

CITY OF PALMER, ALASKA

ORDINANCE NO. 199

AN ORDINANCE ADOPTING CHAPTER 13, DIVISION 1 OF THE PALMER CODE OF ORDINANCES AND REPEALING ALL ORDINANCES HERETOFORE ENACTED WHICH ARE INCONSISTENT THEREWITH.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1.

Chapter 13, Division 1 of the Code of Ordinances of the City of Palmer, Alaska, attached hereto, and incorporated herein by reference as though fully set forth, is hereby adopted.

Section 2.

All ordinances heretofore enacted conflicting with the provisions of Chapter 13, Division 1 or inconsistent with such chapter are hereby repealed.

Section 3.

Publication of this ordinance shall be by posting a copy thereof on the City Hall bulletin board for a period of ten days following its passage and approval.

First Reading: January 25, 1977

Second Reading: February 8, 1977

Passed and approved by the City Council of the City of Palmer, Alaska, this 8th day of February, 1977.



JACK E. MAZE, MAYOR



WILLIAM E. CURTIS, CITY CLERK

Section 13.3 TAX LEVY: Every buyer shall pay to the seller, for the use and benefit of the City, a tax of two percent (2%) of the sale price, or rent, on all such property and services purchased or leased by him; provided, that on cash sales and rentals such tax shall be due and payable at the time of sale or lease, and on credit sales only to the extent of payment or payments actually received on such account at the time such payment or payments are received. Sales tax shall be charged on all sales and rentals from a business located within the City limits even though the goods may be used or consumed outside the City, except if property is ordered by telephone or mail from a place outside the City and transported by the United States Postal Service or certified common carrier to a destination outside of the City limits for use or consumption, there will be no sales tax charged. Any service, or any service combined with other things of value, shall be taxed at two percent (2%) of the sale price or rent made for such; sales tax shall be paid on each individual invoice and not on a cumulative total.

Section 13.4 EXAMPLES OF TAXED TRANSACTIONS:

Illustrative examples of transfers of ownership or possession, and rendering of services, which are taxed under this Chapter include, but are not limited to the following:

- (1) Rentals of all tangible personal property including vending machines, typewriters, office furniture and equipment, tools, automobiles, construction equipment, and aircraft, including all maintenance and repair contracts in connection therewith.
- (2) Supplying natural or artificial gas, electricity, ice, steam, water and all service by a public or private utility.
- (3) Transportation for hire of persons by common carrier, including motor transportation, taxicab companies, and all other means of transportation for hire.
- (4) Service by telephone companies to subscribers or users, including transmission of messages, whether local or long distance. This shall include all services and rental charges having any connection with telephone service, but shall not include deposits.
- (5) Printing or printed matter of all types, kinds, and characters and the service of printing or over printing.
- (6) Renting rooms or living quarters or offices or other commercial space of whatever name or nature by hotels, apartments, rooming houses, public lodging houses or by firms or individuals renting single or multiple unit residences of offices or other commercial space.
- (7) Foods, confections and all drinks sold and dispensed by hotels, restaurants, or other dispensers and sold for immediate consumption upon the premises or delivered or carried away from the premises for consumption elsewhere.
- (8) Advertising of all kinds, types and character contracted for or sold in Palmer, including any and all devices used for advertising purposes and the servicing of advertising devices.
- (9) Gross proceeds derived from the operation of punchboards, slot machines, marble machines, juke boxes, merchandise vending machines or amusement devices of any kind, and self service laundry and dry cleaning machines.
- (10) The sale of tickets or admissions to places of amusement, entertainment, recreational or athletic events, or dues or fees for the privilege of having access to or use of amusement, entertainment, athletic or recreational facilities, including free or complimentary passes and tickets, admissions, dues or fees. Such free or complimentary passes and tickets, dues or fees are hereby declared to have a value equivalent to the sale price or value of said tickets, passes, admissions, dues or fees.

