

(S-2A) Submitted by: Assembly Member Volland
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(S-2A) Prepared by: Assembly Counsel's Office
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**ANCHORAGE, ALASKA
AO No. 2024-105(S-2A)***

(NOTE: except to the title from the original AO, this (S-2A) version shows changes from the S-2 only and does not reflect any of the additions or deletions proposed in the original or any other substitute version. Therefore, additions are shown in underline and bold, deletions of existing code language are indicated by **[BOLD, BRACKETS AND ALL CAPS]**, and deletions of proposed language to be added to code are shown by ~~**bold, underline, and struck-through**~~. See the accompanying AM for summary of content.)

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING
2 A SALES ~~[DEDICATED PROPERTY]~~ TAX AND ECONOMIC DEVELOPMENT
3 MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE
4 MUNICIPALITY THAT WOULD ENACT [A] SALES AND USE TAXES OF THREE
5 PERCENT (3%) IN THE AGGREGATE ON THE SALE AND USE OF GOODS AND
6 SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A
7 MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF A THREE-
8 FOURTHS OF ONE PERCENT (0.75%) ~~[TWO PERCENT (2%)]~~ TAX DEDICATED
9 FOR THE SOLE PURPOSE OF REDUCING PROPERTY TAXES
10 PROPORTIONATELY THROUGHOUT THE MUNICIPALITY WITHIN THE "TAX
11 CAP" CALCULATION, A THREE-FOURTHS OF ONE PERCENT (0.75%) ~~[AND A~~
12 ~~ONE PERCENT (1%)]~~ TAX OUTSIDE OF THE TAX CAP DEDICATED FOR
13 ESTABLISHMENT OF A TRUST FUND TO PAY FOR VOTER APPROVED
14 CAPITAL PROJECTS KNOWN AS MUNICIPAL AREA PROJECTS (MAPs), A
15 THREE-FOURTHS OF ONE PERCENT (0.75%) TAX OUTSIDE OF THE TAX CAP
16 DEDICATED TO PAY FOR PUBLIC SAFETY, SNOW FLEET REPLACEMENT
17 AND AFFORDABLE HOUSING AND PUBLIC TRANSIT DEVELOPMENT AND
18 EXPANSION, AND A THREE-FOURTHS OF ONE PERCENT (0.75%) TAX
19 OUTSIDE OF THE TAX CAP FOR ESTABLISHMENT OF A TRUST FUND
20 DEDICATED TO FUNDING ANY PUBLIC PURPOSE; COSTS OF
21 ADMINISTRATION, COLLECTION AND AUDIT OF THESE SALES AND USE
22 TAXES SHALL BE SHARED PROPORTIONALLY AMONG ~~[BETWEEN]~~ THE
23 TAXES; PROVIDING FOR A MAPs CITIZENS ADVISORY AND OVERSIGHT
24 BOARD; [PROVIDING A LIMITED TERM OF SEVEN (7) YEARS FOR THE
25 ~~AGGREGATED 3% SALES AND USE TAX LEVY; AMENDING ANCHORAGE~~
26 ~~MUNICIPAL CODE CHAPTER 12.25 REGARDING THE TAX INCREASE~~
27 ~~LIMITATION;]~~ ADDING A NEW CHAPTER TO THE ANCHORAGE MUNICIPAL
28 CODE TO PARTIALLY IMPLEMENT THIS TAX ~~[REVENUE DIVERSIFICATION]~~
29 MEASURE; AMENDING AMC CHAPTER 12.10 TO INCREASE THE BUSINESS
30 INVENTORY PERSONAL PROPERTY TAX EXEMPTION TO THE FIRST
31 \$250,000 OF VALUE; AND PROVIDING FOR TRANSITION PROCEDURES AND
32 EFFECTIVE DATES.

33
34

1 **Section 1.** Pursuant to state law and the Anchorage Municipal Charter, a ballot
 2 proposition in substantially the same form as appear in Section 2 below shall be
 3 placed on the ballot and submitted to the qualified voters of the Municipality at a
 4 **special**~~the regular~~ municipal election **to be called by the Assembly and held**
 5 **no later than October 30**~~on April 1~~, 2025.

6
 7 **Section 2.** A ballot proposition shall be presented in substantially the following
 8 form:

9
 10 **PROPOSITION NO. _____**
 11 **SALES AND USE TAX AND ECONOMIC DEVELOPMENT MEASURE:**
 12 **CHARTER AMENDMENT AND ORDINANCE TO AUTHORIZE THE LEVY**
 13 **OF A 3% SALES AND USE TAX, COMPRISED OF 0.75% FOR**
 14 **PROPERTY TAX REDUCTION UNDER THE "TAX CAP," 0.75% FOR**
 15 **PURPOSES APPROVED BY THE MAJORITY OF VOTERS, 0.75**~~2~~**%**
 16 **FOR ANY PUBLIC PURPOSE [AND INCREASING THE "TAX CAP,"]**
 17 **AND 0.75**~~4~~**% DEDICATED TO VOTER APPROVED CAPITAL**
 18 **PROJECTS ABOVE THE TAX CAP**

19
 20 The proposed Charter Amendment and Assembly Ordinance 2024-____
 21 would authorize and enact an aggregated three percent (3%) sales and use
 22 tax on the sale or use of goods and services within the Municipality of
 23 Anchorage, with certain specified exemptions. ~~¶~~ This is comprised of four
 24 separate sales and use tax levies for separate purposes:

25
 26 (1) A three-fourths of one percent (0.75%) sales and use tax dedicated to the
 27 reduction of property taxes under the tax cap. The full amount of this tax
 28 revenue, after the cost of administration, is dedicated to reduction of property
 29 taxes, dollar for dollar. This is estimated to reduce the overall property tax
 30 burden by approximately ~~\$38.5~~~~420~~ million, or ~~5~~~~16~~% of an average
 31 property tax bill.

32
 33 (2) A three-fourths of one percent (0.75%) sales and use tax dedicated to
 34 fund community infrastructure projects excluded from (e.g. outside) the Tax
 35 Cap and known as Municipal Area Projects (MAPs) approved by the voters.
 36 The full amount of this tax revenue, after the cost of administration and after
 37 costs of MAPs facility lifetime operations, maintenance, and safety for
 38 constructed and related improvements, is ~~solely~~ dedicated to funding of
 39 ~~seven~~ MAPs ~~projects~~ approved by the voters, listed in this proposition. A
 40 project may not break ground until funding for 80% of its estimated
 41 construction costs are appropriated. A minimum "Trust reserves" amount will
 42 be required during the economic life of constructed MAPs in order to use
 43 investment earnings of the reserves to pay for operations and maintenance
 44 of them. MAPs tax funds and reserves shall not be used to secure general
 45 obligation bond debt.

