

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

(NOTE: this (S-2) version is presented with no legislative drafting markup from previous versions, except to the title from the original AO, and is presented as a complete substitute. 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
35 **Section 1.** Pursuant to state law and the Anchorage Municipal Charter, a ballot
36 proposition in substantially the same form as appear in Section 2 below shall be
37 placed on the ballot and submitted to the qualified voters of the Municipality at the

1 regular municipal election on April 1, 2025.

2
3 **Section 2.** A ballot proposition shall be presented in substantially the following
4 form:

5
6 **PROPOSITION NO. _____**
7 **SALES AND USE TAX AND ECONOMIC DEVELOPMENT MEASURE:**
8 **CHARTER AMENDMENT AND ORDINANCE TO AUTHORIZE THE LEVY**
9 **OF A 3% SALES AND USE TAX, COMPRISED OF 2% FOR ANY PUBLIC**
10 **PURPOSE AND INCREASING THE "TAX CAP," AND 1% DEDICATED**
11 **TO VOTER APPROVED CAPITAL PROJECTS ABOVE THE TAX CAP**
12

13 The proposed Charter Amendment and Assembly Ordinance 2024-____
14 would authorize and enact an aggregated three percent (3%) sales and use
15 tax on the sale or use of goods and services within the Municipality of
16 Anchorage, with certain specified exemptions. T This is comprised of four
17 separate sales and use tax levies for separate purposes:

18
19 **(1) A three-fourths of one percent (0.75%) sales and use tax dedicated**
20 **to the reduction of property taxes under the tax cap. The full amount of**
21 **this tax revenue, after the cost of administration, is dedicated to**
22 **reduction of property taxes, dollar for dollar. This is estimated to reduce**
23 **the overall property tax burden by approximately \$120 million, or 16%**
24 **of an average property tax bill.**
25

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

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

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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. Westchester Lagoon Trailside Facility - full-service facility including food and beverage concessions, outdoor gear rentals, year-round recreation space, and other amenities
4. Downtown Arts and Entertainment Redevelopment – upgrade the Performing Arts Center and improve downtown core pedestrian experience with lighting, wayfinding, walkways, and other pedestrian infrastructure
5. 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
6. Anchorage Children’s Museum – a facility offering exhibits and programs designed for children
7. Chester Creek Sports Complex Redevelopment – a sports facility offering indoor commercial space and other amenities complementing the area’s revitalization
8. 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
9. Girdwood Arts & Recreation District – a community space for art events, and an RV park

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:

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.

Dedication of these funds shall occur every seven (7) years.

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

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

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9
10 This Sales and Use Tax and Economic Development Measure would amend
11 Anchorage Municipal Charter Subsections 14.03(b)-(c) and add new Section
12 14.08 as follows (new language proposed is shown in **bold and underlined**;
13 language to be deleted is shown with [~~strikeout in bold and brackets~~):

14
15 **Section 14.03. - Tax increase limitation.**

16
17 (a) Except as provided in this section, the total amount of municipal
18 tax that can be levied during a fiscal year shall not exceed the total
19 amount approved by the assembly for the preceding year by more
20 than a percentage determined by adding the average percentage
21 increase in the Federal Consumer Price Index for Anchorage from
22 the preceding five fiscal years plus the average percentage growth
23 or loss in the Anchorage municipal population over the preceding
24 five fiscal years as determined by the state department of
25 community and regional affairs.

26
27 (1) The "total amount of the municipal tax that can be levied
28 during a fiscal year" and the "total amount approved by the
29 assembly for the preceding year" in subsection (a) of this
30 section shall include all payments in-lieu of taxes paid or to
31 be paid by any Municipality of Anchorage utility,
32 department, agency or public corporation or authority.

33
34 (2) The "total amount approved by the assembly for the
35 preceding year" shall be the total amount of the taxes and
36 payments in-lieu of taxes approved by the assembly for
37 collection in the preceding year.

38
39 (3) **For the calendar year that begins following the initial**
40 **levy of the tax under Charter § 14.08(a), the "total**
41 **amount of the municipal tax that can be levied during**
42 **[the] fiscal year" shall be reduced by an amount equal**
43 **to the gross receipts of the three-fourths of one percent**
44 **(0.75%) sales and use tax collected minus the payment**
45 **of one-fourth of the costs of administration, collection**
46 **and audit to the Municipality pursuant to Charter §**

14.08(a) in the year said tax is first levied.

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

- (b) The limitations set forth in subsection (a) do not apply to the following:
- (1) Taxes on new construction or property improvements which occur during the current fiscal year.
 - (2) Taxes required to fund additional services mandated by voter approved ballot issues.
 - (3) Special taxes authorized by voter approved ballot issues.
 - (4) Taxes required to fund the costs of judgments entered against the municipality or to pay principal or interest on bonds, including revenue bonds.
 - (5) Taxes required to fund the cost of an emergency ordinance enacted pursuant to 10.03 of the Municipal Charter.
 - (6) Taxes imposed pursuant to Charter § 14.06 prior to 2019 and subsequent to 2023.

(7) Taxes imposed pursuant to Charter § 14.08(a).

