 conveyed and shall include the name, address, and telephone number of the person or entity to whom the
579 interest is to be conveyed.

580

581 C. Upon notice of sale and disclosure of buyer, the Commission shall be authorized to disclose the
582 status of the remote seller's or marketplace facilitator's sales tax account to the named buyer or assignee.

583

584 D. Upon receipt of notice of a sale or transfer, the Commission shall send the transferee a copy of the
585 Alaska Remote Seller Sales Tax Code with this section highlighted.

586

587 E. Neither the Commission's failure to give the notice nor the transferee's failure to receive the notice
588 shall relieve the transferee of any obligations under this section.

589

590 F. Following receipt of the notice, the Commission shall have sixty (60) days in which to perform a
591 final sales tax audit and assess sales tax liability against the seller of the business. If the notice is not
592 mailed at least ten (10) business days before the sale is completed, the Commission shall have twelve (12)
593 months from the date of the completion of the sale or the Commission's knowledge of the completion of
594 the sale within which to begin a final sales tax audit and assess sales tax liability against the seller of the
595 business. The Commission may also initiate an estimated assessment if the requirements for such an
596 assessment exist.

597

598 G. A person acquiring any interest of a remote seller or marketplace facilitator in a business required to
599 collect the tax under this Chapter assumes the liability of the remote seller or marketplace facilitator for
600 all taxes due the Commission, whether current or delinquent, whether known to the Commission or

601 discovered later, and for all interest, penalties, costs, and charges on such taxes.

602

603 H. Before the effective date of the transfer, the transferee of a business shall obtain from the
604 Commission an estimate of the delinquent sales tax, penalty, and interest, if any, owed by the remote
605 seller or marketplace facilitator as of the date of the transfer, and shall withhold that amount from the
606 consideration payable for the transfer, until the remote seller or marketplace facilitator has produced a
607 receipt from the Commission showing that all tax obligations imposed by this Chapter have been paid. A
608 transferee that fails to withhold the amount required under this subsection shall be liable to the
609 Commission and taxing jurisdiction for the lesser of the amount of delinquent sales tax, penalty, and
610 interest due from the remote seller or marketplace facilitator as of the date of transfer, and the amount that
611 the transferee was required to withhold.

612

613 I. In this section, the term “transfer” includes the following:

614

615 1. A change in voting control, or in more than fifty percent (50%) of the ownership interest in a
616 remote seller or marketplace facilitator that is a corporation, limited liability company, or
617 partnership; or

618

619 2. A sale of all or substantially all the assets used in the business of the remote seller or
620 marketplace facilitator; or

621

622 3. The initiation of a lease, management agreement, or other arrangement under which another
623 person becomes entitled to the remote seller’s or marketplace facilitator’s gross receipts from sales,
624 rentals, or services.

625

626 J. Subsection H of this section shall not apply to any person who acquires their ownership interest in
627 the ongoing business as a result of the foreclosure of a lien that has priority over the Commission’s sales
628 tax lien.

629

630 K. Upon termination, dissolution, or abandonment of a corporate business, any officer having control
631 or supervision of sales tax funds collected, or who is charged with responsibility for the filing of returns
632 or the payment of sales tax funds collected, shall be personally liable for any unpaid taxes, interest,
633 administrative costs, and penalties on those taxes if such officer willfully fails to pay or cause to be paid
634 any taxes due from the corporation. In addition, regardless of willfulness, each director of the corporation
635 shall be jointly and severally liable for unpaid amounts. The officer shall be liable only for taxes collected
636 which became due during the period he or she had the control, supervision, responsibility, or duty to act
637 for the corporation. This section does not relieve the corporation of other tax liabilities or otherwise
638 impair other tax collection remedies afforded by law.