13.4 Examples of Taxed Transactions (continued)

- (11) Sales of tangible personal property and services made for the purpose of developing and improving real estate, even though such real estate is intended for resale as real property. Sales of tangible personal property, including materials, supplies and equipment and rendering services to licensed contractors who use the same in the performance of a contract within the City are not taxable sales, but such contractor's total price to the buyer shall be taxed. Sales of tangible personal property to persons who are primarily engaged in selling their services shall be deemed sales to consumers or users, and therefore taxable.
- (12) Services of dry cleaners, laundries, garages, barber and beauty shops, cold storage, and locker plants.
- (13) Retail sales of motor fuels, oil and lubricants.
- (14) Services rendered by lawyers, accountants, shoe repair shops, carpenters and cabinet makers, house painters and decorators, tinsmiths and sheet iron workers, watchmakers, radio and television advertising, photographers (including all film development), printing establishments, garages, mechanics and machinists, plumbers and electricians, welders and stove cleaners, and services of all other tradesmen, craftsmen and professional practitioners.

Section 13.5 EXCLUDED FROM TAXATION.

The tax hereby levied shall not apply to the following:

- (1) Casual and isolated sales not exceeding fifty dollars (\$50.00) and not made in the regular course of business.
- (2) Sales of insurance and bonds of guaranty and fidelity.
- (3) Gross receipts or proceeds derived from funeral charges and services, medical or dental services rendered, and hospital services.
- (4) Gross receipts or gross proceeds derived from the sale of tangible personal property or services by churches, except where such organizations are engaged in business for profit or savings, or competing with other persons engaged in the same or similar business.
- (5) Gross receipts or proceeds derived from the transportation of students to and from grade or high schools in motor or other vehicles.
- (6) Gross receipts or proceeds derived from the sale of food in public, common, high school or college cafeterias or lunch rooms operated primarily for the public and not operated for profit.
- (7) Gross receipts or proceeds derived from sales or services which the municipality is prohibited from taxing under the laws of the State of Alaska or under the laws of the United States; or gross receipts or proceeds from the transportation, loading, unloading or storing of cargo from vessels or aircraft in foreign or interstate commerce, or on goods in transit or awaiting and being processed for shipment.
- (8) Gross receipts or proceeds derived from carrier sales made directly to consumers or users of newspapers or any other periodicals.

13.5 Excluded from Taxation

- (9) Gross receipts or proceeds derived from sales to the United States Government, State of Alaska, or any political subdivision thereof including the City of Palmer; provided, however, that the exemption shall not apply to the sale of materials and supplies to contractors for the manufacture or production of property or rendering services for sale to such government units or agencies on a contract bid award, in which event the contractor shall be deemed the buyer subject to the payment of the tax.
- (10) Dues or fees to clubs, labor unions or fraternal organizations.
- (11) Real estate agent's gross receipts received on behalf of owner and derived from sale of real property, but excepting the real estate agent's fee earned as commission for sale of such property, which fee or commission shall be taxable.
- (12) Sale of tickets for school entertainments, school athletic events, and activities conducted for eleemosynary purposes or community benefits.
- (13) Bulk sale of feed, seed and fertilizer to farmers.
- (14) Interstate air, train and boat fares.
- (15) Receipts from the filling of doctor's prescriptions by licensed pharmacists.
- (16) Sales of drugs and medicines for use in hospitals and clinics.
- (17) Sale of food supplies to cafes, restaurants and other establishments where food is sold to the public for use in the normal course of business of cafes, restaurants and other such establishments.
- (18) Sale of food supplies to hospitals, to children's homes, having six (6) or more charges, recreational camps and schools provided a certificate authorizing such exemption is first obtained from the City.
- (19) The maximum tax on contract for the original construction of private buildings or private residences or the sale of a car or a boat or an engine shall be Ten Dollars (\$10.00); and, even though the single sale of said articles of tangible personal property may run to several thousands of dollars, only the first Five Hundred Dollars (\$500.00) shall be subject to tax. It is specifically provided, however, that sales of supplies, ice, or oil and gas, or other classes of equipment, individually or in the aggregate, shall not be construed as falling in the exempted class, nor shall the total sales price of any combination of items of merchandise, machinery, equipment or goods, wares or merchandise, be considered as a single sale for the purpose of securing the exemption provided for by this section.