(8) Taxes imposed pursuant to Charter § 14.08(b)

- (c) Any tax increases which result from the exceptions set forth in subsection (b)(1)— (3) **and (7)** shall be added to the base amount which is used in subsection (a) for the calculations of the subsequent year tax increase limit. Taxes collected pursuant to Charter § 14.06 in 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.

1 **The assembly is hereby authorized to levy, to the extent provided by**
2 **law, the following taxes:**

3
4 **(a) A three-fourths of one percent (0.75%) tax on the sale and use**
5 **of goods and services within the municipality, with exemptions**
6 **as provided by law. The proceeds of this 0.75% sales and use**
7 **tax authorized by this section in one fiscal year after payment of**
8 **the one-fourth of the costs of administration, collection and audit**
9 **are dedicated to property tax reduction in the following year.**
10 **This reduction shall be accomplished by expenditure of the**
11 **gross receipts in place of property taxes in any manner for which**
12 **property taxes are authorized. The taxes collected used for**
13 **payment of one-fourth of the costs of administration, collection**
14 **and audit of the taxes authorized by this section shall be "special**
15 **taxes" under Charter § 14.03(b).**

16
17 **(b) A three-fourths of one percent (0.75%) tax on the sale and use**
18 **of goods and services within the municipality dedicated to**
19 **funding Municipal Area Projects (MAPs). Each MAP shall be**
20 **approved a majority of the voters voting on the question. This**
21 **tax shall be levied at the same time, in the same manner, and with**
22 **identical exemptions as the tax authorized by subsection (a). The**
23 **net receipts from this 0.75% sales and use tax, after payment of**
24 **one-fourth of the costs of administration, collection and audit to**
25 **the municipality for the taxes authorized by this section, shall be**
26 **dedicated to investments for purposes of using earnings to pay**
27 **the costs for operations, maintenance and safety for constructed**
28 **MAPs and related improvements, and to funding development**
29 **and construction costs of MAPs.**

30
31 **(1) The net proceeds dedicated above shall be used to**
32 **establish a trust fund and be deposited therein. The**
33 **assembly shall establish by ordinance a public process by**
34 **which it dedicates the proceeds to the funding MAPs**
35 **Projects every seven years. The assembly shall establish**
36 **by ordinance a level of trust fund assets reasonable and**
37 **necessary to hold in reserve for investment earnings**
38 **sufficient to be available during the economic life of any**
39 **constructed MAPs project for the costs of operations,**
40 **maintenance and safety improvements. The assembly**
41 **may authorize draws from the trust by ordinance, with the**
42 **following stipulations:**

43
44 **(i) Investment earnings are first used for payment of**
45 **costs for operations, maintenance and safety**
46 **improvements for constructed MAPs and related**

1 improvements. Investment earnings unencumbered
2 at the end of the fiscal year shall become part of the
3 trust corpus.

4
5 (ii) Appropriations from the trust corpus are authorized
6 for costs of funding design, development, and
7 construction of a project on the MAPs list; provided
8 that no initial appropriation for a project's
9 construction costs is permitted unless the project is
10 80% funded or more, regardless of source.

11
12 (iii) Appropriations from the trust corpus may not cause
13 the balance to fall below the trust reserve level
14 established by the assembly in accordance with this
15 section.

16
17 (2) The assembly shall establish an investment policy for the
18 Trust Fund and Reserves by ordinance. The assembly
19 may enact such additional provisions, not inconsistent
20 with this section, as necessary or desirable to implement
21 this section.

22
23 (c) A three-fourths of one percent (0.75%) tax on the sale and use
24 of goods and services within the municipality dedicated solely
25 to the following:

26
27 (1) The net proceeds dedicated above shall be used to
28 establish a trust fund and be deposited therein. The
29 assembly may authorize draws from the trust by
30 ordinance, with the following stipulations:

31
32 (i) Investment earnings are first used and shall be
33 dedicated every seven years. Investment earnings
34 unencumbered at the end of the fiscal year shall
35 become part of the trust corpus.

36
37 (ii) Appropriations from the trust corpus may only be
38 authorized for good cause and by passage and
39 approval of an ordinance by the assembly.

40
41 (iii) Appropriations from the trust corpus may not cause
42 the balance to fall below the trust reserve level
43 established by the assembly in accordance with this
44 section.

45
46 (2) The assembly shall establish an investment policy for the

1 **Trust Fund and Reserves by ordinance. The assembly**
2 **may enact such additional provisions, not inconsistent**
3 **with this section, as necessary or desirable to implement**
4 **this section.**

5
6 **(3) Expenditure of investment earnings are first used and**
7 **shall be prioritized for the following purposes:**

8
9 **(i) Public safety vehicle fleet acquisition and**
10 **replacement;**

11
12 **(ii) Snow removal vehicle fleet acquisition and**
13 **replacement;**

14
15 **(iii) Development and expansion of affordable housing**
16 **opportunities; and**

17
18 **(iv) Development and expansion of public transit.**

19
20 **(d) A three-fourths of one percent (0.75%) tax on the sale and use**
21 **of goods and services within the municipality dedicated as**
22 **revenue to spent for any public purpose and shall be prioritized**
23 **for the following:**

24
25 **(1) Expanding existing benefit programs to residents that**
26 **leverage state and federal funding to ensure sufficient**
27 **capacity based on identified need;**

28
29 **(2) Improvements or repairs of municipal facilities**
30 **prioritizing those that residents can access; and**

31
32 **(3) Addressing identified community needs not adequately**
33 **funded through other municipal sources**

34
35 **(e) The taxes authorized by this section shall first be levied no**
36 **earlier than July 1, 2026 and no later than July 1, 2027, as**
37 **determined by the assembly by ordinance.**

38
39 **(f) The costs of administration, collection and audit for the taxes**
40 **authorized by this section shall be incurred proportionally from**
41 **the four 0.75% taxes collected.**

42
43 **(g) The goods authorized to be taxed under Charter §§ 14.06 and**
44 **14.07 are exempt from the taxes levied under this section.**
45

(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

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percent + one) of the qualified voters voting on the
question.