46

No more than seven (7) capital investments projects shall be approved through a public process established by ordinance. The following capital investments, proposed by Anchorage residents, will be considered for construction, acquired, maintained and operated pursuant to this proposition:

Projects:

1. Kincaid Trailside Facility – full-service facility including food and beverage concessions, outdoor gear rentals, year-round recreation space, and other amenities
2. Goose Lake Trailside Facility – replacement of existing structure with full-service facility including food and beverage concessions, outdoor gear rentals, year-round recreation space, and other amenities
3. Downtown Arts and Entertainment Redevelopment – upgrade the Performing Arts Center and improve downtown core pedestrian experience with lighting, wayfinding, walkways, and other pedestrian infrastructure
4. East Anchorage Sports Center – indoor sports center including an indoor track, open turf space, court space, and other features that make sporting activities available to the community
5. Chester Creek Sports Complex Redevelopment – a sports facility offering indoor commercial space and other amenities complementing the area’s revitalization
6. Eagle River Sports Center – indoor sports center including an indoor track, open turf space, court space, and other features that make sporting activities available to the community
7. Girdwood Arts & Recreation District – a community space for art events, and an RV park

The assembly shall establish by ordinance a public process for consideration and vetting of suggested capital projects and submittal of no more than seven (7) as additional MAPs to the voters for approval. This public process shall be repeated [~~Dedication of these funds shall occur~~] every seven (7) years.

(3) A three-fourths of one percent (0.75%) sales and use tax dedicated to fund the municipal vehicle fleet and to expand and develop affordable housing and public transit. The full amount of this tax revenue, after the cost of administration, is [~~solely~~] dedicated to [~~a~~] funding the following **for seven years**:

1. Public safety and snow fleet vehicle replacement; and
2. Development and expansion of affordable housing opportunities; and
3. Development and expansion of public transit.

1 **The Municipality shall submit a ballot proposition to the voters**
 2 **areawide to renew or modify these dedicated purposes** [~~Dedication of~~
 3 ~~these funds shall occur~~] every seven (7) years.

4
 5 (4) A three-fourths of one percent (0.75%) sales and use tax dedicated to the
 6 general fund. The full amount of this tax revenue, after the cost of
 7 administration is dedicated as revenue to spent for any public purpose but
 8 should be prioritized for the following purposes:

- 9 1. Expanding existing benefit programs to residents that leverage state
 10 and federal funding to ensure sufficient capacity based on identified
 11 need;
- 12 2. Improvements or repairs of municipal facilities prioritizing those that
 13 residents can access; and
- 14 3. Addressing identified community needs not adequately funded
 15 through other municipal sources

16
 17
 18 This Sales and Use Tax and Economic Development Measure would amend
 19 Anchorage Municipal Charter Subsections 14.03(a)~~(b)~~-(c) and add new
 20 Section 14.08 as follows (new language proposed is shown in **bold and**
 21 **underlined**; language to be deleted is shown with [~~strikeout in bold and~~
 22 ~~brackets~~):

23
 24 **Section 14.03. - Tax increase limitation.**

25
 26 (a) Except as provided in this section, the total amount of municipal
 27 tax that can be levied during a fiscal year shall not exceed the total
 28 amount approved by the assembly for the preceding year by more
 29 than a percentage determined by adding the average percentage
 30 increase in the Federal Consumer Price Index for Anchorage from
 31 the preceding five fiscal years plus the average percentage growth
 32 or loss in the Anchorage municipal population over the preceding
 33 five fiscal years as determined by the state department of
 34 community and regional affairs.

- 35
 36 (1) The "total amount of the municipal tax that can be levied
 37 during a fiscal year" and the "total amount approved by the
 38 assembly for the preceding year" in subsection (a) of this
 39 section shall include all payments in-lieu of taxes paid or to
 40 be paid by any Municipality of Anchorage utility,
 41 department, agency or public corporation or authority.
- 42
 43 (2) The "total amount approved by the assembly for the
 44 preceding year" shall be the total amount of the taxes and
 45 payments in-lieu of taxes approved by the assembly for
 46 collection in the preceding year.

1
2 **(3) For the calendar year that begins following the initial**
3 **levy of the tax under Charter § 14.08(a), the “total**
4 **amount of the municipal tax that can be levied during**
5 **[the] fiscal year” shall be reduced by an amount equal**
6 **to the gross receipts of the three-fourths of one percent**
7 **(0.75%) sales and use tax collected minus the payment**
8 **of one-fourth of the costs of administration, collection**
9 **and audit to the Municipality pursuant to Charter §**
10 **14.08(a) in the year said tax is first levied.**

11
12 **(4) For the calendar year after the one in subsection (3)**
13 **continuing for seven calendar years, “the total amount**
14 **approved by the assembly for the preceding year” shall**
15 **include net receipts of three-fourths of one percent**
16 **(0.75%) sales and use tax collected after one-fourth of**
17 **the costs of administration, collection and audit to the**
18 **Municipality pursuant to Charter § 14.08(a) the year**
19 **prior to the year for which the increase limitation is**
20 **calculated; and the resulting “total amount of the**
21 **municipal tax that can be levied during [the] fiscal year”**
22 **shall be adjusted by the same amount.**

23
24 (b) The limitations set forth in subsection (a) do not apply to the following:

- 25 (1) Taxes on new construction or property improvements which
26 occur during the current fiscal year.
27 (2) Taxes required to fund additional services mandated by voter
28 approved ballot issues.
29 (3) Special taxes authorized by voter approved ballot issues.
30 (4) Taxes required to fund the costs of judgments entered against
31 the municipality or to pay principal or interest on bonds,
32 including revenue bonds.
33 (5) Taxes required to fund the cost of an emergency ordinance
34 enacted pursuant to 10.03 of the Municipal Charter.
35 (6) Taxes imposed pursuant to Charter § 14.06 prior to 2019 and
36 subsequent to 2023.
37 **(7) Taxes imposed pursuant to Charter § 14.08(a) except as**
38 **directed in subsection (a) above.**
39 **(8) Taxes imposed pursuant to Charter § 14.08(b).**
40 **(9) Taxes imposed pursuant to Charter § 14.08(c) and (d).**

41
42 (c) Any tax increases which result from the exceptions set forth in
43 subsection (b)(1)— (3) **and (9)** shall be added to the base amount
44 which is used in subsection (a) for the calculations of the subsequent
45 year tax increase limit. Taxes collected pursuant to Charter § 14.06 in
46 2018 shall be added to the base amount which is used in subsection

(a) for calculations of the 2019 tax increase limit. Taxes collected pursuant to Charter § 14.06 in 2024 and subsequent years shall be in addition to taxes that can be levied pursuant to this section. To ameliorate the effect of excepting taxes in subsection (b)(6) subsequent to 2023, the total amount of municipal tax that can be levied as calculated under subsection (a) for 2024 only shall be reduced by one million dollars.

*** *** ***

Section 14.08. - Sales and Use Tax [Dedicated to Property Tax Relief].