639

640 L. A remote seller or marketplace facilitator who terminates the business without the benefit of a
641 purchaser, successor, or assign shall make a final tax return and settlement of tax obligations within thirty
642 (30) days after such termination. If a final return and settlement are not received within thirty (30) days of
643 the termination, the remote seller or marketplace facilitator shall pay a penalty of one hundred dollars

644 (\$100), plus an additional penalty of twenty-five dollars (\$25) for each additional thirty-day period, or
645 part of such a period, during which the final return and settlement have not been made, for a maximum of
646 six (6) additional periods.

647

648 **4.08.400 Use of information on tax returns.**

649 A. Except as otherwise provided in this Chapter, all returns, reports, and information required to be filed
650 with the Commission under this Chapter, and all information contained therein, shall be kept confidential
651 and shall be subject to inspection only by:

652

653 1. Employees and agents of the Commission and taxing jurisdiction whose job responsibilities are
654 directly related to such returns, reports, and information;

655

656 2. The person supplying such returns, reports, and information; and

657

658 3. Persons authorized in writing by the person supplying such returns, reports, and information.

659

660 B. The Commission will release information described in subsection (a) of this section pursuant to
661 subpoena, order of a court or administrative agency of competent jurisdiction, and where otherwise
662 required by law to do so.

663

664 C. Notwithstanding subsection A of this section, the following information is available for public
665 inspection:

666

667 1. The name and address of sellers;

668

669 2. Whether a business is registered to collect taxes under this Chapter;

670

671 3. The name and address of businesses that are sixty (60) days or more delinquent in filing returns
672 or in remitting sales tax, or both filing returns and remitting sales tax, and if so delinquent, the
673 amount of estimated sales tax due and the number of returns not filed.

674

675 D. The Commission may provide the public statistical information related to sales tax collections,
676 provided that no information identifiable to a particular remote seller or marketplace facilitator is
677 disclosed.

678

679 E. Nothing contained in this section shall be construed to prohibit the delivery to a person, or their duly
680 authorized representative, of a copy of any return or report filed by them, nor to prohibit the publication of
681 statistics so classified as to prevent the identification of particular buyers, remote sellers, or marketplace
682 facilitators, nor to prohibit the furnishing of information on a reciprocal basis to other agencies or political
683 subdivisions of the state or the United States concerned with the enforcement of tax laws.

684

685 F. Nothing contained in this section shall be construed to prohibit the disclosure through enforcement

686 action proceedings or by public inspection or publication of the name, estimated balance due, and current
687 status of payments, and filings of any remote seller or marketplace facilitator or agent of any remote seller
688 or marketplace facilitator required to collect sales taxes or file returns under this Chapter, who fails to file
689 any return and/or remit in full all sales taxes due within thirty (30) days after the required date for that
690 business. Entry into any agreement whether pursuant to the provisions of this Chapter or otherwise shall
691 not act as any prohibition to disclosure of the records of that remote seller or marketplace facilitator as
692 otherwise provided in this chapter.

693

694 G. A prospective lessee or purchaser of any business or business interest may inquire as to the
695 obligation or tax status of any business upon presenting to the Commission a release of tax information
696 request signed by the authorized agent of the business.

697

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

700

701 **4.08.410 Violations.**

702 A. A remote seller or marketplace facilitator that fails to file a sales tax return or remit sales tax when
703 due, in addition to any other liability imposed by this Chapter, shall pay to the Commission all costs
704 incurred by the Commission to determine the amount of the remote seller's or marketplace facilitator's
705 liability or to collect the sales tax, including, without limitation, reviewing and auditing the remote
706 seller's or marketplace facilitator's business records, collection agency fees, and actual reasonable
707 attorney's fees.

708

709 B. A person who causes or permits a corporation of which the person is an officer or director, a limited
710 liability company of which the person is a member or manager, or a partnership of which the person is a
711 partner, to fail to collect sales tax or to remit sales tax to the Commission as required by this Chapter shall
712 be liable to the Commission for the amount that should have been collected or remitted, plus any
713 applicable interest and penalty.