*** *** ***

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

**The municipal 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 2% sales and use tax.
- 12.80.050 Municipal Area Projects 1% sales and use tax.
- 12.80.060 MAPs Citizen Advisory Board.
- 12.80.070 Non-taxable sales and exemptions.
- 12.80.080 Dedicated Sales and Use Tax Trust Fund.
- 12.80.090 Obligation for payment of tax; disposition of excess
collections; liability for uncollected taxes.
- 12.80.100 Alaska Remote Seller Sales Tax Code, adoption.

- 1 12.80.110 Presumption of taxability; sales price and value.
2 12.80.120 Timely filing allowance, seller reimbursement for
3 collection costs.
4

5 **12.80.10 Aggregated sales and use tax.**
6

7 A. *Sales Tax Imposed.* An aggregated sales tax of 3% is hereby levied
8 on the taxable retail sales of all goods and services sold within the
9 municipality, except as provided in this chapter. This consists of four
10 separate sales and use taxes, one of three-fourths of one percent
11 (0.75%) for property tax relief, one of three-fourths of one percent
12 (0.75%) for funding Municipal Area Projects, one of three-fourths of
13 one percent (0.75%) for funding the purchase of snow fleet and public
14 safety fleet vehicles, and one of three-fourths of one percent (0.75%)
15 for funding any public purpose as limited by this title and authorized
16 by Charter § 14.08.
17

18 B. *Use Tax Imposed.* A use tax at the same rate as the sales tax in
19 subsection A., for the privilege of use within the municipality, is hereby
20 levied on the person using the following goods acquired on or after the
21 effective date of initial levy of the sales tax authorized by this section:
22

- 23 1. Goods manufactured in the municipality, only if the person
24 manufacturing the good is not engaged in the business of
25 manufacturing for resale to an end user; or
26
27 2. Goods acquired outside of the municipality and primarily used
28 within the municipality, if the acquisition is the result of a
29 transaction subject to the sales tax if it had occurred in the
30 municipality.
31
32 3. The first one-thousand dollars (\$1,000) of goods manufactured
33 in the municipality or goods acquired outside of the municipality
34 and primarily used within the municipality, as described in
35 subparagraphs 1 and 2 above, are exempted from the use tax
36 on an annual basis.
37

38 C. *Credit for taxes previously paid.* The use tax levied under this section
39 shall be adjusted in accordance with AS 29.45.650(c) if the person
40 subject to the use tax provides proof, in the form required by the
41 department, the person previously paid a sales tax imposed by any
42 jurisdiction on the goods.
43

44 D. To the fullest extent permitted under the law and constitutions of the
45 United States and the State of Alaska, and under the Charter, a person
46 who has nexus within the state and whose sales are not subject to the

1 sales taxes shall collect the use tax from the purchaser and pay the
2 tax collected to the municipality.

- 3
4 E. The aggregated sales and use taxes levied by this section shall be
5 collected for a limited term beginning at 12:01 a.m. on July 1, 2026,
6 for the remainder of that year, plus seven (7) full calendar years until
7 11:59 p.m. on December 31, 2034 when it shall be repealed by
8 operation of law.

9
10 **12.80.020 Purpose.** The purposes of this chapter are:

- 11
12 A. *Property Tax Relief.* A purpose of this chapter is to provide dedicated
13 property tax relief to the property owners of the municipality. The net
14 receipts of the three-fourths of one percent (0.75%) sales and use tax,
15 after payment of the 1/4 of costs of administration and collection for
16 sales and use taxes, shall be applied to reduce property taxes equally
17 and uniformly throughout the municipality so the benefits of the
18 reduction in property taxes are shared throughout the municipality.
19 This three-fourths of one percent (0.75%) sales and use tax obtained
20 by the municipality in one fiscal year shall be restricted to application
21 to the following fiscal year's budget by appropriations. The amount of
22 this sales and use tax obtained by the municipality in one fiscal year
23 shall be included in the tax increase limitation computation for the next
24 fiscal year as an offset amount of the real and personal property taxes
25 to be collected for that fiscal year.
26
- 27 B. *Municipal Area Projects (MAPs):* A purpose of this chapter is to
28 provide funding for Municipal Area Projects (MAPs) recommended
29 and desired by the public. The net receipts of this three-fourths of one
30 percent (0.75%) sales and use tax, after payment of the 1/4 of costs
31 of administration and collection for sales and use taxes, shall be
32 restricted to funding of Municipal Area Projects for the benefit of the
33 Municipality, including Trust fund reserves to generate investment
34 earnings to pay for operations, maintenance, and safety
35 improvements. No project shall break ground until a minimum of 80%
36 of funding required for that project has been appropriated. MAPs Fund
37 and Trust reserves shall not be used to secure general obligation bond
38 debt.
39
- 40 C. *Municipal Fleet Vehicle Acquisition and Replacement:* A purpose of
41 this chapter is to provide funding the recurring cost of replacing the
42 municipality's critical vehicle fleet. The net receipts of this three-
43 fourths of one percent (0.75%) sales and use tax, after payment of the
44 1/4 of costs of administration and collection for sales and use taxes,
45 shall be restricted to funding for the acquisition and replacement of
46 public safety fleet vehicle and snow removal fleet vehicles.