(a) **[A] The assembly is hereby authorized to levy, to the extent provided by law, a three-fourths of one percent (0.75%) tax on the sale and use of goods and services within the municipality, with exemptions as provided by law. The proceeds of this 0.75% sales and use tax authorized by this section in one fiscal year, after payment of [the] one-fourth of the costs of administration, collection and audit to the municipality, are [dedicated] to be used in place of property taxes [reduction] in the following year for any public purpose. [This reduction shall be accomplished by expenditure of the gross receipts in place of property taxes in any manner for which property taxes are authorized.] The taxes collected used for payment of one-fourth of the costs of administration, collection and audit of the taxes authorized by this section shall be "special taxes" under Charter § 14.03(b).**

(b) **[A] In addition to the tax authorized by subsection (a), the assembly is hereby authorized to levy a three-fourths of one percent (0.75%) tax on the sale and use of goods and services within the municipality dedicated to funding Municipal Area Projects (MAPs). Each MAP shall be a capital improvement approved by a majority of the voters areawide voting on the question. This tax shall be levied at the same time, in the same manner, and with identical exemptions as the tax authorized by subsection (a). The net receipts from this 0.75% sales and use tax, after payment of one-fourth of the costs of administration, collection and audit to the municipality for the taxes authorized by this section, shall be dedicated to investments for purposes of using earnings to pay the costs for operations, maintenance and safety for constructed MAPs and related improvements, and to funding development and construction costs of MAPs.**

(1) **The net proceeds dedicated above shall be used to establish a trust fund and be deposited therein. The assembly shall establish by ordinance a public process by which new capital projects may be proposed and vetted,**

1 and no more than seven (7) selected by the assembly to
2 submit to the voters for approval as additional [it dedicates
3 the proceeds to the funding] MAPs [Projects] every seven
4 years, beginning with 2034. The assembly shall establish
5 by ordinance a level of trust fund assets reasonable and
6 necessary to hold in reserve for investment earnings
7 sufficient to be available during the economic life of any
8 constructed MAPs [project] for the costs of operations,
9 maintenance and safety improvements. The assembly
10 may authorize draws from the trust by ordinance, with the
11 following stipulations:

12
13 (i) Investment earnings are first used for payment of
14 costs for operations, maintenance and safety
15 improvements for constructed MAPs and related
16 improvements. Investment earnings unencumbered
17 at the end of the fiscal year shall become part of the
18 trust corpus.

19
20 (ii) Appropriations from the trust corpus are authorized
21 for costs of funding design, development, and
22 construction of a project on the MAPs list; provided
23 that no initial appropriation for a project's
24 construction costs is permitted unless the project is
25 80% funded or more, regardless of source.

26
27 (iii) Appropriations from the trust corpus may not cause
28 the balance to fall below the trust reserve level
29 established by the assembly in accordance with this
30 section.

31
32 (2) The assembly shall establish an investment policy for the
33 Trust Fund and Reserves by ordinance. ~~[The assembly~~
34 may enact such additional provisions, not inconsistent
35 with this section, as necessary or desirable to implement
36 this section.]

37
38 (c) [A] In addition to the tax authorized by subsections (a)-(b), the
39 assembly is hereby authorized to levy a three-fourths of one
40 percent (0.75%) tax on the sale and use of goods and services
41 within the municipality dedicated [solely] to public purposes
42 approved by a majority of the qualified voters areawide in the
43 municipality, renewed every seven years. The assembly shall
44 determine by ordinance the public purposes for this dedicated
45 tax revenue to submit to the voters. [the following:]
46

1 **(1) The net proceeds dedicated above shall be used to**
 2 **establish a trust fund and be deposited therein. The**
 3 **assembly may authorize draws from the trust by**
 4 **ordinance, with the following stipulations:**

5
 6 **(i) Investment earnings are also ~~first used and shall~~**
 7 **~~be~~ dedicated ~~every seven years~~ to the purposes**
 8 **authorized under this subsection. Investment**
 9 **earnings unencumbered at the end of the fiscal year**
 10 **shall become part of the trust corpus.**

11
 12 **(ii) Appropriations from the trust corpus may only be**
 13 **authorized for good cause and by ~~passage and~~**
 14 **~~approval of an~~ ordinance approved by two-thirds**
 15 **of the total membership of ~~by~~ the assembly.**

16
 17 **~~(iii) Appropriations from the trust corpus may not cause~~**
 18 **~~the balance to fall below the trust reserve level~~**
 19 **~~established by the assembly in accordance with this~~**
 20 **~~section.~~**

21
 22 **(2) The assembly shall establish an investment policy for the**
 23 **Trust Fund and Reserves by ordinance. ~~The assembly~~**
 24 **~~may enact such additional provisions, not inconsistent~~**
 25 **~~with this section, as necessary or desirable to implement~~**
 26 **~~this section.~~**

27
 28 **~~(3) Expenditure of investment earnings are first used and~~**
 29 **~~shall be prioritized for the following purposes:~~**

30
 31 **~~(i) Public safety vehicle fleet acquisition and~~**
 32 **~~replacement;~~**

33
 34 **~~(ii) Snow removal vehicle fleet acquisition and~~**
 35 **~~replacement;~~**

36
 37 **~~(iii) Development and expansion of affordable housing~~**
 38 **~~opportunities; and~~**

39
 40 **~~(iv) Development and expansion of public transit.~~**

41
 42 **(d) [A] In addition to the tax authorized by subsections (a)-(c), the**
 43 **assembly is hereby authorized to levy a three-fourths of one**
 44 **percent (0.75%) tax on the sale and use of goods and services**
 45 **within the municipality dedicated as revenue ~~to spent~~ for any**
 46 **public purpose and shall be prioritized for the following:**

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(1) Expanding existing benefit programs to residents that leverage state and federal funding to ensure sufficient capacity based on identified need;

(2) Improvements or repairs of municipal facilities prioritizing those that residents can access; and

(3) Addressing identified community needs not adequately funded through other municipal sources.

(e) The taxes authorized by this section shall first be levied no earlier than July 1, 2026 and no later than July 1, 2027, as determined by the assembly by ordinance.

(f) The costs of administration, collection and audit to the municipality for the taxes authorized by this section shall be incurred proportionally from the four 0.75% taxes collected.

(g) The goods authorized to be taxed under Charter §§ 14.06 and 14.07 are exempt from the taxes levied under this section.

(h) Households earning eighty percent (80%) or less of the federal Housing and Urban Development (HUD's) median household income for the Anchorage area shall be exempt from the sales tax.

(i) The assembly may enact such additional provisions, not inconsistent with this section, as necessary or desirable to implement this section.

And by amending Anchorage Municipal Charter, Article II, Charter §14.01(b), and Charter §17.06 as follows (**underlined and bolded words** are proposed new words; **~~strikeouts in bold~~** are proposed deletions):

ARTICLE II BILL OF RIGHTS

This Charter guarantees rights to the people of Anchorage that are in addition to rights guaranteed by the Constitution of the United States of America and the Constitution of the State of Alaska. Among rights guaranteed by this Charter are:

*** *** ***

(4) The right of immunity from sales taxes, except upon approval by three-fifths (3/5) of the qualified voters voting on the question except the taxes imposed by

Charter ~~§ [Section]~~ 14.05, ~~§ [and Section]~~ 14.07, and § 14.08 shall be effective if approved by a majority (50 percent + one) of the qualified voters voting on the question.

*** *** ***
(13) The right to have a public record of the actions of the assembly.

(14) The right to a simplified process to access municipal benefits and programs through a single application.

*** *** ***
Section 14.01 Taxing Authority

*** *** ***
(b) The right of immunity from sales taxes, except upon approval by three-fifths (3/5) of the qualified voters voting on the question except the taxes imposed by Charter ~~§ [Section]~~ 14.05, ~~§ [and Section]~~ 14.07, and § 14.08 shall be effective if approved by a majority (50 percent + one) of the qualified voters voting on the question.

*** *** ***
Section 17.06. Access to municipal programs and benefits~~[Notice of claims. (Repealed)].~~

The municipality ~~[government]~~ shall, to the greatest extent possible, ease the public's access to its benefits and programs, and shall simplify its processes to require only the submission of one application to apply for all need based benefits.