714

715 C. Notwithstanding any other provision of law, and whether or not the Commission initiates an audit or
716 other tax collection procedure, the Commission may bring a declaratory judgment action against a remote
717 seller or marketplace facilitator believed to meet the criteria to establish that the obligation to remit sales
718 tax is applicable and valid under local, state, and federal law. The action shall be brought in the judicial
719 district of the taxing jurisdiction.

720

721 D. The Commission may cause a sales tax lien to be filed and recorded against all real and personal
722 property of a remote seller or marketplace facilitator where the remote seller or marketplace facilitator
723 has:

724

725 1. Failed to file sales tax returns for two (2) consecutive filing periods as required by the Chapter;
726 or

727

728 2. Failed within sixty (60) days of the end of the filing period from which taxes were due to

729 either (a) remit all amounts due or (b) to enter into a secured payment agreement as provided in
730 this Chapter.

731

732 3. Prior to filing a sales tax lien, the Commission shall cause a written notice of intent to file to
733 be mailed to the last known address of the delinquent remote seller or marketplace facilitator.

734

735 E. In addition to other remedies discussed in this Chapter, the Commission may bring a civil action to:

736

737 1. Enjoin a violation of this Chapter. On application for injunctive relief and a finding of a violation
738 or threatened violation, the superior court shall enjoin the violation.

739

740 2. Collect delinquent sales tax, penalty, interest and costs of collection, either before or after
741 estimating the amount of sales tax due.

742

743 3. Foreclose a recorded sales tax lien as provided by law.

744

745 F. All remedies hereunder are cumulative and are in addition to those existing at law or equity.

746

747 **4.08.420 Penalties for violations.**

748 A. A buyer, remote seller, or marketplace facilitator who knowingly or negligently submits false
749 information in a document filed with the Commission pursuant to this Chapter is subject to a penalty of five
750 hundred dollars (\$500).

751

752 B. A remote seller or marketplace facilitator who knowingly or negligently falsifies or conceals
753 information related to its business activities with the Commission or taxing jurisdiction is subject to a
754 penalty of five hundred dollars (\$500).

755

756 C. A person who knowingly or negligently provides false information when applying for a certificate
757 of exemption is subject to a penalty of five hundred dollars (\$500).

758

759 D. Any remote seller or marketplace facilitator who fails to file a return required under this Chapter by
760 the due date, regardless of whether any taxes were due for the reporting period for which the return was
761 required, shall be subject to a penalty of twenty-five dollars (\$25) for the first sales tax return not timely
762 filed. The filing of an incomplete return shall be treated as the filing of no return.

763

764 E. A remote seller or marketplace facilitator who fails or refuses to produce requested records or to
765 allow inspection of their books and records shall pay to the Commission a penalty equal to three (3) times
766 any deficiency found or estimated by the Commission with a minimum penalty of five hundred dollars
767 (\$500).

768

769 F. A remote seller or marketplace facilitator who falsifies or misrepresents any record filed with the
770 Commission is guilty of an infraction and subject to a penalty of five hundred dollars (\$500) per record.
771

772 G. Misuse of an exemption card is a violation and subject to a penalty of fifty dollars (\$50) per incident
773 of misuse.
774

775 H. Nothing in this Chapter shall be construed as preventing the Commission from filing and
776 maintaining an action at law to recover any taxes, penalties, interest and/or fees due from a remote seller
777 or marketplace facilitator. The Commission may also recover attorney's fees in any action against a
778 delinquent remote seller or marketplace facilitator.
779

780 **4.08.430 Remote sellers with a physical presence in the taxing jurisdiction.**

781 A. Sellers with a physical presence in a Taxing Jurisdiction and no remote or internet-based sales shall
782 report, remit, and comply with standards, including audit authority, of the Taxing Jurisdiction.
783