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2 D. *General Fund:* A purpose of this chapter is to provide funding for
3 existing benefit programs to residents that leverage state and federal
4 funding to ensure sufficient capacity based on identified need, as well
5 as upgrades or repairs of municipal facilities, and addressing identified
6 unmet community needs not adequately funded through other
7 municipal sources. The net receipts of this three-fourths of one percent
8 (0.75%) sales and use tax, after payment of the 1/4 of costs of
9 administration and collection for sales and use taxes, shall be
10 restricted to funding:

- 11
12 1. The supplementation or expansion existing benefit programs to
13 residents receiving state and federal funding, to ensure
14 sufficient capacity based on identified need,
15
16 2. Improvements or repairs of municipal facilities prioritizing those
17 facilities open to the public that residents can access; or
18
19 3. Addressing identified needs not adequately funded through
20 other municipal sources.
21

22 E. The costs of administration, collection and audit of the total
23 aggregated sales and use tax shall be paid proportionally out of the
24 proceeds from all aggregated sales and use tax.
25

26 F. The operations, maintenance and safety for constructed and related
27 improvements under Section 12.80.020B. shall be paid out of the
28 proceeds from the MAPs sales and use tax.
29

30 **12.80.025 - Interpretation.**

- 31
32 A. The tax levied by this chapter applies to all sales, rentals and services
33 except those that this chapter expressly exempts from the tax.
34
35 B. The application of the tax levied under this chapter shall be broadly
36 construed and shall favor inclusion rather than exclusion.
37
38 C. The exemptions from the tax levied under this chapter shall be
39 narrowly construed against the claimant and in favor of taxation.
40

41
42 **12.80.030 Definitions.**

43
44 The following words, terms and phrases, when used in this chapter, shall
45 have the meanings ascribed to them in this section, except where the context
46 clearly indicates a different meaning:

1
2 **Certificate of exemption** shall mean a certificate issued by the
3 municipality to a person qualifying as an "Exempt Purchaser" of goods
4 upon application by the purchaser demonstrating its entitlement to
5 such exemption. The purchaser shall provide the certificate to a seller
6 of goods at the time of purchase in order to obtain the permitted
7 exemption.

8
9 **Chief Fiscal Officer** shall mean the chief fiscal officer of the
10 municipality, or designee.

11
12 **Counseling services** shall mean all services provided to an individual
13 taxpayer by a psychologist or psychological associate, psychiatrist,
14 clinical social worker, substance abuse counselor, or a marital and/or
15 family therapist, licensed or certified to provide such services by the
16 State of Alaska.

17
18 **Department** shall mean the finance department of the municipality.

19
20 **Exemption** shall mean a buyer or seller is exempt under a provision
21 of this chapter, or the sale itself is exempt under a provision of this
22 chapter.

23
24 **Food** shall mean goods that may be lawfully purchased with food
25 stamp program benefits issued under 7 U.S.C. 2011 - 2025 (Food
26 Stamp Act, Supplemental Nutrition Assistance Program) or purchased
27 with food instruments, food vouchers or other type of certificate issued
28 under 42 U.S.C. 1786 (Special Supplemental Nutrition Program for
29 Women, Infants and Children or WIC). Also, items constituting the
30 basic necessities for human consumption, encompassing unprepared
31 food products, fresh produce, including fruits and vegetables,
32 uncooked meat and seafood, dairy products like milk and cheese, as
33 well as staples such as bread and rice.

34
35 **Food and food ingredients** shall mean substances, whether in liquid,
36 concentrated, solid, frozen, dried, or dehydrated form, that are sold for
37 ingestion or chewing by humans and are consumed for their taste or
38 nutritional value. "Food and food ingredients" does not include
39 "alcoholic beverages", "marijuana" or "tobacco."