If approved by more than 50% of the qualified voters voting on the question at the April 1, 2025 Regular Election, the Charter amendments will become effective 30 days after certification of the election, and the sales and use tax levy will become effective no later than July 1, 2027, with the date of initial levy to be established by the Anchorage Assembly by ordinance.

Shall the Charter be amended as shown above and become law, authorizing a ~~[temporary,]~~ dedicated-use aggregated 3% sales and use tax?

YES [] NO []

Section 3. Anchorage Municipal Code Title 12 is hereby amended to add a new chapter 12.80 to read as follows, effective if and only if the proposition in Section 2 of this ordinance is approved by the voters:

Chapter 12.80
Tax on the Sale or Use of Goods and Services

12.80.010	Aggregated Sales and use tax.
12.80.020	Purpose.
12.80.025	Interpretation.
12.80.030	Definitions.
12.80.040	Property Tax Relief 0.75[2] % sales and use tax.
12.80.050	Municipal Area Projects 0.75[4] % sales and use tax.
12.80.060	Dedicated 0.75% sales and use tax [MAPs Citizen Advisory Board].
12.80.070	General 0.75% sales and use tax [Non-taxable sales and exemptions].
12.80.080	Non-taxable sales and exemptions.
12.80.090	Application for household exemption
12.80.100	Dedicated Sales and Use Tax Trust Fund.
12.80. 110[090]	Obligation for payment of tax; disposition of excess collections; liability for uncollected taxes.
12.80. 120[100]	Alaska Remote Seller Sales Tax Code, adoption.
12.80. 130[110]	Presumption of taxability; sales price and value.
12.80. 140[120]	Timely filing allowance, seller reimbursement for collection costs.

12.80.10 Aggregated sales and use tax.

- A. *Sales Tax Imposed.* An aggregated sales tax of 3% is hereby levied on the taxable retail sales of all goods and services sold within the municipality, except as provided in this chapter. This consists of four separate sales and use taxes, one of three-fourths of one percent (0.75%) for property tax relief, one of three-fourths of one percent (0.75%) for funding Municipal Area Projects, one of three-fourths of one percent (0.75%) for funding the purchase of snow fleet and public safety fleet vehicles, and one of three-fourths of one percent (0.75%) for funding any public purpose as limited by this title and authorized by Charter § 14.08.
- B. *Use Tax Imposed.* A use tax at the same rate as the sales tax in subsection A., for the privilege of use within the municipality, is hereby levied on the person using the following goods acquired on or after the

effective date of initial levy of the sales tax authorized by this section:

1. Goods manufactured in the municipality, only if the person manufacturing the good is not engaged in the business of manufacturing for resale to an end user; or
2. Goods acquired outside of the municipality and primarily used within the municipality, if the acquisition is the result of a transaction subject to the sales tax if it had occurred in the municipality.
3. The first one-thousand dollars (\$1,000) of goods manufactured in the municipality or goods acquired outside of the municipality and primarily used within the municipality, as described in subparagraphs 1 and 2 above, are exempted from the use tax on an annual basis.

C. *Credit for taxes previously paid.* The use tax levied under this section shall be adjusted in accordance with AS 29.45.650(c) if the person subject to the use tax provides proof, in the form required by the department, the person previously paid a sales tax imposed by any jurisdiction on the goods.

D. To the fullest extent permitted under the law and constitutions of the United States and the State of Alaska, and under the Charter, a person who has nexus within the state and whose sales are not subject to the sales taxes shall collect the use tax from the purchaser and pay the tax collected to the municipality.

E. The aggregated sales and use taxes levied by this section shall be collected ~~[for a limited term] beginning at 12:01 a.m. on July 1, 2026[, for the remainder of that year, plus seven (7) full calendar years until 11:59 p.m. on December 31, 2034 when it shall be repealed by operation of law].~~

12.80.020 Purpose. The purposes of this chapter are:

A. *Property Tax Relief.* A purpose of this chapter is to provide dedicated property tax relief to the property owners of the municipality. The net receipts of the three-fourths of one percent (0.75%) sales and use tax, after payment of the 1/4 of costs of administration and collection for sales and use taxes, shall be applied to reduce property taxes equally and uniformly throughout the municipality so the benefits of the reduction in property taxes are shared throughout the municipality. This three-fourths of one percent (0.75%) sales and use tax obtained by the municipality in one fiscal year shall be restricted to application

1 to the following fiscal year's budget by appropriations. The amount of
 2 this sales and use tax obtained by the municipality in one fiscal year
 3 shall be included in the tax increase limitation computation for the next
 4 fiscal year as an offset amount of the real and personal property taxes
 5 to be collected for that fiscal year.
 6

7 B. *Municipal Area Projects (MAPs)*: A purpose of this chapter is to
 8 provide funding for Municipal Area Projects (MAPs) recommended
 9 and desired by the public. The net receipts of this three-fourths of one
 10 percent (0.75%) sales and use tax, after payment of the 1/4 of costs
 11 of administration and collection for sales and use taxes, shall be
 12 restricted to funding of Municipal Area Projects for the benefit of the
 13 Municipality, including Trust fund reserves to generate investment
 14 earnings to pay for operations, maintenance, and safety
 15 improvements. No project shall break ground until a minimum of 80%
 16 of funding required for that project has been appropriated. MAPs Fund
 17 and Trust reserves shall not be used to secure general obligation bond
 18 debt.
 19

20 C. **Dedicated Fund**~~[Municipal Fleet Vehicle Acquisition and
 21 Replacement]: A purpose of this chapter is to provide funding
 22 **specific purposes dedicated by approval of the qualified voters**
 23 **of the municipality**~~[the recurring cost of replacing the
 24 municipality's critical vehicle fleet]. The net receipts of this three-
 25 fourths of one percent (0.75%) sales and use tax, after payment of the
 26 1/4 of costs of administration and collection for sales and use taxes,
 27 shall be restricted to **purposes approved by ballot proposition**
 28 **every seven years**~~[funding for the acquisition and replacement of
 29 public safety fleet vehicle and snow removal fleet vehicles].
 30~~~~~~

31 D. *General Fund*: A purpose of this chapter is to provide funding for
 32 existing benefit programs to residents that leverage state and federal
 33 funding to ensure sufficient capacity based on identified need, as well
 34 as upgrades or repairs of municipal facilities, and addressing identified
 35 unmet community needs not adequately funded through other
 36 municipal sources. The net receipts of this three-fourths of one percent
 37 (0.75%) sales and use tax, after payment of the 1/4 of costs of
 38 administration and collection for sales and use taxes, shall be
 39 restricted to funding:
 40

- 41 1. The supplementation or expansion existing benefit programs to
 42 residents receiving state and federal funding, to ensure
 43 sufficient capacity based on identified need,
 44
- 45 2. Improvements or repairs of municipal facilities prioritizing those
 46 facilities open to the public that residents can access; or

1
2 3. Addressing identified needs not adequately funded through
3 other municipal sources.
4

5 E. The costs of administration, collection and audit of the total
6 aggregated sales and use tax shall be paid proportionally out of the
7 proceeds from all aggregated sales and use tax.
8

9 F. The operations, maintenance and safety for constructed and related
10 improvements under Section 12.80.020B. shall be paid out of the
11 proceeds from the MAPs sales and use tax.
12