Section 13.6 SPECIAL APPLICATIONS:

For the purpose of facilitating the collection of the tax and for the convenience of the buyer, the following special application shall prevail:

- (1) The buyer who proposes to undertake the original construction of private buildin or buildings within the City of Palmer may, at the time of making application for and receiving the building permit, pay the maximum tax required; and the subsequent showing of the tax receipt then issued shall exempt said buyer for a period not to exceed one (1) year, from paying any further tax in purchasing for the project for which the permit has been issued; showing of such receipt, which shall not be transferable, at the time of the purchase of goods, materials or articles will be sufficient to permit the purchase of the goods, materials or articles without further payment of tax and will relieve the seller of the obligation to collect the tax.

13.5 Excluded from Taxation

- (2) In the event that the building or buildings for the project are to be erected outside of the City, then the buyer may pay the tax to the City and receive a receipt which shall be considered by the seller as prima facie evidence of the previous payment of such tax for any purpose for the particular project described on the tax receipt; showing of such receipt at the time of purchase of goods, materials or articles without further payment of tax will relieve the seller from the obligation to collect the tax.
- (3) In the event that any other single building project, other than those buildings or construction for which a building permit would be required, is contemplated, requiring miscellaneous purchasing from more than one seller, the buyer may, in order to avoid the payment of multiple taxes, obtain from the City a receipt showing the maximum payment of the tax and the description of the project; the showing of such receipt at the time of purchase of goods, materials or articles will be sufficient to permit the purchase of goods, materials or articles without further payment of tax and will relieve the seller from the obligation to collect the tax.

Section 13.7. SEGREGATION OF TAXES - ACCOUNTABILITY:

Upon collection by the seller of the taxes imposed herein, title to the collected taxes shall vest in the City. All taxes collected are City monies, and the seller is at all times accountable to the City for such monies. Collection of any tax or taxes, interest and penalties due and payable to the City under this Chapter may be enforced through civil action brought in any court of competent jurisdiction. Every sale which is made within the City, unless explicitly exempted by this Chapter or a subsequent ordinance, shall be presumed to be subject to the tax imposed hereunder in any action to enforce the provisions of this Chapter.

Section 13.8 TAX RETURNS:

Every seller on or before the tenth day of each month shall make out a return for the preceding month upon forms to be provided by the City setting forth the amount of all sales, rentals and services, all nontaxable sales, rentals and services, and all taxable sales, rentals and services for the preceding month, the amount of tax thereon, and such other information as the City may require, and sign and transmit the same to the City. The tax levied, whether or not collected from the buyer, shall be paid by the seller to the City at the time of transmitting the return and, if not so paid, such tax shall forthwith become delinquent. In the event the tax is not paid before delinquency, as herein provided, a penalty of five percent (5%) of such tax shall be added to the tax for the first month or fraction thereof of delinquency, and an additional five percent (5%) for each additional month or fraction thereof of delinquency, until a total penalty of fifteen percent (15%) has been accrued. Such penalty shall be assessed and collected in the same manner as the tax is assessed and collected. In addition to the aforesaid penalty, interest at the rate of eight percent (8%) per annum of the delinquent tax from the date of delinquency until paid shall accrue and be collected in the same manner the delinquent tax is collected.