40
41 **Prepared food** shall mean:

- 42
43 1. Food sold in a heated state or heated by the seller;
44
45 2. Two or more food ingredients mixed or combined by the seller
46 for sale as a single item; or

- 1
2 3. Food sold with eating utensils provided by the seller, including
3 plates, knives, forks, spoons, glasses, cups, napkins, or straws.
4 A plate does not include a container or packaging used to
5 transport the food.
6

7 **Goods** shall mean all tangible personal property that can be seen,
8 weighed, measured, felt, or touched, or that is in any other manner
9 perceptible to the senses. "Tangible personal property" includes
10 electricity, water, gas, steam, and prewritten computer software.
11

12 **Household exemption** shall mean the exemption of households with
13 annual income at or below federal level of eighty-percent (80%)
14 poverty from the provisions of this sales and use tax.
15

16 **Legal services** shall mean all services provided to an individual
17 taxpayer by a lawyer or paralegal or any other individual licensed or
18 certified by the State of Alaska to provide legal services.
19

20 **MAPs Citizen Advisory Board** shall mean a board comprised of
21 Municipal Citizens as established in this chapter.
22

23 **Medical services** shall mean all services provided to an individual
24 taxpayer by a physician, osteopath, chiropractor, dentist, registered or
25 practical nurse, physician's assistant, certified nurse's aide,
26 paramedic, emergency medical technician, naturopath, optometrist,
27 audiologist, hospital, midwife, birth center, occupational therapist,
28 physical therapist, or any other person certified or licensed by the state
29 of Alaska to provide health care services.
30

31 **Menstrual hygiene products** shall mean tampons, panty liners,
32 menstrual cups, pads, and other similar tangible personal property
33 designed for use in connection with the human menstrual cycle,
34 contraceptives, but does not include "grooming and hygiene products"
35 as defined in this section.
36

37 **Municipal Area Projects (MAPs)** shall mean capital projects as
38 defined by municipal code or capital investments that will have benefit
39 to the Municipality of Anchorage with measurable improvements for
40 the immediate and long-term livability of Anchorage.
41

42 **Nonprofit organization** shall mean a business or organization that
43 has been granted tax-exempt status by the Internal Revenue Service.
44

45 **Person** shall mean those who are under a duty to perform an act
46 concerning which a violation of this chapter could occur, such as an

1 individual, company, partnership, joint venture, joint agreement,
2 association (mutual or otherwise), corporation, estate, trust, business
3 trust, receiver or trustee, syndicate, or political subdivision of this state,
4 or combination acting as a unit including officers or members of any
5 such entities. It is the intent of this chapter that such persons be
6 personally liable for unremitted taxes.

7
8 **Precious metals bullion** shall mean any precious metal, including,
9 but not limited to, gold, silver, platinum, and palladium, that is in such
10 a state or condition that its value depends upon its precious metal
11 content and not its form.

12
13 **Prescription medicine** shall mean an order, formula or recipe issued
14 in any form of oral, written, electronic, or other means of transmission
15 by a duly licensed practitioner authorized by the laws of the member
16 state.

17
18 **Public safety fleet** shall mean any vehicle or implement owned and
19 maintained by the Anchorage Police Department.

20
21 **Purchaser** shall mean a person to whom a sale is made.

22
23 **Real property** shall mean land, whether subdivided or not, all
24 buildings, structures, improvements and fixtures of any kind thereon,
25 and all possessory rights and privileges belonging and pertaining
26 thereto.

27
28 **Resale** shall mean:

- 29
- 30 1. The sale of goods by a manufacturer, wholesaler or distributor
31 to a retail vendor; sales to a wholesale or retail dealer who
32 deals in the property sold, for the purpose of resale by the
33 dealer.
 - 34 2. Sales of personal property as raw material to a person engaged
35 in manufacturing components for sale, where the property sold
36 is consumed in the manufacturing process of, or becomes an
37 ingredient or component part of, a product manufactured for
38 sale by the manufacturer.
 - 39 3. Sale of personal property as construction material to a licensed
40 building contractor where the property sold becomes part of the
41 permanent structure.
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44

45 **Services** shall mean all services of every manner and description
46 performed or furnished for compensation within the municipality as

1 required to install, construct, repair or complete specified results or
2 end products and professional services, services in which a product
3 or sale of property may be involved, repair, transportation, advertising,
4 recreation, amusement, craftsmen's services, and services wherein
5 labor and materials are provided to accomplish a specific result.

6
7 **Seller** shall mean every person, whether acting as principal, agent or
8 employee, who makes a sale subject to this tax.

9
10 **Selling price** applies to the measure subject to sales and use tax and
11 means the total amount of consideration, including cash, credit,
12 property, and services, for which personal property or services are
13 sold, leased, or rented, valued in money, whether received in money
14 or otherwise, without any deduction for the following:

- 15
16 1. The cost of materials used, labor or service cost, interest,
17 losses, all costs of transportation to the seller, all taxes imposed
18 on the seller, and any other expense of the seller;
19
20 2. Charges by the seller for any services necessary to complete
21 the sale, other than delivery and installation charges;
22
23 3. Delivery charges;
24
25 4. Installation charges; and
26
27 5. Credit for any trade-in, as determined by state law.

28
29 **Snow fleet** shall mean any vehicle or implement owned and
30 maintained by the municipality for the purpose of roadway snow
31 removal.

32
33 **Tax payer** shall mean any person responsible for the payment of any
34 sales or use tax as required by this chapter.

35
36
37 **12.80.040 Property Tax Relief 0.75% sales and use tax.**

38
39 The three-fourths of one percent (0.75%) sales and use tax levied by Section
40 12.80.010 and authorized by Charter § 14.08(a), after 1/4 of the costs of
41 administration, collection, and audit to the municipality for the tax, is solely
42 dedicated to property tax relief and in substitution of other taxes. The
43 department shall implement this section.