13 **12.80.025 - Interpretation.**
14

15 A. The tax levied by this chapter applies to all sales, rentals and services
16 except those that this chapter expressly exempts from the tax.
17

18 B. The application of the tax levied under this chapter shall be broadly
19 construed and shall favor inclusion rather than exclusion.
20

21 C. The exemptions from the tax levied under this chapter shall be
22 narrowly construed against the claimant and in favor of taxation.
23

24 **12.80.030 Definitions.**
25

26
27 The following words, terms and phrases, when used in this chapter, shall
28 have the meanings ascribed to them in this section, except where the context
29 clearly indicates a different meaning:
30

31 ***Certificate of exemption*** shall mean a certificate issued by the
32 municipality to a person qualifying as an "Exempt Purchaser" of goods
33 upon application by the purchaser demonstrating its entitlement to
34 such exemption. The purchaser shall provide the certificate to a seller
35 of goods at the time of purchase in order to obtain the permitted
36 exemption.
37

38 ***Chief Fiscal Officer*** shall mean the chief fiscal officer of the
39 municipality, or designee.
40

41 ***Counseling services*** shall mean all services provided to an individual
42 taxpayer by a psychologist or psychological associate, psychiatrist,
43 clinical social worker, substance abuse counselor, or a marital and/or
44 family therapist, licensed or certified to provide such services by the
45 State of Alaska.
46

1 **Department** shall mean the finance department of the municipality.
2

3 **Exemption** shall mean a buyer or seller is exempt under a provision
4 of this chapter, or the sale itself is exempt under a provision of this
5 chapter.
6

7 **Food** shall mean goods that may be lawfully purchased with food
8 stamp program benefits issued under 7 U.S.C. 2011 - 2025 (Food
9 Stamp Act, Supplemental Nutrition Assistance Program) or purchased
10 with food instruments, food vouchers or other type of certificate issued
11 under 42 U.S.C. 1786 (Special Supplemental Nutrition Program for
12 Women, Infants and Children or WIC). Also, items constituting the
13 basic necessities for human consumption, encompassing unprepared
14 food products, fresh produce, including fruits and vegetables,
15 uncooked meat and seafood, dairy products like milk and cheese, as
16 well as staples such as bread and rice.
17

18 **Food and food ingredients** shall mean substances, whether in liquid,
19 concentrated, solid, frozen, dried, or dehydrated form, that are sold for
20 ingestion or chewing by humans and are consumed for their taste or
21 nutritional value. "Food and food ingredients" does not include
22 "alcoholic beverages", "marijuana" or "tobacco."
23

24 **Prepared food** shall mean:

- 25
- 26 1. Food sold in a heated state or heated by the seller;
 - 27 2. Two or more food ingredients mixed or combined by the seller
28 for sale as a single item; or
29
 - 30 3. Food sold with eating utensils provided by the seller, including
31 plates, knives, forks, spoons, glasses, cups, napkins, or straws.
32 A plate does not include a container or packaging used to
33 transport the food.
34
- 35

36 **Goods** shall mean all tangible personal property that can be seen,
37 weighed, measured, felt, or touched, or that is in any other manner
38 perceptible to the senses. "Tangible personal property" includes
39 electricity, water, gas, steam, and prewritten computer software.
40

41 **Household exemption** shall mean the exemption of households with
42 annual income at or below federal level of eighty-percent (80%)
43 poverty from the provisions of this sales and use tax.
44

1 **Legal services** shall mean all services provided to an individual
2 taxpayer by a lawyer or paralegal or any other individual licensed or
3 certified by the State of Alaska to provide legal services.
4

5 **MAPs Citizen Advisory Board** shall mean a board comprised of
6 Municipal Citizens as established in this chapter.
7

8 **Medical services** shall mean all services provided to an individual
9 taxpayer by a physician, osteopath, chiropractor, dentist, registered or
10 practical nurse, physician's assistant, certified nurse's aide,
11 paramedic, emergency medical technician, naturopath, optometrist,
12 audiologist, hospital, midwife, birth center, occupational therapist,
13 physical therapist, or any other person certified or licensed by the state
14 of Alaska to provide health care services.
15

16 **Menstrual hygiene products** shall mean tampons, panty liners,
17 menstrual cups, pads, and other similar tangible personal property
18 designed for use in connection with the human menstrual cycle,
19 contraceptives, but does not include "grooming and hygiene products"
20 as defined in this section.
21

22 **Municipal Area Projects (MAPs)** shall mean capital projects as
23 defined by municipal code or capital investments that will have benefit
24 to the Municipality of Anchorage with measurable improvements for
25 the immediate and long-term livability of Anchorage.
26

27 **Nonprofit organization** shall mean a business or organization that
28 has been granted tax-exempt status by the Internal Revenue Service.
29

30 **Person** shall mean those who are under a duty to perform an act
31 concerning which a violation of this chapter could occur, such as an
32 individual, company, partnership, joint venture, joint agreement,
33 association (mutual or otherwise), corporation, estate, trust, business
34 trust, receiver or trustee, syndicate, or political subdivision of this state,
35 or combination acting as a unit including officers or members of any
36 such entities. It is the intent of this chapter that such persons be
37 personally liable for unremitted taxes.
38

39 **Precious metals bullion** shall mean any precious metal, including,
40 but not limited to, gold, silver, platinum, and palladium, that is in such
41 a state or condition that its value depends upon its precious metal
42 content and not its form.
43

44 **Prescription medicine** shall mean an order, formula or recipe issued
45 in any form of oral, written, electronic, or other means of transmission

1 by a duly licensed practitioner authorized by the laws of the member
2 state.

3
4 **Public safety fleet** shall mean any vehicle or implement owned and
5 maintained by the Anchorage Police Department.

6
7 **Purchaser** shall mean a person to whom a sale is made.

8
9 **Real property** shall mean land, whether subdivided or not, all
10 buildings, structures, improvements and fixtures of any kind thereon,
11 and all possessory rights and privileges belonging and pertaining
12 thereto.

13
14 **Resale** shall mean:

- 15
16 1. The sale of goods by a manufacturer, wholesaler or distributor
17 to a retail vendor; sales to a wholesale or retail dealer who
18 deals in the property sold, for the purpose of resale by the
19 dealer.
20
21 2. Sales of personal property as raw material to a person engaged
22 in manufacturing components for sale, where the property sold
23 is consumed in the manufacturing process of, or becomes an
24 ingredient or component part of, a product manufactured for
25 sale by the manufacturer.
26
27 3. Sale of personal property as construction material to a licensed
28 building contractor where the property sold becomes part of the
29 permanent structure.
30

31 **Services** shall mean all services of every manner and description
32 performed or furnished for compensation within the municipality as
33 required to install, construct, repair or complete specified results or
34 end products and professional services, services in which a product
35 or sale of property may be involved, repair, transportation, advertising,
36 recreation, amusement, craftsmen's services, and services wherein
37 labor and materials are provided to accomplish a specific result.
38

39 **Seller** shall mean every person, whether acting as principal, agent or
40 employee, who makes a sale subject to this tax.
41

42 **Selling price** applies to the measure subject to sales and use tax and
43 means the total amount of consideration, including cash, credit,
44 property, and services, for which personal property or services are
45 sold, leased, or rented, valued in money, whether received in money
46 or otherwise, without any deduction for the following:

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1. The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;
 2. Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;
 3. Delivery charges;
 4. Installation charges; and
 5. Credit for any trade-in, as determined by state law.