All tax returns shall show such further information as the City may require to enable it to compute correctly and collect the tax herein levied. In addition to the information required on returns, the City may request and the seller must furnish any information deemed necessary for a correct computation of the tax. The seller shall compute and remit to the City the required tax due for the preceding month and the remittance of the tax must

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accompany the returns herein required. If not paid when due, the tax shall be delinquent from such date and collection shall be enforced under the terms of this chapter as hereinafter set forth.

Section 13.9 TAX RECORDS.

It shall be the duty of every seller required to make a return and pay over any tax under this Chapter, to keep and preserve suitable records of the gross daily sales together with invoices of purchases and sales, bills of lading, bills of sales and other pertinent records and documents which may be necessary to determine the amount of tax due hereunder and such other records of goods, wares, merchandise and other subjects of taxation under this Chapter as will substantiate and provide the accuracy of such returns. It shall also be the duty of every seller who makes exempt sales to keep records of such sales which shall be subject to examination by the City or any authorized employee thereof while engaged in checking or auditing the records of any seller required to make a report under the terms of this Chapter. All such records shall remain in the City of Palmer and be preserved for a period of three years after payment of the taxes unless the City has authorized, in writing, their destruction or disposal at an earlier date, and shall be open to examination at any time by the City or any authorized employee thereof while engaged in checking such records. The burden of proving that a sale, rental or service was not taxable shall be upon the seller.

Any seller who filed or should have filed a sales tax return for the prior month shall file a return for the current month even though no tax may be due. This return shall show why no tax is due, and if the business is sold, the name of the person to whom it was sold. If any seller sells, leases or otherwise disposes of his business, he shall make a final sales tax return within fifteen (15) days after the date of sale; and the purchaser, successor or assign shall withhold a sufficient portion of the purchase price to safely cover the amount of such sales tax, penalties and interest as may be due and unpaid to the City until such time as the former owner has produced a receipt from the City showing that all tax obligations imposed by this Chapter have been paid; and further provided, if any purchaser of a business fails to withhold from the purchase money as herein provided for he shall be personally liable for the payment of the taxes, penalties and interest accruing and unpaid to the City on account of the operation of the business by the former owner, owners, or assigns.

Section 13.10 TAX ADDED TO SALES PRICE.

The tax levied hereunder shall be paid by the buyer and it shall be the duty of every seller to collect from the buyer the full amount of the tax, except that the tax on receipts or proceeds from various mechanical devices are provided hereafter shall be paid by the operator thereof. Every seller shall add the amount of the tax levied by this Chapter to the total sale price, and the tax shall be stated separately on any sales receipts or slips, rent receipts, charge tickets, invoices, statements of account or other tangible evidence of sale. When so stated, the tax shall constitute a part of such price and shall be a debt from the buyer to the seller until paid, and shall be recoverable at law in the same manner as other debts.

13.11 TAX RATESection 13.11 TAX RATE.

Sellers shall add this tax to the sale price in strict accordance with the following scale:

<u>CHARGE</u>	<u>TAX</u>
Under \$.25	None
\$.25 thru \$.64	\$.01
\$.65 thru \$ 1.24	.02
\$ 1.25 thru \$ 1.64	.03
\$ 1.65 thru \$ 2.24	.04
\$ 2.25 thru \$ 2.65	.05
\$ 2.65 thru \$ 3.24	.06
\$ 3.25 thru \$ 3.64	.07
\$ 3.65 thru \$ 4.24	.08
\$ 4.25 thru \$ 4.64	.09
\$ 4.65 thru \$ 5.24	.10

Over \$5.24 continue on same scale.

Section 13.12 REGULATIONS.

The City Manager may take any action necessary or appropriate to the implementation of this Chapter by promulgation of regulations which may include the adoption of forms. Such regulations or any proceedings adopted by the City Manager are effective at the time indicated by him, but are subject to revision or repeal by the City Council at the next meeting following their effective date or at the time that the Council acts thereon.

Section 13.13 CITY BUSINESS LICENSE.