44
45 **12.80.050 Municipal Area Projects 0.75% sales and use tax.**
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- 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 and approval of an ordinance by the municipal assembly as accumulated and only for the limited purposes (projects and administration, collection, audit, long term operations, maintenance and safety for constructed and related improvements) described in Charter § 14.09. A minimum of 5% and not more than 15% of the net receipts of the MAPs 1% sales and use tax funds shall be invested to fund the operations, maintenance and safety costs of MAPs projects.

- C. *Municipal Area Projects (MAPs) Citizen Advisory Board.* There is hereby authorized the establishment of a MAPs Citizen Advisory Board to review proposed and actual expenditures of such monies from the MAPs Tax Trust Fund and submit recommendations to the assembly and mayor regarding such expenditures, the order of projects funded, and modifications to the list of tax exemptions. The board must be seated and hold its first meeting with quorum at least 60 days prior to expenditure of any monies in the MAPs Tax Trust Fund
 - 1. The formation of the Board shall be at the discretion of the Mayor with appointment approval by the Assembly.
 - 2. The board shall have seven (7) members, appointed by the mayor and confirmed by the assembly, who shall serve for a term of 3 years.
 - 3. The board shall recommend to the mayor and assembly the any number of projects in priority order in which projects should be funded through appropriations as required by the Charter § 14.08.

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4. The board shall recommend appropriations for operations, maintenance, security and safety for constructed and related improvements as required by Charter Amendment.
5. The board shall at least on an annual basis provide a report to the mayor and assembly on the status of the tax and any exemptions that they recommend be added, deleted, or changed.

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

1. The MAPs Citizen Advisory Board shall solicit proposals from 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 following a public hearing.
5. This process shall recur every seven years.

12.80.060 Municipal vehicle fleet 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 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 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

1 approval of an ordinance by the municipal assembly. Investment
2 earnings may be expended as accumulated and only for the limited
3 purposes of:

- 4 1. Public safety and snow fleet vehicle replacement; and
- 5 2. Development and expansion of affordable housing
6 opportunities; and
- 7 3. Development and expansion of public transit.
- 8 4. Reinvestment into the municipal dedicated fund.

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14 C. The assembly shall dedicate the expenditure of investment earnings
15 to certain purposes every seven years.

16
17 **12.80.070 General 0.75% sales and use tax.**

18
19 A. The net receipts of the general three-fourths of one percent (0.75%)
20 sales and use tax levied by section 12.80.010 and authorized by
21 Charter § 14.08(b) for Municipal Area Projects, after payment or
22 transfer for one-fourth of the costs of administration, collection, and
23 audit to the municipality for the tax, shall be available any public
24 purpose but should prioritize the following:

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

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36 **12.80.080 Non-taxable sales, exclusions and exemptions.**

37
38 A. The following sales are not taxable under this chapter under state or
39 federal law:

- 40 1. Sales to or uses by an agency of the United States government,
41 an instrumentality of the State of Alaska as that term is defined
42 in AS 39.52.960, a municipality or school district, including the
43 Anchorage School District, a Regional Housing Authority
44 created pursuant to A.S.18.55.996, or a Native entity or tribe
45 included on the federal list published under 25 U.S.C. 5131.
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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.
4. Sales or use of goods related to an orbital space facility, pursuant to AS 29.45.650(h).
5. A purchase made with (a) food coupons, food stamps, or other type of allotment issued under 7 U.S.C. 2011--2036 (Food Stamp Program); or (b) food instruments, food vouchers, or other type of certificate issued under 42 U.S.C. 1786 (Special Supplemental Food Program for Women, Infants, and Children). For purposes of this subsection, the value of a food stamp allotment paid in the form of a wage subsidy as authorized under AS 47.25.975(b) is not considered to be an allotment issued under 7 U.S.C. 2011--2036 (Food Stamp Program).
6. The retail sale, use, or transfer of refined fuel.
7. A construction contract awarded by the state or a state agency, or on a subcontract awarded in connection with the project funded under the construction contract.
8. Other sales or uses the municipality is prohibited from taxing under the federal or state Constitutions or laws of the United States or the State of Alaska.

B. *Maximum tax per transaction.* Only the first \$1,000.00 of the price in each transaction shall be subject to sales tax levied under this chapter, the amount in excess in each transaction is excluded and not taxable. This rule applies as follows in the circumstances described:

1. The payment of rent for personal property in excess of \$1,000, and for more than one month shall be treated as separate transactions covering the rental for one month each. A transaction involving payment for services to be rendered or delivered over a period of more than one month for a consideration in excess of \$1,000 shall be treated as separate transactions occurring one each month over the period of time that the service is rendered.

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2. Each night of each individual room rental shall be considered a separate transaction and therefore the maximum tax computation shall be calculated on a per room per night basis.
3. Capital Leases. Contracts to purchase the property at the end of a lease shall be treated as a sale on the effective date of the contract and are subject to the maximum tax per transaction pursuant to subsection (A) of this section.
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.