784 B. Sellers with a physical presence in a Taxing Jurisdiction that also have remote or internet-based
785 sales where the Point of Delivery is in a different Taxing Jurisdictions shall (i) report and remit the remote
786 or internet sales to the Commission; and ii) report and remit the in-store sales to the Taxing Jurisdiction.
787

788 C. Sellers with a physical presence in a Taxing Jurisdiction that also have remote or internet-based
789 sales where the Point of Delivery is in the same Taxing Jurisdictions shall report and remit those remote
790 sales to the Taxing Jurisdiction.
791

792 D. Remote sellers and marketplace facilitators that do not have a physical presence in a Taxing
793 Jurisdiction must report and remit all remote sales to the Commission.
794

795 E. For all purchases the tax rate added to the sale price shall be as provided in the Taxing Jurisdiction's
796 sales tax code, based on the point of delivery.
797

798 F. A marketplace facilitator is considered the remote seller for each sale facilitated through its
799 marketplace and shall collect, report, and remit sales tax to the Commission. A marketplace facilitator is
800 not considered to be the remote seller for each sale or rental of lodging facilitated through its marketplace,
801 wherein the seller is considered to have a physical presence in the Taxing Jurisdiction.
802

803 **4.08.440 Remittance of tax - remote seller held harmless.**

804 A. Any remote seller or marketplace facilitator that collects and remits sales tax to the Commission as
805 provided by law may use an electronic database of state addresses that is certified by the Commission
806 pursuant to subsection C of this section to determine the jurisdictions to which tax is owed.
807

808 B. Any remote seller or marketplace facilitator that uses the data contained in an electronic database
809 certified by the Commission pursuant to subsection C of this section to determine the jurisdictions to

810 which tax is owed shall be held harmless for any tax, charge, or fee liability to any taxing jurisdiction that
811 otherwise would be due solely as a result of an error or omission in the database.

812

813 C. Any electronic database provider may apply to the Commission to be certified for use by remote
814 sellers or marketplace facilitators pursuant to this section. Such certification shall be valid for three years.
815 In order to be certified, an electronic database provider shall have a database that satisfies the following
816 criteria:

817

818 1. The database shall designate each address in the state, including, to the extent practicable, any
819 multiple postal address applicable to one location and the taxing jurisdictions that have the authority
820 to impose a tax on purchases made by purchasers at each address in the state.

821

822 2. The information contained in the electronic database shall be updated as necessary and
823 maintained in an accurate condition. In order to keep the database accurate, the database provider
824 shall provide a convenient method for taxing jurisdictions that may be affected by the use of the
825 database to inform the provider of apparent errors in the database. The provider shall have a process
826 in place to promptly correct any errors brought to the provider's attention.

827

828 **4.08.450 Definitions.**

829 Adoption of definitions does not compel an individual municipality to exempt certain defined items. Each
830 municipality should specifically adopt definitions necessary for consistency to implement both brick-and-
831 mortar sales tax code and provisions related to remote sellers or marketplace facilitators. For definitions
832 that have no applicability to brick-and-mortar sales tax code, municipality may choose to either include
833 definitions in the definitional section of general sales tax ordinance or adopt the common definitions by
834 reference.

835

836 A. “Buyer or purchaser” means a person to whom a sale of property or product is made or to whom a
837 service is furnished.

838

839 B. “Commission” means the Alaska Intergovernmental Remote Sales Tax Commission established by
840 Agreement between local government taxing jurisdictions within Alaska, and the delegated tax collection
841 authority.

842

843 C. “Delivered electronically” means delivered to the purchaser by means other than tangible storage
844 media.

845

846 D. “Entity-based exemption” means an exemption based on who purchases the product or who sells the
847 product. An exemption that is available to all individuals shall not be considered an entity-based
848 exemption.

849

850 E. “Goods for resale” means:

851

852 1. The sale of goods by a manufacturer, wholesaler, or distributor to a retail vendor, and sales to a
853 wholesale or retail dealer who deals in the property sold for the purpose of resale by the dealer.