All sellers shall secure a City Business License as otherwise required in this Code in connection with doing business in the City of Palmer. The City Business License must be prominently displayed at the place of business of every seller, any seller who has no regular place of business shall display such license upon request. Any such license must be surrendered to the City by the seller to whom it was issued upon the seller ceasing to do business at the location named in said license. If the business is continued at the same location, but there is a change in its form of organization such as from a single proprietorship to a partnership or a corporation, the admission or withdrawal of a partner or any other change, the seller making such change shall surrender his old City Business License to the City for cancellation. The successor seller is required to file a new application for a City Business License and upon receipt of a proper application, properly executed, a new City Business License will issue to such successor seller. When there is a change of location for the seller's place of business, a new Business License is required showing the new address.

Section 13.14 PREREQUISITES AUTHORIZED FOR ISSUANCE OF SELLER'S BUSINESS LICENSE:

Before issuing a Business License to a seller, the City may require the applicant to post a bond, furnish a statement of net worth, or furnish additional security to insure the full and prompt payment of taxes to be collected under this Chapter when in the judgment of the City Manager it is in the interest of the City to do so. The Business License of any seller is automatically suspended when such seller fails to pay delinquent taxes, penalty and interest within thirty (30) days after notice of delinquency is given or mailed. It is unlawful for a seller to engage in sales

when such license is suspended. Each seller who obtains or should obtain a City Business License in accordance with this Chapter and this Code consents to the inspection of his Alaska Business License Tax Returns in order to facilitate the accomplishment of the provisions and objectives of this Chapter.

Section 13.15 DISCLOSURE OF TAX.

A seller shall not advertise or hold out or state to the public or to any buyer, directly or indirectly, that the tax payment or any part thereof imposed by this Chapter will be assumed or absorbed by the seller or that it will not be added to the sales price or that it will be refunded or absorbed in whole or in part. The seller shall, whenever feasible, separately state the tax to the buyer on each taxable transaction. When not feasible to state separately, the seller shall prominently display a sign indicating the imposition of the tax. The revenue from a coin operated machine shall be treated in gross on a monthly basis, without reference to the amount paid or played on a particular transaction.

Section 13.16 LIABILITY FOR PAYMENT-CLAIMS-PROTEST:

A seller shall determine in the first instance whether a sale is exempt under this Chapter. However, if the seller incorrectly determines that a sale is exempt, then the seller is liable to the City for the tax, just as if he had collected it. In the event that the seller determines that a transaction is not exempt, but the buyer believes the transaction to be exempt, then the seller will furnish to the buyer a form of certificate of protest, supplied by the City, which shall be filled out by the buyer and delivered to the seller with the disputed tax. The certificate shall show the respective names and addresses of the seller and the buyer, the nature of the claim of exemption and such other information as may be prescribed by the City. The seller shall remit to the City all certificates of protest delivered to him as promptly as possible but in any event no later than thirty (30) days after delivery of the certificate to him, together with any additional information which the seller believes to be pertinent to the determination of the issue. The City Manager, after consultation with the City Attorney, will rule on each protest and send to the buyer a notice that his claim has been allowed or disallowed within thirty (30) days of receipt of the certificate by the City. If the claim has been allowed, a refund will be remitted with the notice. In the event the claim is disallowed, the buyer may seek judicial review thereof within thirty (30) days. Unless judicial review is sought within such time, the decision of the City Manager is final.

Section 13.17 EXTENSION OF TIME:

The City Manager may, in his discretion, upon written application duly made, grant an extension of time for filing returns and remitting the tax each month to any seller, provided:

- (1) that such extension is a dire necessity for bookkeeping reasons and would avert undue hardship upon such seller, and
- (2) that such seller is not delinquent in any payment of tax or filing of returns or otherwise in violation of this Chapter, and
- (3) provided further that no such extension shall be for more than twenty-one (21) days each month.

No such extension shall be made retroactive to cover existing delinquencies.