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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.
9. Isolated sales by one individual to another when the seller is not generally engaged in the business of selling the same or similar property.
10. Rental of personal property, unless the rental transaction for personal property provides a right of purchase at the end of the rental contract. However, this provision does not exempt motor vehicle rentals that are also subject to the motor vehicle rental tax in chapter 12.45.
11. The sale or rental of real property (including all necessary or customary services provided in order to legally accomplish a sale or rental of real property), except the rental of a room or rooms taxable under chapter 12.20 are also taxable under this chapter.
12. The sale of contracts of insurance.
13. Sale of school classroom items and professional development courses or other goods or services qualifying for the federal income tax educator expense deduction, to those presenting a valid teacher's identification or certificate.
14. Purchases made by nonprofits. The Municipality shall develop an online registration for certifying that a nonprofit is eligible for exemption as a "nonprofit exempt purchaser," at no cost to the nonprofit. Upon certification the nonprofit exempt purchaser shall provide their federal tax identification number to a seller of goods at the time of purchase in order to obtain the permitted exemption.
15. Retail sales of alcoholic beverages as defined in chapter 12.65, and marijuana or marijuana products as defined in chapter 12.50, as required to be exempt under Charter § 14.08.
16. Retail sales of cigarettes and other tobacco products, as defined in chapter 12.40.

1 D. The following sales are exempt from the taxes imposed by this
2 chapter, provided the seller or purchaser, as applicable, is in
3 possession of a valid certificate of exemption:
4

5 1. Sales and purchases by a nonprofit organization, provided the
6 sale of goods or services is incidental and all the proceeds of
7 the sale go to the organization and its mission, and is not part
8 of an "unrelated trade or business" as that term is defined by
9 the Internal Revenue Code.

10 2. Sale of goods for resale.
11

12 3. Sale of goods to members of households earning eighty
13 percent (80%) or less of the federal Housing and Urban
14 Development (HUD's) median household income for the
15 Anchorage area shall be exempt from the sales tax.
16
17

18 E. The application of the exemptions provided for in subsections A-D of
19 this section to specific goods and services shall be determined by the
20 department.
21

22 F. The Assembly by majority vote may, after formal recommendation
23 from the MAPs Citizen Advisory Board, alter or modify a determination
24 of the department concerning the application of any exemption
25 provided for in subsection A-D of this section to any specific goods or
26 services.
27

28 **12.80.090 Application for household exemption.**
29

30 A. The administration shall coordinate across its departments to create a
31 standardized application process for residents seeking a certificate of
32 exemption based on their household income being equal to or less
33 than 80% of the federal Housing and Urban Development (HUD's)
34 median household income for the Anchorage area.
35

36 B. The application for exemption under this section shall function as an
37 application for any and all need-based benefits and services provided
38 by the municipality or the school district. The application process shall:
39

40 1. Gather sufficient information to determine the applicants
41 eligibility for any need-based benefits and services;
42

43 2. Systematically screen all applicants to determine their
44 eligibility; and
45

46 3. Automatically apply to need-based benefits and services

1 programs the applicant may be eligible for.
2

3 **12.80.100 Dedicated sales and use tax trust fund.**
4

5 A. Pursuant to Charter § 14.08, there is established a Dedicated Sales
6 and Use Tax Trust Fund. The Trust Fund is dedicated for the net
7 receipts of the one percent (1%) sales and use tax, after payment of
8 one-third (1/3) of the costs of administration, collection and audit to
9 the Municipality.

- 10
11 1. The Trust Fund shall be invested as prescribed by an
12 investment policy approved by the assembly.
13
14 2. The Trust Fund shall be managed by a board of trustees,
15 appointed by the mayor and confirmed by the Assembly, each
16 of whom shall serve for a term of 3 years.
17

18 B. Reserved.
19

20 **12.80.110 Obligation for payment of tax; disposition of excess**
21 **collections; liability for uncollected taxes.**
22

23 A. The purchaser is obligated to pay the aggregated sales and use tax
24 under this chapter, and sales tax shall be collected by the seller at
25 the time of the sale transaction or acquisition. The tax rate is applied
26 to the selling price.
27

- 28 1. If a purchaser produces a certificate of exemption issued or
29 recognized by the municipality at the time of the sale
30 transaction, the seller shall not collect the tax. The seller shall
31 retain verification of the exempt status of the transaction in its
32 records. If no verification is retained, the seller is liable for the
33 uncollected taxes.
34
35 2. If the purchaser does not produce an exemption certificate, but
36 the transaction is in fact exempt under federal, state, local or
37 other law, the seller is not liable for the uncollected tax,
38 provided verification of the purchaser's exemption is retained in
39 the seller's records or otherwise readily available and reported
40 to the department.
41
42 3. Any uncollected sales tax under this subsection, which should
43 have been collected, is a liability of the seller.
44
45 4. If the selling price cannot be determined for purposes of
46 calculating the amount of sales and use tax, the fair market

1 value at the time of sale shall be subject to the sales and use
2 tax.

3
4 B. All sales and use taxes collected pursuant to this chapter are
5 municipal funds for which the seller is liable to the municipality. The
6 seller is liable for all monies collected from the purchaser as sales and
7 use tax in excess of the tax imposed by section 12.80.010. The seller
8 shall make reasonable efforts to return excess tax collected to the
9 purchaser. If the seller is unable to return it, the excess tax collected
10 shall be reported and remitted to the municipality with the regular tax
11 return.