Snow fleet shall mean any vehicle or implement owned and maintained by the municipality for the purpose of roadway snow removal.

Tax payer shall mean any person responsible for the payment of any sales or use tax as required by this chapter.

12.80.040 Property Tax Relief 0.75% sales and use tax.

The three-fourths of one percent (0.75%) sales and use tax levied by Section 12.80.010 and authorized by Charter § 14.08(a), after 1/4 of the costs of administration, collection, and audit to the municipality for the tax, is [solely] dedicated to property tax relief and in substitution of other taxes. The department shall implement this section.

12.80.050 Municipal Area Projects 0.75% sales and use tax.

A. The net receipts of the MAPs three-fourths of one percent (0.75%) sales and use tax levied by section 12.80.010 and authorized by Charter § 14.08(b) for Municipal Area Projects, after payment or transfer for one-fourth of the costs of administration, collection, and audit to the municipality for the tax, shall be deposited in the MAPs trust fund and managed and administered in accordance with this chapter.

B. There is hereby established a limited purpose tax fund to be known as the "Municipal Area Projects Tax Trust Fund" into which all revenues collected pursuant to Subsection 12.80.050A. above shall be deposited. Monies in said limited-purpose Trust Fund shall be accumulated from year-to-year. Monies forming the basis of said limited purpose trust fund shall be expended only pursuant to passage

1 and approval of an ordinance by the municipal assembly as
2 accumulated and only for the limited purposes (projects and
3 administration, collection, audit, long term operations, maintenance
4 and safety for constructed and related improvements) described in
5 Charter § 14.09. A minimum of 5% and not more than 15% of the net
6 receipts of the MAPs 1% sales and use tax funds shall be invested to
7 fund the operations, maintenance and safety costs of MAPs projects.
8

9 C. *Municipal Area Projects (MAPs) Citizen Advisory Board.* There is
10 hereby authorized the establishment of a MAPs Citizen Advisory
11 Board to review proposed and actual expenditures of such monies
12 from the MAPs Tax Trust Fund and submit recommendations to the
13 assembly and mayor regarding such expenditures, the order of
14 projects funded, and modifications to the list of tax exemptions. The
15 board must be seated and hold its first meeting with quorum at least
16 60 days prior to expenditure of any monies in the MAPs Tax Trust
17 Fund
18

- 19 1. The formation of the Board shall be at the discretion of the
20 Mayor with appointment approval by the Assembly.
21
- 22 2. The board shall have seven (7) members, appointed by the
23 mayor and confirmed by the assembly, who shall serve for a
24 term of 3 years.
25
- 26 3. The board shall recommend to the mayor and assembly the
27 any number of projects in priority order in which projects should
28 be funded through appropriations as required by the Charter §
29 14.08.
30
- 31 4. The board shall recommend appropriations for operations,
32 maintenance, security and safety for constructed and related
33 improvements as required by Charter Amendment.
34
- 35 5. The board shall at least on an annual basis provide a report to
36 the mayor and assembly on the status of the tax and any
37 exemptions that they recommend be added, deleted, or
38 changed.
39

40 D. *Projects to be funded:* The net receipts of the MAPs 0.75% sales and
41 use tax funds available for funding MAPs projects may be expended
42 only for the following limited purposes (the "projects") approved by the
43 by the assembly through passage of an ordinance.
44

- 45 1. The MAPs Citizen Advisory Board shall solicit proposals from
46 the public for projects to be funded.

2. The board shall meet to debate proposals. It shall provide public notice of all proposed projects to be considered and shall receive public comment on any proposal considered.
3. The board shall provide its recommendations to the assembly in the form of a resolution, prioritizing the projects it deemed most appropriate.
4. The Assembly shall approve no more than seven projects by passage and approval of an ordinance **submitting a ballot proposition to the voters** following a public hearing.
5. This process shall recur every seven years.

12.80.060 Dedicated~~[Municipal vehicle fleet]~~ 0.75% sales and use tax.

- A. The net receipts of the **Dedicated**~~[MAPs]~~ three-fourths of one percent (0.75%) sales and use tax levied by section 12.80.010 and authorized by Charter § 14.08(b) ~~[for Municipal Area Projects]~~, after payment or transfer for one-fourth of the costs of administration, collection, and audit to the municipality for the tax, shall be deposited in to a trust subject to the provisions of this chapter.
- B. There is hereby established a limited purpose tax fund to be known as the "Municipal **Dedicated Tax**~~[DedicatedTax]~~ Fund" into which all revenues collected pursuant to Subsection 12.80.070A. above shall be deposited. Monies in said limited-purpose Trust Fund shall be accumulated from year-to-year. Monies constituting the corpus of said limited purpose trust fund shall be expended only for good cause and pursuant to passage and approval of an ordinance by **two-thirds of the total membership of** the municipal assembly. Investment earnings may be expended as accumulated and only for the limited purposes of:
 1. Public safety and snow fleet vehicle replacement; **[and]**
 2. Development and expansion of affordable housing opportunities; **[and]**
 3. Development and expansion of public transit; **or[-]**
 4. Reinvestment into the municipal dedicated fund.
- C. **Investment earnings may be disbursed for the purposes stated in subsection B above until 11:59 p.m. on December 31, 2033.**

New authorized purposes for the expenditure of earnings from the fund shall be proposed by the assembly and approved by a majority of qualified voters of the municipality. In the event no proposition is approved by the majority of voters, the earnings shall be reinvested into the fund~~[The assembly shall dedicate the expenditure of investment earnings to certain purposes every seven years].~~

12.80.070 General 0.75% sales and use tax.

A. The net receipts of the general three-fourths of one percent (0.75%) sales and use tax levied by section 12.80.010 and authorized by Charter § 14.08(b) for Municipal Area Projects, after payment or transfer for one-fourth of the costs of administration, collection, and audit to the municipality for the tax, shall be available any public purpose but should prioritize the following:

1. The supplementation or expansion existing benefit programs to residents receiving state and federal funding, to ensure sufficient capacity based on identified need,
2. Improvements or repairs of municipal facilities prioritizing those facilities open to the public that residents can access;
3. Addressing identified needs not adequately funded through other municipal sources; or

12.80.080 Non-taxable sales, exclusions and exemptions.

A. The following sales are not taxable under this chapter under state or federal law:

1. Sales to or uses by an agency of the United States government, an instrumentality of the State of Alaska as that term is defined in AS 39.52.960, a municipality or school district, including the Anchorage School District, a Regional Housing Authority created pursuant to A.S.18.55.996, or a Native entity or tribe included on the federal list published under 25 U.S.C. 5131.
2. Sales to or uses by foreign diplomats under the Foreign Missions Act (22 U.S.C. 4301 *et seq.*).
3. Sales to or uses by the Alaska Life and Health Insurance Guaranty Association, under AS 21.79.130.