854

855 2. The sale of personal property as raw material to a person engaged in manufacturing
856 components for sale, where the property sold is consumed in the manufacturing process of, or
857 becomes an ingredient or component part of, a product manufactured for sale by the manufacturer.

858

859 3. The sale of personal property as construction material to a licensed building contractor where the
860 property sold becomes part of the permanent structure.

861

862 F. “Marketplace facilitator” means a person that contracts with remote sellers to facilitate for
863 consideration, regardless of whether deducted as fees from the transaction, the sale of the remote seller’s
864 property or services through a physical or electronic marketplace operated by the person, and engages:

865

866 1. Directly or indirectly, through one or more affiliated persons, in any of the following:

867

868 a. Transmitting or otherwise communicating the offer or acceptance between the buyer and
869 remote seller;

870

871 b. Owning or operating the infrastructure, electronic or physical, or technology that brings
872 buyers and remote sellers together;

873

874 c. Providing a virtual currency that buyers are allowed or required to use to purchase products
875 from the remote seller; or

876

877 d. Software development or research and development activities related to any of the activities
878 described in 2 of this subsection c, if such activities are directly related to a physical or
879 electronic marketplace operated by the person or an affiliated person; and

880

881 2. In any of the following activities with respect to the seller's products:

882

883 a. Payment processing services;

884

885 b. Fulfillment or storage services;

886

887 c. Listing products for sale;

888

889 d. Setting prices;

890

891 e. Branding sales as those of the marketplace facilitator;

892

893 f. Order taking;

894

895 g. Advertising or promotion; or

896

897 h. Providing customer service or accepting or assisting with returns or exchanges.

898

899 G. "Member" means a taxing jurisdiction that is a signatory of the Alaska Remote Sales Tax
900 Intergovernmental Agreement, thereby members of the Commission, and who have adopted the

901 Alaska Remote Seller Sales Tax Code.

902

903 H. "Monthly" means occurring once per calendar month.

904

905 I. "Nonprofit organization" means a business that has been granted tax-exempt status by the Internal
906 Revenue Service (IRS). An association, corporation, or other organization where no part of the net

907 earnings of the organization inures to the benefit of any member, shareholder, or other individual, as
908 certified by registration with the IRS.

909

910 J. “Person” means an individual, trust, estate, fiduciary, partnership, limited liability company, limited
911 liability partnership, corporation, or any other legal entity.

912

913 K. “Physical presence” means a seller who establishes any one or more of the following within a local
914 taxing jurisdiction:

915

916 1. Has any office, distribution or sales house, warehouse, storefront, or any other place of business
917 within the boundaries of the local taxing jurisdiction;

918

919 2. Solicits business or receiving orders through any employee, agent, salesman, or other
920 representative within the boundaries of the local taxing jurisdiction or engages in activities in this
921 state that are significantly associated with the seller’s ability to establish or maintain a market for
922 its products in this state;

923

924 3. Provides services or holds inventory within the boundaries of the local taxing jurisdiction;

925

926 4. Rents or Leases property located within the boundaries of the local taxing jurisdiction.

927

928 A seller that establishes a physical presence within the local taxing jurisdiction in any calendar year will
929 be deemed to have a physical presence within the local taxing jurisdiction for the following calendar year.

930

931 L. “Point of delivery” means the location at which property or a product is delivered or service
932 rendered.

933

934 1. When the product is not received or paid for by the purchaser at a business location of a remote
935 seller in a Taxing Jurisdiction, the sale is considered delivered to the location where receipt by the
936 purchaser (or the purchaser's recipient, designated as such by the purchaser) occurs, including the
937 location indicated by instructions for delivery as supplied by the purchaser (or recipient) and as known
938 to the seller;

939

940 2. When the product is received or paid for by a purchaser who is physically present at a business
941 location of a Remote Seller in a Taxing Jurisdiction the sale is considered to have been made in the
942 Taxing Jurisdiction where the purchaser is present even if delivery of the product takes place in
943 another Taxing Jurisdiction. Such sales are reported and tax remitted directly to the Taxing
944 Jurisdiction and not to the Commission;

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3. For products transferred electronically, or other sales where the remote seller or marketplace facilitator lacks a delivery address for the purchaser, the remote seller or marketplace facilitator shall consider the point of delivery the sale to the billing address of the buyer.