12
13 C. Any person acquiring an ownership interest in the accounts receivable
14 of a business, whether by purchase, foreclosure, or otherwise, shall
15 also be liable for the payment of taxes, penalties, interest, fees and
16 costs accruing and unpaid to the municipality from those accounts
17 receivable.

18
19 D. Any person acquiring an ownership interest in an ongoing business,
20 whether by purchase, foreclosure or otherwise, shall also be liable for
21 the payment of any taxes, penalties, interests, fee or costs owed to
22 the municipality for taxes collected by the former owner or seller of the
23 business.

24
25 E. The president and any officer, member, manager or agent of a
26 corporation or limited liability company with control of, supervision of,
27 or charged with the responsibility of filing sales and use tax returns or
28 remitting sales and use taxes is personally liable for any unpaid taxes,
29 penalties, interest, fees and costs accruing and unpaid to the
30 municipality. Dissolution of, or sale of, or other change in the form of
31 the corporation or company does not discharge this personal liability.

32
33 F. The municipality may pursue collection of unpaid and unremitted taxes
34 as provided in this chapter.

35
36 **12.80.120 Alaska Remote Seller Sales Tax Code, adoption.**

37
38 The municipality hereby adopts and incorporates herein by reference the
39 Remote Seller Sales Tax Code, published by the Alaska Remote Sellers
40 Sales Tax Commission, in its entirety as it pertains to collection of sales tax
41 from remote sellers and marketplace facilitators. In case of a conflict
42 between the Remote Seller Sales Tax Code and this chapter, for transactions
43 by sellers within the municipality this chapter shall govern, and for
44 transactions by remote sellers the Remote Seller Sales Tax Code shall
45 govern.
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12.80.130 Presumption of taxability; sales price and value.

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- A. To prevent evasion of the aggregated sales and use tax and to aid in its administration, it is presumed:
 - 1. All sales of goods or services by a person engaging in business in the municipality are subject to the tax, unless exempt by this chapter; and
 - 2. All goods or services purchased or sold by any person for delivery into the municipality are purchased or sold for a taxable use in the municipality.
 - B. For purposes of this section, the sales price or value of property, goods or services shall be determined as of the time of acquisition, introduction into the municipality, or conversion to use, whichever is latest.
 - C. If the department has reasonable cause to believe a seller structured a transaction to avoid collecting or remitting the tax levied under this chapter, there is a rebuttable presumption that the substance of the transaction is a taxable sale under this chapter.

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12.80.140 Timely filing allowance, seller reimbursement for collection costs and confidentiality of information.

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- A. A seller authorized to collect the aggregated sales tax under this chapter and who is in otherwise full compliance with this chapter may retain three percent (3%) of the tax collected, up to a maximum of \$3,000 in a calendar year, for purposes of offsetting a portion of the costs incurred by the seller in collecting the tax for the municipality, provided the seller's tax return and full remittance is received by the department on or before the due date.
 - B. If the seller is not in full compliance with this chapter, the seller is not eligible for and may not retain the three percent (3%) costs offset.
 - C. A seller is not in full compliance if the seller:
 - 1. Has an account with a past-due balance, or
 - 2. Has a missing or incomplete return outstanding, or
 - 3. Is in any manner not in compliance with a municipally approved payment plan.

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D. The seller shall report on each tax return the amount retained under this section for that reporting period, and the total amount retained in the calendar year up to the last day of the reporting period.

E. Confidentiality of information

1. The records of the seller retained pursuant to this chapter shall be considered proprietary and confidential and shall not be disclosed to any person except employees and agents of the Municipality acting in their official capacity and then only for purposes reasonably related to the collection and remittance of the sales and use tax.

2. Notwithstanding subsection a., the department may, at its discretion for the sole purpose of enforcing this chapter, share any and all sales and use tax returns, registration information or other data gathered under this chapter with other federal, state and municipal tax collection agencies and other government agencies only as necessary to enforce this chapter, collect tax monies, or perform an audit.

3. Violation of this section or aiding violation of this section is a Class B misdemeanor.

Section 4. Anchorage Municipal Code chapter 12.10 is hereby amended to read as follows, effective if and only if the proposition in Section 2 of this ordinance is approved by the voters (*the remainder of the chapter is not affected and therefore not set out*):

Chapter 12.10 PERSONAL PROPERTY TAXATION^[1]

12.10.010 Property subject to taxation.

A. Except as otherwise provided in this chapter, the following personal property which has a tax situs within the municipality is subject to taxation:

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3. *Taxable business personal property.*

a. Business personal property is taxable to the extent that a taxpayer's total assessed value for all business personal property within the Municipality of Anchorage exceeds \$250,000.00 [\$20,000.00].

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(AO 220-76, § 1, 11-16-06; AO No. 81-218(S); AO No. 94-74(S-1), § 1, 1-1-

95; AO No. 94-211, § 2, 1-1-95; AO No. 2004-140, § 1, 10-26-04; AO No. 2010-81(S-1), § 15, 12-7-10, eff. 1-1-11; AO No. 2011-30, § 2, 3-8-11, eff. 1-1-12; AO No. 2020-96, § 3, 9-1-21*)

12.10.020 Exemptions.

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 the regular Anchorage Municipal election held 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_.

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Chair

ATTEST:

Municipal Clerk