- 1 4. Sales or use of goods related to an orbital space facility,
2 pursuant to AS 29.45.650(h).
3
 - 4 5. A purchase made with (a) food coupons, food stamps, or other
5 type of allotment issued under 7 U.S.C. 2011--2036 (Food
6 Stamp Program); or (b) food instruments, food vouchers, or
7 other type of certificate issued under 42 U.S.C. 1786 (Special
8 Supplemental Food Program for Women, Infants, and
9 Children). For purposes of this subsection, the value of a food
10 stamp allotment paid in the form of a wage subsidy as
11 authorized under AS 47.25.975(b) is not considered to be an
12 allotment issued under 7 U.S.C. 2011--2036 (Food Stamp
13 Program).
14
 - 15 6. The retail sale, use, or transfer of refined fuel.
16
 - 17 7. A construction contract awarded by the state or a state agency,
18 or on a subcontract awarded in connection with the project
19 funded under the construction contract.
20
 - 21 8. Other sales or uses the municipality is prohibited from taxing
22 under the federal or state Constitutions or laws of the United
23 States or the State of Alaska.
24
- 25 B. *Maximum tax per transaction.* Only the first \$1,000.00 of the price in
26 each transaction shall be subject to sales tax levied under this chapter,
27 the amount in excess in each transaction is excluded and not taxable.
28 This rule applies as follows in the circumstances described:
29
- 30 1. The payment of rent for personal property in excess of \$1,000,
31 and for more than one month shall be treated as separate
32 transactions covering the rental for one month each. A
33 transaction involving payment for services to be rendered or
34 delivered over a period of more than one month for a
35 consideration in excess of \$1,000 shall be treated as separate
36 transactions occurring one each month over the period of time
37 that the service is rendered.
38
 - 39 2. Each night of each individual room rental shall be considered a
40 separate transaction and therefore the maximum tax
41 computation shall be calculated on a per room per night basis.
42
 - 43 3. Capital Leases. Contracts to purchase the property at the end
44 of a lease shall be treated as a sale on the effective date of the
45 contract and are subject to the maximum tax per transaction
46 pursuant to subsection (A) of this section.

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4. Other Lease Types. Leases that have an option to purchase at the end of the lease are taxed on the principal amount of each lease payment for the term of the lease. If the purchase is made at the end of the lease, the purchase transaction would be treated as another separate transaction. Interest and financing charges related to the lease payment are not subject to tax.
5. Installment Payments. When payments for a single transaction are made on an installment basis the sales tax on the transaction shall be collected on the first payment.

C. The municipality hereby declares the following exemptions from the taxes imposed by this chapter:

1. Sales of food, except prepared food shall be taxable.
2. Sale of prescription medicine or medical goods prescribed by a physician, psychiatrist or other person licensed in the United States to lawfully authorize such prescription.
3. The provision of medical services or counseling services.
4. The sale of gasoline or diesel fuel.
5. Small business transactions for businesses classified as a Cottage Industry business, or as a small manufacturing operation run out of a home by a single individual or a family.
6. Financial service transactions. For purposes of this chapter, financial service transactions are limited to: deposit account services, loan transaction fees, transactions relating to the sale or exchange of currency or securities or precious metals bullion, transactions for conversion of negotiable instruments, safe deposit services, escrow collection services, late fees, overdraft fees, and interest charged on past due accounts.
7. The use by an individual of personal or household effects brought into the municipality for the establishment by the individual of an initial residence in the municipality is exempt from the use tax.
8. Licensed childcare services, childcare products, and menstrual hygiene products, and contraceptives.

- 1 9. Isolated sales by one individual to another when the seller is
2 not generally engaged in the business of selling the same or
3 similar property.
4
 - 5 10. Rental of personal property, unless the rental transaction for
6 personal property provides a right of purchase at the end of the
7 rental contract. However, this provision does not exempt motor
8 vehicle rentals that are also subject to the motor vehicle rental
9 tax in chapter 12.45.
10
 - 11 11. The sale or rental of real property (including all necessary or
12 customary services provided in order to legally accomplish a
13 sale or rental of real property), except the rental of a room or
14 rooms taxable under chapter 12.20 are also taxable under this
15 chapter.
16
 - 17 12. The sale of contracts of insurance.
18
 - 19 13. Sale of school classroom items and professional development
20 courses or other goods or services qualifying for the federal
21 income tax educator expense deduction, to those presenting a
22 valid teacher's identification or certificate.
23
 - 24 14. Purchases made by nonprofits. The Municipality shall develop
25 an online registration for certifying that a nonprofit is eligible for
26 exemption as a "nonprofit exempt purchaser," at no cost to the
27 nonprofit. Upon certification the nonprofit exempt purchaser
28 shall provide their federal tax identification number to a seller
29 of goods at the time of purchase in order to obtain the permitted
30 exemption.
31
 - 32 15. Retail sales of alcoholic beverages as defined in chapter 12.65,
33 and marijuana or marijuana products as defined in chapter
34 12.50, as required to be exempt under Charter § 14.08.
35
 - 36 16. Retail sales of cigarettes and other tobacco products, as
37 defined in chapter 12.40.
38
- 39 D. The following sales are exempt from the taxes imposed by this
40 chapter, provided the seller or purchaser, as applicable, is in
41 possession of a valid certificate of exemption:
42
- 43 1. Sales and purchases by a nonprofit organization, provided the
44 sale of goods or services is incidental and all the proceeds of
45 the sale go to the organization and its mission, and is not part

1 of an “unrelated trade or business” as that term is defined by
2 the Internal Revenue Code.

3
4 2. Sale of goods for resale.

5
6 3. Sale of goods to members of households earning eighty
7 percent (80%) or less of the federal Housing and Urban
8 Development (HUD's) median household income for the
9 Anchorage area shall be exempt from the sales tax.

10
11 E. The application of the exemptions provided for in subsections A-D of
12 this section to specific goods and services shall be determined by the
13 department.

14
15 F. The Assembly by majority vote may, after formal recommendation
16 from the MAPs Citizen Advisory Board, alter or modify a determination
17 of the department concerning the application of any exemption
18 provided for in subsection A-D of this section to any specific goods or
19 services.

20
21 **12.80.090 Application for household exemption.**

22
23 A. The administration shall coordinate across its departments to create a
24 standardized application process for residents seeking a certificate of
25 exemption based on their household income being equal to or less
26 than 80% of the federal Housing and Urban Development (HUD's)
27 median household income for the Anchorage area.

28
29 B. The application for exemption under this section shall function as an
30 application for any and all need-based benefits and services provided
31 by the municipality or the school district. The application process shall:

32
33 1. Gather sufficient information to determine the applicants
34 eligibility for any need-based benefits and services;

35
36 2. Systematically screen all applicants to determine their
37 eligibility; and

38
39 3. Automatically apply to need-based benefits and services
40 programs the applicant may be eligible for.

41
42 **12.80.100 Dedicated sales and use tax trust fund.**

43
44 A. Pursuant to Charter § 14.08, there is established a Dedicated Sales
45 and Use Tax Trust Fund. The Trust Fund is dedicated for the net
46 receipts of the one percent (1%) sales and use tax, after payment of

1 one-third (1/3) of the costs of administration, collection and audit to
2 the Municipality.

- 3
4 1. The Trust Fund shall be invested as prescribed by an
5 investment policy approved by the assembly.
6
7 2. The Trust Fund shall be managed by a board of trustees,
8 appointed by the mayor and confirmed by the Assembly, each
9 of whom shall serve for a term of 3 years.

10
11 B. Reserved.