M. “Product-based exemptions” means an exemption based on the description of the product and not based on who purchases the product or how the purchaser intends to use the product.

N. “Property” and “product” means both tangible property, an item that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses; and intangible property, anything that is not physical in nature (i.e.; intellectual property, brand recognition, goodwill, trade, copyright and patents).

O. “Quarter” means trimonthly periods of a calendar year; January-March, April-June, July-September, and October-December.

P. “Receive” or “receipt” means

1. Taking possession of property;
2. Making first use of services;
3. Taking possession or making first use of digital goods, whichever comes first.

The terms “receive” and “receipt” do not include temporary possession by a shipping company on behalf of the purchaser.

Q. “Remote sales” means sales of goods or services by a remote seller or marketplace facilitator.

R. “Remote seller” means a seller or marketplace facilitator making sales of goods or services delivered within the State of Alaska, without having a physical presence in a taxing jurisdiction, or conducting business between taxing jurisdictions, when sales are made by internet, mail order, phone or other remote means. A marketplace facilitator shall be considered the remote seller for each sale facilitated through its marketplace.

980 S. “Resale of services” means sales of intermediate services to a business the charge for which will be
981 passed directly by that business to a specific buyer.

982

983 T. “Sale” or “retail sale” means any transfer of property for consideration for any purpose other than
984 for resale.

985

986 U. “Sales or purchase price” means the total amount of consideration, including cash, credit, property,
987 products, and services, for which property, products, or services are sold, leased, or rented, valued in
988 money, whether received in money or otherwise, without any deduction for the following:

989

990 1. The seller’s cost of the property or product sold;

991

992 2. The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the
993 seller, all taxes imposed on the seller, and any other expense of the seller;

994

995 3. Charges by the seller for any services necessary to complete the sale, other than delivery and
996 installation charges;

997

998 4. Delivery charges;

999

1000 5. Installation charges; and

1001

1002 6. Credit for any trade-in, as determined by state law.

1003

1004 V. “Seller” means a person making sales of property, products, or services, or a marketplace facilitator
1005 facilitating sales on behalf of a seller.

1006

1007 W. “Services” means all services of every manner and description, which are performed or furnished for
1008 compensation, and delivered electronically or otherwise outside the taxing jurisdiction (but excluding any
1009 that are rendered physically within the taxing jurisdiction, including but not limited to:

1010

1011 1. Professional services;

1012

1013 2. Services in which a sale of property or product may be involved, including property or products
1014 made to order;

1015

1016 3. Utilities and utility services not constituting a sale of property or products, including but not

1017 limited to sewer, water, solid waste collection or disposal, electrical, telephone services and repair,
1018 natural gas, cable or satellite television, and Internet services;

1019
1020 4. The sale of transportation services;

1021
1022 5. Services rendered for compensation by any person who furnishes any such services in the course
1023 of his trade, business, or occupation, including all services rendered for commission;

1024
1025 6. Advertising, maintenance, recreation, amusement, and craftsman services.

1026
1027 X. "Tax cap" means a maximum taxable transaction.

1028
1029 Y. "Taxing jurisdiction" means a local government in Alaska that has a sales tax and is a member of
1030 the Alaska Remote Sellers Sales Tax Commission.

1031
1032 Z. "Transferred electronically" means obtained by the purchaser by means other than tangible storage
1033 media.

1034
1035 **4.08.470 Supplemental definitions.**

1036 The Commission shall promulgate Supplemental Definitions that are incorporated into this Remote Seller
1037 Sales Tax Code. Supplemental Definitions are available at www.arsstc.org/code. Provisions of the
1038 Supplemental Definitions that are amended, deleted, or added prior to or after the effective date of the
1039 latest amendment to this Chapter shall be applicable for purposes of this Chapter on the effective date
1040 provided for such amendments, deletions, or additions, including retroactive provisions.

1041
1042 * * *

1043
1044 **5. EFFECTIVE DATE.** This ordinance shall become effective the day after the date of its passage.

1045 **PASSED AND ADVANCED** by a duly constituted quorum of the North Pole City Council this 16th day
1046 of February, 2021.

1047
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1050 _____
Michael W. Welch, Mayor

1051 **ATTEST:**

City of North Pole
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1052

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 Aaron Rhoades, North Pole City Clerk

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PASSED/FAILED
Yes:
No:

**CITY OF NORTH POLE
RESOLUTION 21 – 2**

**A RESOLUTION ENCOURAGING THE ALASKA STATE LEGISLATURE
TO INTRODUCE A BALLOT MEASURE FOR THE PEOPLE OF
ALASKA TO EXERCISE THEIR CONSTITUTIONAL RIGHT TO VOTE
ON TERM LIMITS FOR STATE REPRESENTATIVES AND SENATORS.**

WHEREAS: For many years the consideration of the Legislative term limits has always been left up to the Alaska Legislators themselves to decide. And without question the attempts have failed;

WHEREAS: The City of North Pole believes that career politicians have many times lost the focus of the people. Regardless of party affiliation the people have voiced numerous concerns that elected politicians have ignored the voice of the people who elected them.

WHEREAS: The government of the people, for the people, and by the people was never intended to become a place for politicians to become power brokers and millionaires off their performance for the people.

WHEREAS: The City of North Pole recommends that the Legislature provide a ballot measure that would amend the Alaska State Statutes to read:

WHEREAS: No person who has served three (3) terms as a Representative of the Alaska Legislature shall be eligible for election to the Alaska House of Representatives. For purposes of this Article the election of a person to fill a vacancy in the Alaska House of Representatives shall be considered as 1 term in determining the number of terms that such person has served as a Representative if the person fills the vacancy for more than 1 year.

WHEREAS: No person who has served as a Senator of the Alaska Legislature for two (2) terms shall be eligible for election or appointment to the Alaska Senate. For purposes of this article, the election or appointment of a person to fill a vacancy in the Alaska Senate shall be included as one (1) term in determining the number of terms that such a person has served as a Alaska Senator if the person fills the vacancy for more than three (3) years.

WHEREAS: No person who has been elected or appointed as a Alaska Representative for three (3) consecutive terms shall be again eligible to hold that office until one year has intervened.

WHEREAS: No person who has been elected or appointed as a Alaska Senator for two (2) full consecutive terms shall be again eligible to hold that office until one full year has intervened.

Honorable Legislators:

As the Council of the City North Pole, we would like to thank you for your willingness to serve the great State of Alaska and its diverse residents, especially during these difficult times. We ask

1 that you sincerely review the wishes of the people and enact the necessary measures to ensure the
2 rights and voice of the people.

3
4
5 **NOW THEREFORE BE IT RESOLVED**, that the North Pole City Council approves of this
6 Resolution and encourages the Alaska State Legislature to take action during this Session.

7
8 **INTRODUCED AND ADVANCED** by a duly constituted quorum of the North Pole City
9 Council this 16th day of February, 2021.

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12
13 _____
Michael W. Welch, Mayor

14 ATTEST:

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16
17 _____
18 Aaron Rhoades, North Pole City Clerk

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PASSED/FAILED Yes: No: Absent:

26 C.C. Senator Murkowski, Senator Sullivan, Representative Young, Fairbanks City Council, and
27 Fairbanks North Star Borough Assembly