12
13 **12.80.110 Obligation for payment of tax; disposition of excess**
14 **collections; liability for uncollected taxes.**

15
16 A. The purchaser is obligated to pay the aggregated sales and use tax
17 under this chapter, and sales tax shall be collected by the seller at
18 the time of the sale transaction or acquisition. The tax rate is applied
19 to the selling price.

20
21 1. If a purchaser produces a certificate of exemption issued or
22 recognized by the municipality at the time of the sale
23 transaction, the seller shall not collect the tax. The seller shall
24 retain verification of the exempt status of the transaction in its
25 records. If no verification is retained, the seller is liable for the
26 uncollected taxes.

27
28 2. If the purchaser does not produce an exemption certificate, but
29 the transaction is in fact exempt under federal, state, local or
30 other law, the seller is not liable for the uncollected tax,
31 provided verification of the purchaser's exemption is retained in
32 the seller's records or otherwise readily available and reported
33 to the department.

34
35 3. Any uncollected sales tax under this subsection, which should
36 have been collected, is a liability of the seller.

37
38 4. If the selling price cannot be determined for purposes of
39 calculating the amount of sales and use tax, the fair market
40 value at the time of sale shall be subject to the sales and use
41 tax.

42
43 B. All sales and use taxes collected pursuant to this chapter are
44 municipal funds for which the seller is liable to the municipality. The
45 seller is liable for all monies collected from the purchaser as sales and
46 use tax in excess of the tax imposed by section 12.80.010. The seller

1 shall make reasonable efforts to return excess tax collected to the
 2 purchaser. If the seller is unable to return it, the excess tax collected
 3 shall be reported and remitted to the municipality with the regular tax
 4 return.

5
 6 C. Any person acquiring an ownership interest in the accounts receivable
 7 of a business, whether by purchase, foreclosure, or otherwise, shall
 8 also be liable for the payment of taxes, penalties, interest, fees and
 9 costs accruing and unpaid to the municipality from those accounts
 10 receivable.

11
 12 D. Any person acquiring an ownership interest in an ongoing business,
 13 whether by purchase, foreclosure or otherwise, shall also be liable for
 14 the payment of any taxes, penalties, interests, fee or costs owed to
 15 the municipality for taxes collected by the former owner or seller of the
 16 business.

17
 18 E. The president and any officer, member, manager or agent of a
 19 corporation or limited liability company with control of, supervision of,
 20 or charged with the responsibility of filing sales and use tax returns or
 21 remitting sales and use taxes is personally liable for any unpaid taxes,
 22 penalties, interest, fees and costs accruing and unpaid to the
 23 municipality. Dissolution of, or sale of, or other change in the form of
 24 the corporation or company does not discharge this personal liability.

25
 26 F. The municipality may pursue collection of unpaid and unremitted taxes
 27 as provided in this chapter.

28
 29 **12.80.120 Alaska Remote Seller Sales Tax Code, adoption.**

30
 31 The municipality hereby adopts and incorporates herein by reference the
 32 Remote Seller Sales Tax Code, published by the Alaska Remote Sellers
 33 Sales Tax Commission, in its entirety as it pertains to collection of sales tax
 34 from remote sellers and marketplace facilitators. In case of a conflict
 35 between the Remote Seller Sales Tax Code and this chapter, for transactions
 36 by sellers within the municipality this chapter shall govern, and for
 37 transactions by remote sellers the Remote Seller Sales Tax Code shall
 38 govern.

39
 40 **12.80.130 Presumption of taxability; sales price and value.**

41
 42 A. To prevent evasion of the aggregated sales and use tax and to aid in
 43 its administration, it is presumed:
 44

- 1 1. All sales of goods or services by a person engaging in business
2 in the municipality are subject to the tax, unless exempt by this
3 chapter; and
4
5 2. All goods or services purchased or sold by any person for
6 delivery into the municipality are purchased or sold for a taxable
7 use in the municipality.
8
9 B. For purposes of this section, the sales price or value of property,
10 goods or services shall be determined as of the time of acquisition,
11 introduction into the municipality, or conversion to use, whichever is
12 latest.
13
14 C. If the department has reasonable cause to believe a seller structured
15 a transaction to avoid collecting or remitting the tax levied under this
16 chapter, there is a rebuttable presumption that the substance of the
17 transaction is a taxable sale under this chapter.
18

19 **12.80.140 Timely filing allowance, seller reimbursement for**
20 **collection costs and confidentiality of information.**
21

- 22 A. A seller authorized to collect the aggregated sales tax under this
23 chapter and who is in otherwise full compliance with this chapter may
24 retain three percent (3%) of the tax collected, up to a maximum of
25 \$3,000 in a calendar year, for purposes of offsetting a portion of the
26 costs incurred by the seller in collecting the tax for the municipality,
27 provided the seller's tax return and full remittance is received by the
28 department on or before the due date.
29
30 B. If the seller is not in full compliance with this chapter, the seller is not
31 eligible for and may not retain the three percent (3%) costs offset.
32
33 C. A seller is not in full compliance if the seller:
34
35 1. Has an account with a past-due balance, or
36
37 2. Has a missing or incomplete return outstanding, or
38
39 3. Is in any manner not in compliance with a municipally approved
40 payment plan.
41
42 D. The seller shall report on each tax return the amount retained under
43 this section for that reporting period, and the total amount retained in
44 the calendar year up to the last day of the reporting period.
45
46 E. Confidentiality of information

A. Individual personal property utilized solely and exclusively for personal, non-business uses or purposes is exempt from taxation under this chapter.

B. The first \$250,000.00 [\$20,000.00] of assessed valuation of taxable personal property owned by each taxpayer shall be exempt from municipal property taxation.

1. For a taxpayer with more than one personal property tax account, the \$250,000.00 [\$20,000.00] exemption shall be distributed pro rata among all of the taxpayer’s accounts, based on the proportion of the assessed value in each account to the total assessed value of that taxpayer’s personal property.

(GAAB 10.05.030; AO No. 81-218(S); AO No. 85-182, 1-1-86; AO No. 86-211(S-1); AO No. 94-74(S-1), § 2, 1-1-95; AO No. 94-97(S), § 2, 1-1-95; AO No. 94-211, § 3, 1-1-95; AO No. 94-219, § 1, 1-1-95; AO No. 97-128, § 1, 10-21-97; AO No. 2004-140, § 2, 10-26-04; AO No. 2020-96, § 3, 9-1-21*)

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Section 5. The full text of Sections 2, 3 and 4 shall be published conspicuously on the Municipality’s web pages, including the elections web pages, no later than the day ballot packages are first mailed to voters pursuant to Title 28, and made available at every accessible vote center and the Election Center on election day, and at any location established for early voting prior to election day at all times when such location is open for marking and casting ballots.

Section 7. The Charter amendments set forth in the proposition in Section 2 and the Code amendments set forth in Sections 3 of this ordinance shall become effective on July 1, 2025, and the Code amendments set forth in Section 4 of this ordinance shall become effective January 1, 2026, if and only if, said proposition is approved by a majority of the qualified voters of the Municipality voting on the proposition during a special~~the regular~~ Anchorage Municipal election to be called by the Assembly pursuant to Anchorage Municipal Code section 28.20.010 and held no later than October 30~~on April 1~~, 2025. The remainder of this ordinance shall be effective upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 202_.

Chair

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ATTEST:

Municipal Clerk